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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2010

or

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

For the transition period from

to

Commission File Number:

1-13274

Mack-Cali Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland

22-3305147

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

343 Thornall Street, Edison, New Jersey

08837-2206

(Address of principal executive offices)

(Zip Code)

(732) 590-1000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)
company ☐

Smaller reporting

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

As of October 25, 2010, there were 79,529,859 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

MACK-CALI REALTY CORPORATION

FORM 10-Q

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MACK-CALI REALTY CORPORATION

Part I – Financial Information

Item 1. Financial Statements

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

The aforementioned financial statements should be read in conjunction with the notes to the aforementioned financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in Mack-Cali Realty Corporation’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

The results of operations for the three and nine month periods ended September 30, 2010 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

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

	September 30, 2010	December 31, 2009
ASSETS		
Rental property		
Land and leasehold interests	\$ 770,166	\$ 771,794
Buildings and improvements	3,958,379	3,948,509
Tenant improvements	457,040	456,547
Furniture, fixtures and equipment	9,380	9,358
	5,194,965	5,186,208
Less – accumulated depreciation and amortization	(1,247,577)	(1,153,223)
Net investment in rental property	3,947,388	4,032,985
Cash and cash equivalents	105,812	291,059
Investments in unconsolidated joint ventures	36,000	35,680
Unbilled rents receivable, net	124,566	119,469
Deferred charges and other assets, net	212,679	213,674
Restricted cash	18,036	20,681
Accounts receivable, net of allowance for doubtful accounts of \$2,293 and \$2,036	14,691	8,089
Total assets	\$ 4,459,172	\$ 4,721,637
LIABILITIES AND EQUITY		
Senior unsecured notes	\$ 1,433,191	\$ 1,582,434
Mortgages, loans payable and other obligations	732,969	755,003
Dividends and distributions payable	42,141	42,109
Accounts payable, accrued expenses and other liabilities	106,347	106,878
Rents received in advance and security deposits	49,713	54,693
Accrued interest payable	18,901	37,330
Total liabilities	2,383,262	2,578,447
Commitments and contingencies		
Equity:		
Mack-Cali Realty Corporation stockholders' equity:		
Preferred stock, \$0.01 par value, 5,000,000 shares authorized, 10,000 and 10,000 shares outstanding, at liquidation preference	25,000	25,000
Common stock, \$0.01 par value, 190,000,000 shares authorized, 79,528,151 and 78,969,752 shares outstanding	795	789
Additional paid-in capital	2,290,315	2,275,716
Dividends in excess of net earnings	(530,970)	(470,047)
Total Mack-Cali Realty Corporation stockholders' equity	1,785,140	1,831,458
Noncontrolling interests in subsidiaries:		
Operating Partnership	287,890	308,703
Consolidated joint ventures	2,880	3,029
Total noncontrolling interests in subsidiaries	290,770	311,732
Total equity	2,075,910	2,143,190
Total liabilities and equity	\$ 4,459,172	\$ 4,721,637

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
REVENUES				
Base rents	\$ 150,064	\$ 154,337	\$ 452,449	\$ 455,359
Escalations and recoveries from tenants	26,420	24,717	78,376	77,107
Construction services	16,475	7,761	49,694	16,466
Real estate services	2,014	1,808	5,660	6,450
Other income	2,983	3,524	9,145	9,874
Total revenues	197,956	192,147	595,324	565,256
EXPENSES				
Real estate taxes	24,913	23,450	72,986	70,015
Utilities	20,831	17,951	57,066	54,604
Operating services	27,345	24,588	84,099	78,849
Direct construction costs	15,884	7,337	47,588	15,347
General and administrative	8,992	9,816	26,064	30,524
Depreciation and amortization	47,978	51,377	143,942	148,460
Total expenses	145,943	134,519	431,745	397,799
Operating income	52,013	57,628	163,579	167,457
OTHER (EXPENSE) INCOME				
Interest expense	(36,941)	(35,744)	(113,347)	(101,445)
Interest and other investment income	34	166	73	549
Equity in earnings (loss) of unconsolidated joint ventures	475	635	213	(6,401)
Gain on reduction of other obligations	--	--	--	1,693
Total other (expense) income	(36,432)	(34,943)	(113,061)	(105,604)
Income from continuing operations	15,581	22,685	50,518	61,853
Discontinued Operations:				
Income from discontinued operations	--	104	242	158
Realized gains (losses) and unrealized losses on disposition of rental property, net	--	--	4,447	--
Total discontinued operations, net	--	104	4,689	158
Net income	15,581	22,789	55,207	62,011
Noncontrolling interest in consolidated joint ventures	108	213	281	980
Noncontrolling interest in Operating Partnership	(2,150)	(3,399)	(7,047)	(9,905)
Noncontrolling interest in discontinued operations	--	(16)	(668)	(24)
Preferred stock dividends	(500)	(500)	(1,500)	(1,500)
Net income available to common shareholders	\$ 13,039	\$ 19,087	\$ 46,273	\$ 51,562
Basic earnings per common share:				
Income from continuing operations	\$ 0.16	\$ 0.24	\$ 0.53	\$ 0.71
Discontinued operations	--	--	0.05	--
Net income available to common shareholders	\$ 0.16	\$ 0.24	\$ 0.58	\$ 0.71
Diluted earnings per common share:				
Income from continuing operations	\$ 0.16	\$ 0.24	\$ 0.53	\$ 0.71
Discontinued operations	--	--	0.05	--
Net income available to common shareholders	\$ 0.16	\$ 0.24	\$ 0.58	\$ 0.71
Basic weighted average shares outstanding	79,304	78,151	79,161	72,889
Diluted weighted average shares outstanding	92,464	92,245	92,467	87,106

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

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

	Preferred Stock		Common Stock		Additional	Dividends in	Noncontrolling	Total
	Shares	Amount	Shares	Par Value	Paid-In Capital	Excess of Net Earnings	Interests in Subsidiaries	Equity
Balance at January 1, 2010	10	\$25,000	78,970	\$789	\$2,275,716	\$(470,047)	\$311,732	\$2,143,190
Net income	--	--	--	--	--	47,773	7,434	55,207
Preferred stock dividends	--	--	--	--	--	(1,500)	--	(1,500)
Common stock dividends	--	--	--	--	--	(107,196)	--	(107,196)
Common unit distributions	--	--	--	--	--	--	(17,690)	(17,690)
Increase in noncontrolling interests	--	--	--	--	--	--	132	132
Redemption of common units for common stock	--	--	487	5	11,047	--	(11,052)	--
Shares issued under Dividend Reinvestment and Stock Purchase Plan	--	--	4	--	121	--	--	121
Stock options exercised	--	--	54	1	1,472	--	--	1,473
Stock compensation	--	--	13	--	2,173	--	--	2,173
Rebalancing of ownership percent between parent and subsidiaries	--	--	--	--	(214)	--	214	--
Balance at September 30, 2010	10	\$25,000	79,528	\$795	\$2,290,315	\$(530,970)	\$290,770	\$2,075,910

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

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

	Nine Months Ended September 30,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 55,207	\$ 62,011
Adjustments to reconcile net income to net cash provided by		
Operating activities:		
Depreciation and amortization, including related intangible assets	143,124	144,819
Depreciation and amortization on discontinued operations	409	1,358
Amortization of stock compensation	2,173	1,700
Amortization of deferred financing costs and debt discount	2,021	2,024
Gain on reduction of other obligations	--	(1,693)
Equity in (earnings) loss of unconsolidated joint venture, net	(213)	6,401
Realized gains on disposition of rental property	(4,447)	--
Distributions of cumulative earnings from unconsolidated joint ventures	313	2,637
Changes in operating assets and liabilities:		
Increase in unbilled rents receivable, net	(5,034)	(4,487)
Increase in deferred charges and other assets, net	(22,964)	(256)
(Increase) decrease in accounts receivable, net	(6,602)	12,670
Increase in accounts payable, accrued expenses and other liabilities	3,376	2,219
Decrease in rents received in advance and security deposits	(4,980)	(1,628)
Decrease in accrued interest payable	(18,429)	(11,209)
Net cash provided by operating activities	\$ 143,954	\$ 216,566
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to rental property and related intangibles	\$ (47,175)	\$ (57,308)
Repayment of notes receivable	--	11,441
Investment in unconsolidated joint ventures	(833)	(4,465)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	438	518
Decrease (increase) in restricted cash	1,292	(8,001)
Net cash used in investing activities	\$ (46,278)	\$ (57,815)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings from revolving credit facility	--	\$ 337,000
Repayment of revolving credit facility and money market loans	--	(498,000)
Proceeds from senior unsecured notes	--	246,238
Repayments of senior unsecured notes	\$ (150,000)	(199,724)
Proceeds from mortgages and loans payable	--	81,500
Repayment of mortgages, loans payable and other obligations	(6,032)	(9,619)
Payment of financing costs	(2,010)	(2,660)
Proceeds from offering of Common Stock	--	274,826
Proceeds from stock options exercised	1,473	421
Payment of dividends and distributions	(126,354)	(131,198)
Net cash (used in) provided for financing activities	\$ (282,923)	\$ 98,784
Net (decrease) increase in cash and cash equivalents	\$ (185,247)	\$ 257,535
Cash and cash equivalents, beginning of period	291,059	21,621
Cash and cash equivalents, end of period	\$ 105,812	\$ 279,156

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

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(unaudited)*

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, together with its subsidiaries (collectively, the “Company”), is a fully-integrated, self-administered, self-managed real estate investment trust (“REIT”) providing leasing, management, acquisition, development, construction and tenant-related services for its properties and third parties. As of September 30, 2010, the Company owned or had interests in 287 properties plus developable land (collectively, the “Properties”). The Properties aggregate approximately 32.9 million square feet, which are comprised of 275 buildings, primarily office and office/flex buildings totaling approximately 32.5 million square feet (which include 19 buildings, primarily office buildings aggregating approximately 2.1 million square feet owned by unconsolidated joint ventures in which the Company has investment interests), six industrial/warehouse buildings totaling approximately 387,400 square feet, two retail properties totaling approximately 17,300 square feet, one hotel (which is owned by an unconsolidated joint venture in which the Company has an investment interest) and three parcels of land leased to others. The Properties are located in five states, primarily in the Northeast, plus the District of Columbia.

BASIS OF PRESENTATION

The accompanying consolidated financial statements include all accounts of the Company, its majority-owned and/or controlled subsidiaries, which consist principally of Mack-Cali Realty, L.P. (the “Operating Partnership”), and variable interest entities for which the Company has determined itself to be the primary beneficiary, if any. See Note 2: Significant Accounting Policies – Investments in Unconsolidated Joint Ventures for the Company’s treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain reclassifications have been made to prior period amounts in order to conform with current period presentation.

On July 1, 2009, the Financial Accounting Standards Board (“FASB”) issued the FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, also known as FASB Accounting Standards Codification (“ASC”) 105-10, General Accepted Accounting Principles, (“ASC 105-10”). ASC 105-10 establishes the FASB Accounting Standards Codification (“Codification”) as the single source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification supersedes all existing non-SEC accounting and reporting standards. All other nongrandfathered, non-SEC accounting literature not included in the Codification will become nonauthoritative. Following the Codification, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates, which will serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification. GAAP was not intended to be changed as a result of the FASB’s Codification project, but it will change the way the guidance is organized and presented. The Company has implemented the Codification by providing references to the Codification topics, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

Rental Property

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition, development and construction of rental properties are capitalized. Pursuant to the Company's adoption of ASC 805, Business Combinations, effective January 1, 2009, acquisition-related costs are expensed as incurred. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Included in total rental property is construction, tenant improvement and development in-progress of \$67,959,000 and \$107,226,000 as of September 30, 2010 and December 31, 2009, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

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

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

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

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

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

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

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental properties held for use may be impaired. In addition to identifying any specific circumstances which may effect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management include reviewing low leased percentages, significant near-term lease expirations, recently acquired properties, current and historical operating and/or cash flow losses, near-term mortgage debt maturities or other factors that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairment may be realized in the future.

***Rental Property
Held for Sale and
Discontinued
Operations***

When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. If, in management's opinion, the estimated net sales price of the assets which have been identified as held for sale is less than the net book value of the assets, a valuation allowance is established. Properties identified as held for sale and/or disposed of are presented in discontinued operations for all periods presented.

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

***Investments in
Unconsolidated
Joint Ventures***

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. The Company applies the equity method by initially recording these investments at cost, as Investments in Unconsolidated Joint Ventures, subsequently adjusted for equity in earnings and cash contributions and distributions.

ASC 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights (“variable interest entities” or “VIEs”) and the determination of which business enterprise, if any, should consolidate the VIE (the “primary beneficiary”). Generally, the consideration of whether an entity is a VIE applies when either (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest, (2) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest.

On January 1, 2010, the Company adopted the updated provisions of ASC 810, pursuant to FASB No. 167, which amends FIN 46(R) to require ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. Additionally, FASB No. 167 amends FIN 46(R) to eliminate the quantitative approach previously required for determining the primary beneficiary of a variable interest entity, which was based on determining which enterprise absorbs the majority of the entity’s expected losses, receives a majority of the entity’s expected residual returns, or both. FASB No. 167 amends certain guidance in Interpretation 46(R) for determining whether an entity is a variable interest entity. Also, FASB No. 167 amends FIN 46(R) to require enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise’s involvement in a variable interest entity. The enhanced disclosures are required for any enterprise that holds a variable interest in a variable interest entity. The adoption of this guidance did not have a material impact to these financial statements. See Note 4: Investments in Unconsolidated Joint Ventures for disclosures regarding the Company’s unconsolidated joint ventures.

On a periodic basis, management assesses whether there are any indicators that the value of the Company’s investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management’s estimate of the value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the value of the investment. The Company’s estimates of value for each investment (particularly in commercial real estate joint ventures) are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter management’s assumptions, the values estimated by management in its impairment analyses may not be realized, and actual losses or impairment may be realized in the future. See Note 4: Investments in Unconsolidated Joint Ventures.

***Cash and Cash
Equivalents***

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

***Marketable
Securities***

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

The fair value of the marketable securities is determined using level I inputs under ASC 820, Fair Value Measurements and Disclosures. Level I inputs represent quoted prices available in an active market for identical investments as of the reporting date.

Deferred

Financing Costs Costs incurred in obtaining financing are capitalized and amortized over the term of the related indebtedness. Amortization of such costs is included in interest expense and was \$646,000 and \$681,000 for the three months ended September 30, 2010 and 2009, respectively, and \$2,021,000 and \$2,024,000 for the nine months ended September 30, 2010 and 2009, respectively.

Deferred

Leasing Costs Costs incurred in connection with leases are capitalized and amortized on a straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Company are compensated for providing leasing services to the Properties. The portion of such compensation, which is capitalized and amortized, approximated \$872,000 and \$939,000 for the three months ended September 30, 2010 and 2009, respectively and \$2,728,000 and \$2,739,000 for the nine months ended September 30, 2010 and 2009, respectively.

Derivative

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

Revenue

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

***Allowance for
Doubtful
Accounts***

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

***Income and
Other Taxes***

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

Pursuant to the amended provisions related to uncertain tax provisions of ASC 740, Income Taxes, the Company recognizes no material adjustments regarding its tax accounting treatment. The Company expects to recognize interest and penalties related to uncertain tax positions, if any, as income tax expense, which is included in general and administrative expense.

In the normal course of business, the Company or one of its subsidiaries is subject to examination by federal, state and local jurisdictions in which it operates, where applicable. As of September 30, 2010, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are generally from the year 2005 forward.

***Earnings
Per Share***

The Company presents both basic and diluted earnings per share ("EPS"). Basic EPS excludes dilution and is computed by dividing net income available to common shareholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount.

***Dividends and
Distributions
Payable***

The dividends and distributions payable at September 30, 2010 represents dividends payable to preferred shareholders (10,000 shares) and common shareholders (79,528,337 shares), and distributions payable to noncontrolling interest common unitholders of the Operating Partnership (13,007,668 common units) for all such holders of record as of October 5, 2010 with respect to the third quarter 2010. The third quarter 2010 preferred stock dividends of \$50.00 per share, common stock dividends and common unit distributions of \$0.45 per common share and unit were approved by the Board of Directors on September 15, 2010. The common stock dividends and common unit distributions payable were paid on October 8, 2010. The preferred stock dividends payable were paid on October 15, 2010.

The dividends and distributions payable at December 31, 2009 represents dividends payable to preferred shareholders (10,000 shares) and common shareholders (78,969,858 shares), and distributions payable to noncontrolling interest common unitholders of the Operating Partnership (13,495,036 common units) for all such holders of record as of January 6, 2010 with respect to the fourth quarter 2009. The fourth quarter 2009 preferred stock dividends of \$50.00 per share, common stock dividends and common unit distributions of \$0.45 per common share and unit were approved by the Board of Directors on December 8, 2009. The common stock dividends, common unit distributions and preferred stock dividends payable were paid on January 15, 2010.

***Costs Incurred
For Stock
Issuances***

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

***Stock
Compensation***

The Company accounts for stock options and restricted stock awards granted prior to 2002 using the intrinsic value method prescribed in the previously existing accounting guidance on accounting for stock issued to employees. Under this guidance, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted closing market price of the Company's stock on the business day preceding the grant date. Accordingly, no compensation cost has been recognized under the Company's stock option plans for the granting of stock options made prior to 2002. Restricted stock awards granted prior to 2002 are valued at the vesting dates of such awards with compensation cost for such awards recognized ratably over the vesting period.

In 2002, the Company adopted the provisions of ASC 718, Compensation-Stock Compensation. In 2006, the Company adopted the amended guidance, which did not have a material effect on the Company's financial position and results of operations. These provisions require that the estimated fair value of restricted stock ("Restricted Stock Awards") and stock options at the grant date be amortized ratably into expense over the appropriate vesting period. The Company recorded restricted stock expense of \$626,000, and \$517,000 for the three months ended September 30, 2010 and 2009, respectively, and \$1,869,000 and \$1,551,000 for the nine months ended September 30, 2010 and 2009, respectively.

***Other
Comprehensive
Income***

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

3. REAL ESTATE TRANSACTION

The Company's office property located at 105 Challenger Road in Ridgefield Park, New Jersey, aggregating 150,050 square feet, was collateral for a \$19.5 million mortgage loan scheduled to mature on June 6, 2010. The Company had recorded an impairment charge on the property of \$16.6 million at December 31, 2009. On June 1, 2010, the Company transferred the deed for 105 Challenger to the lender in satisfaction of its obligations. As a result, the Company recorded a gain on the disposal of the office property of approximately \$4.4 million.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

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

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

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

SOUTH PIER AT HARBORSIDE – HOTEL

The Company has a joint venture with Hyatt Corporation ("Hyatt") which owns a 350-room hotel on the South Pier at Harborside Financial Center, Jersey City, New Jersey. The Company owns a 50 percent interest in the venture.

The venture has a mortgage loan with a balance as of September 30, 2010 of \$66.5 million collateralized by the hotel property. The loan carries an interest rate of 6.15 percent and matures in November 2016. The venture has a loan with a balance as of September 30, 2010 of \$5.9 million with the City of Jersey City, provided by the U.S. Department of Housing and Urban Development. The loan currently bears interest at fixed rates ranging from 6.09 percent to 6.62 percent and matures in August 2020. The Company has posted a \$5.9 million letter of credit in support of this loan, half of which is indemnified by Hyatt.

RED BANK CORPORATE PLAZA

The Company has a joint venture with The PRC Group, which owns Red Bank Corporate Plaza, a 92,878 square foot office building located in Red Bank, New Jersey. The property is fully leased to Hovnanian Enterprises, Inc. through September 30, 2017. The Company holds a 50 percent interest in the venture.

The venture has a loan in an amount not to exceed \$22.0 million with a commercial bank collateralized by the office property. The loan (with a balance as of September 30, 2010 of \$20.5 million), carries an interest rate of the London Interbank Offered Rate ("LIBOR") plus 125 basis points and matures in April 2011. LIBOR was 0.26 percent at September 30, 2010. On January 26, 2010, the venture sold a vacant land parcel it had owned for approximately \$1.7 million.

The Company performs management, leasing and other services for the property owned by the joint venture and recognized \$24,000 and \$25,100 in fees for such services during the three months ended September 30, 2010 and 2009, respectively, and \$72,000 and \$73,000 for the nine months ended September 30, 2010 and 2009, respectively.

MACK-GREEN-GALE LLC/GRAMERCY AGREEMENT

On May 9, 2006, the Company entered into a joint venture, Mack-Green-Gale LLC and subsidiaries ("Mack-Green"), with SL Green, pursuant to which Mack-Green held an approximate 96 percent interest in and acted as general partner of Gale SLG NJ Operating Partnership, L.P. (the "OPLP"). The Company's acquisition cost for its interest in Mack-Green was approximately \$125 million, which was funded primarily through borrowing under the Company's revolving credit facility. At the time, the OPLP owned 100 percent of entities ("Property Entities") which owned 25 office properties (the "OPLP Properties") which aggregated 3.5 million square feet (consisting of 17 office properties aggregating 2.3 million square feet located in New Jersey and eight properties aggregating 1.2 million square feet located in Troy, Michigan). In December 2007, the OPLP sold its eight properties located in Troy, Michigan for \$83.5 million. The venture recognized a loss of approximately \$22.3 million from the sale.

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

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

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

Substantially all of the OPLP Properties were encumbered by mortgage loans with an aggregate outstanding principal balance of \$276.3 million at March 31, 2009. \$185.0 million of the mortgage loans bore interest at a weighted average fixed interest rate of 6.26 percent per annum and matured at various times through May 2016.

Six of the OPLP Properties (the "Portfolio Properties") were encumbered by \$90.3 million of mortgage loans which bore interest at a floating rate of LIBOR plus 275 basis points per annum and were scheduled to mature in May 2009. The floating rate mortgage loans were provided to the six entities which owned the Portfolio Properties (collectively, the "Portfolio Entities") by Gramercy, which was a related party of SL Green. Based on the venture's anticipated holding period pertaining to the Portfolio Properties, the venture believed that the carrying amounts of these properties may not have been recoverable at December 31, 2008. Accordingly, as the venture determined that its carrying value of these properties exceeded the estimated fair value, it recorded an impairment charge of approximately \$32.3 million as of December 31, 2008.

On April 29, 2009, the Company acquired the remaining interests in Mack-Green from SL Green. As a result, the Company owns 100 percent of Mack-Green. Additionally, on April 29, 2009, the mortgage loans with Gramercy on the Portfolio Properties (the "Gramercy Agreement") were modified to provide for, among other things, interest to accrue at the current rate of LIBOR plus 275 basis points per annum, with the interest pay rate capped at 3.15 percent per annum. Under the Gramercy Agreement, the payment of debt service is subordinate to the payment of operating expenses. Interest at the pay rate is payable only out of funds generated by the Portfolio Properties and only to the extent that the Portfolio Properties' operating expenses have been paid, with any accrued unpaid interest above the pay rate serving to increase the balance of the amounts due at the termination of the agreement. Any excess funds after payment of debt service generally will be escrowed and available for future capital and leasing costs, as well as to cover future cash flow shortfalls, as appropriate. The Gramercy Agreement terminates on May 9, 2011. Approximately six months in advance of the end of the term of the Gramercy Agreement, the Portfolio Entities are to provide estimates of each property's fair market value ("FMV"). Gramercy has the right to accept or reject the FMV. If Gramercy rejects the FMV, Gramercy must market the property for sale in cooperation with the Portfolio Entities and must approve the ultimate sale. However, Gramercy has no obligation to market a Portfolio Property if the FMV is less than the allocated amount due, including accrued, unpaid interest. If any Portfolio Property is not sold, the Portfolio Entities have agreed to give a deed in lieu of foreclosure, unless the FMV was equal to or greater than the allocated amount due for such Portfolio Property, in which case they can elect to have that Portfolio Property released by paying the FMV. If Gramercy accepts the FMV, the Portfolio Property will be released from the Gramercy Agreement upon payment of the FMV. Under the direction of Gramercy, the Company continues to perform management, leasing, and construction services for the Portfolio Properties at market terms. The Portfolio Entities have a participation interest which provides for sharing 50 percent of any amount realized in excess of the allocated amounts due for each Portfolio Property.

As the Company acquired SL Green's interests in Mack-Green, the Company owns 100 percent of Mack-Green and is consolidating Mack-Green as of the closing date. Mack-Green, in turn, has been and will continue consolidating the OPLP as Mack-Green's approximate 96 percent, general partner ownership interest in the OPLP remained unchanged as of the closing date. Additionally, as of the closing date, the OPLP continues to consolidate its Property Entities which own 11 office properties aggregating 1.5 million square feet as its 100-percent ownership and rights regarding these entities were unchanged in the transaction. The OPLP will not be consolidating the Portfolio Entities that own six office properties, aggregating 786,198 square feet, as the Gramercy Agreement is considered a reconsideration event under the provisions of ASC 810, Consolidation, and accordingly, the Portfolio Entities were deemed to be variable interest entities for which the OPLP was not considered the primary beneficiary based on the Gramercy Agreement as described above. As a result of the SLG Transactions, the Company has an unconsolidated joint venture interest in the Portfolio Properties.

On March 31, 2010, the venture sold one of its unconsolidated Portfolio Properties subject to the Gramercy Agreement, 1280 Wall Street West, a 121,314 square foot office property, located in Lyndhurst, New Jersey, for approximately \$13.9 million, which was primarily used to pay down mortgage loans pursuant to the Gramercy Agreement.

The Company performs management, leasing, and construction services for properties owned by the unconsolidated joint ventures and recognized \$223,000 and \$299,000 in income (net of \$0 and \$0 in direct costs) for such services in the three months ended September 30, 2010 and 2009, respectively, and \$690,000 and \$1.9 million in income (net of \$0 and \$1.1 million in direct costs) for the nine months ended September 30, 2010 and 2009, respectively.

GE/GALE FUNDING LLC (Princeton Forrestal Village)

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

On May 9, 2006, as part of the Gale/Green transactions, the Company acquired from a Gale Affiliate for \$1.8 million a 50 percent controlling interest in GMW Village Associates, LLC (“GMW Village”). The Company consolidates GMW Village, which includes accounts for investments in unconsolidated joint venture and noncontrolling interests in consolidated joint ventures, with any profit and loss recorded in equity in earnings (loss) and noncontrolling interests. GMW Village holds a 20 percent interest in GE/Gale Funding LLC (“GE Gale”). GE Gale owns a 100 percent interest in the entity owning Princeton Forrestal Village, a mixed-use, office/retail complex aggregating 527,015 square feet and located in Plainsboro, New Jersey (“Princeton Forrestal Village” or “PFV”).

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

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

GE Gale has a mortgage loan with a balance of \$49.9 million at September 30, 2010. The loan bears interest at a rate of LIBOR plus 275 basis points and matures on January 9, 2011.

The Company performs management, leasing, and other services for PFV and recognized \$371,000 and \$236,000 in income for such services in the three months ended September 30, 2010 and 2009, respectively, and \$992,000 and \$758,000 in income for the nine months ended September 30, 2010 and 2009, respectively.

GALE KIMBALL, L.L.C.

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

The operating agreement of M-C Kimball provides, among other things, for the Gale Participation Rights (of which Mark Yeager, a former executive vice president of the Company, has a direct 26 percent interest).

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

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

- (i) first, to JPM, such that JPM is provided with an annual 12 percent compound preferred return on Preferred Equity Capital Contributions (as such term is defined in the operating agreement of 100 Kimball and largely comprised of development and construction costs);
- (ii) second, to JPM, as return of Preferred Equity Capital Contributions until complete repayment of such Preferred Equity Capital Contributions;
- (iii) third, to each of JPM and Gale Kimball in proportion to their respective membership interests until each member is provided, as a result of such distributions, with an annual twelve percent compound return on the Member's Capital Contributions (as defined in the operating agreement of 100 Kimball, and excluding Preferred Equity Capital Contributions, if any); and
- (iv) fourth, 50 percent to each of JPM and Gale Kimball.

On September 21, 2007, 100 Kimball obtained a \$47 million mortgage loan which bore interest at a rate of 5.95 percent and was scheduled to mature in September 2012. On December 30, 2009 the venture paid the lender \$40 million to satisfy the debt and recorded a gain of \$7.0 million (of which the Company's share of \$579,000 is included in equity in earnings for the year ended December 31, 2009). Concurrently, 100 Kimball obtained a \$32 million mortgage loan that bears interest at a rate of the greater of LIBOR plus 400 basis points, or 5.50 percent. The loan matures on January 10, 2013 with two one-year extension options, subject to certain conditions and payment of a fee.

The Company performs management, leasing, and other services for the property owned by 100 Kimball for which it recognized \$71,000 and \$59,000 in income for the three months ended September 30, 2010 and 2009, respectively, and \$213,300 and \$181,000 in income for the nine months ended September 30, 2010 and 2009, respectively.

12 VREELAND ASSOCIATES, L.L.C.

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

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

The office property at 12 Vreeland is a 139,750 square foot office building. The property is subject to a fully-amortizing mortgage loan, which matures on July 1, 2012, and bears interest at 6.9 percent per annum. As of September 30, 2010 the outstanding balance on the mortgage note was \$3.8 million.

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

BOSTON-DOWNTOWN CROSSING

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

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

On or about September 16, 2008, Vornado JV LLC was reorganized in contemplation of developing and converting the Filenes property into a condominium consisting of a retail unit, an office unit, a parking unit, a hotel unit and a residential unit. Pursuant to this reorganization, (i) the Company and Gale/426 formed a new joint venture ("M-C/Gale JV II LLC") and (ii) M-C/Gale JV II LLC and Washington Street Realty Member II LLC ("JPM II") formed a new joint venture ("JPM JV II LLC") to invest in a new joint venture ("Vornado JV II LLC") with Vornado RTR DC LLC, an affiliate of Vornado Realty, LP ("Vornado II"). Following this reorganization, Vornado JV LLC owns the interests in the retail unit and the office unit (the "Filenes Office/Retail Component") and Vornado JV II LLC owns the interests in the parking unit, the hotel unit and the residential unit ("the Filenes Hotel/Residential/Parking Component"). In connection with the foregoing, (a) the Limited Liability Company Agreement of Vornado JV LLC, as amended, was amended and restated to reflect, among other things, the change in the ownership structure described above, (b) the Limited Liability Company Agreement of JPM JV LLC was amended and restated to reflect, among other things, the change in the ownership structure described above and (c) the Limited Liability Company Agreement of M-C/Gale JV LLC was amended and restated to reflect, among other things, the change in the ownership structure described above.

As a result of the foregoing transactions, (A) (i) the Filenes Office/Retail Component is owned by Vornado JV LLC, (ii) Vornado JV LLC is owned 50 percent by each of Vornado and JPM JV LLC, (iii) JPM JV LLC is owned 30 percent by M-C/Gale JV LLC, 70 percent by JPM and managed by Gale/426, which has no ownership interest in JPM JV LLC, and (iv) M-C/Gale JV LLC is owned 99.99 percent by the Company and 0.01 percent by Gale/426 and (B) (i) the Filenes Hotel/Residential/Parking Component is owned by Vornado JV II LLC, (ii) Vornado JV II LLC is owned 50 percent by each of Vornado II and JPM JV II LLC, (iii) JPM JV II LLC is owned 30 percent by M-C/Gale JV II LLC, 70 percent by JPM II and managed by Gale/426, which has no ownership interest in JPM JV II LLC, and (iv) M-C/Gale JV II LLC is owned 99.99 percent by the Company and 0.01 percent by Gale/426. Thus, the Company holds approximately a 15 percent indirect ownership interest in each of Vornado JV LLC and Vornado JV II LLC and the Filenes Property.

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

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

The joint venture has suspended its plans for the development of the Filenes Property which was to include approximately 1.2 million square feet consisting of office, retail, condominium apartments, hotel and a parking garage. The project is subject to governmental approvals. The venture recorded an impairment charge of approximately \$69.5 million on its development project as of December 31, 2008.

GALE JEFFERSON, L.L.C.

On August 22, 2007, the Company entered into a joint venture with a Gale Affiliate to form M-C Jefferson, L.L.C. ("M-C Jefferson"). M-C Jefferson was formed for the sole purpose of acquiring a Gale Affiliate's 33.33 percent membership interest in Gale Jefferson, L.L.C. ("Gale Jefferson"), an entity holding a 25 percent interest in One Jefferson Road LLC ("One Jefferson"), which developed and placed in service a 100,000 square foot office property at One Jefferson Road, Parsippany, New Jersey, ("the Jefferson Property"). The property has been fully leased to a single tenant through August 2025.

The operating agreement of M-C Jefferson provides, among other things, for the Gale Participation Rights (of which Mark Yeager, a former executive vice president of the Company, has a direct 26 percent interest). Gale Jefferson is owned 33.33 percent by M-C Jefferson and 66.67 percent by the Hampshire Generational Fund, L.L.C. ("Hampshire"). The operating agreements of Gale Jefferson provides, among other things, for the distribution of net cash flow, first, in accordance with its member's respective interests until each member is provided, as a result of such distributions, with an annual 12 percent compound return on the Member's Capital Contributions, as defined in the operating agreement and secondly, 50 percent to each of the Company and Hampshire.

One Jefferson has a loan in an amount not to exceed \$21 million (with a balance of \$19.6 million at September 30, 2010), bearing interest at a rate of LIBOR plus 160 basis points and maturing on October 24, 2011.

The Company performs management, leasing and other services for Gale Jefferson and recognized \$336,000 and \$0 in income (net of \$1.3 million and \$123,000 in direct costs) for such services for the three months ended September 30, 2010 and 2009, respectively, and \$467,500 and \$188,000 in income (net of \$5.3 million and \$587,000 in direct costs) for the nine months ended September 30, 2010 and 2009, respectively.

ROUTE 93 MASTER LLC ("Route 93 Participant")/ROUTE 93 BEDFORD MASTER LLC (with the Route 93 Participant, collectively, the "Route 93 Venture")

On June 1, 2006, the Route 93 Venture was formed between the Route 93 Participant, a majority-owned subsidiary of the Company, having a 30 percent interest and the Commingled Pension Trust Fund (Special Situation Property) of JPMorgan Chase Bank having a 70 percent interest, for the purpose of acquiring seven office buildings, aggregating 666,697 square feet, located in the towns of Andover, Bedford and Billerica, Massachusetts. Profits and losses were shared by the partners in proportion to their respective interests until the investment yielded an 11 percent IRR, then sharing shifted to 40/60, and when the IRR reached 15 percent, then sharing shifted to 50/50. The Route 93 Participant is a joint venture between the Company and a Gale affiliate. Profits and losses were shared by the partners under this venture in proportion to their respective interests (83.3/16.7) until the investment yielded an 11 percent IRR, then sharing shifted to 50/50.

On March 31, 2009, on account of the deterioration at the time in the commercial real estate markets in the Boston area, the Company wrote off its investment in the venture and recorded an impairment charge in equity in earnings (loss) of \$4.0 million (of which \$0.6 million was attributable to noncontrolling interest in consolidated joint ventures) during the period. The Route 93 Ventures had a mortgage loan with a \$44.2 million balance at September 1, 2009 collateralized by its office properties. The loan bore interest at a rate of LIBOR plus 220 basis points and was scheduled to mature on July 11, 2009. On September 2, 2009, the venture transferred the deeds to the lender in satisfaction of its obligations.

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of September 30, 2010 and December 31, 2009. (dollars in thousands)

	September 30, 2010									
	Plaza VIII & IX Associates	Harborside South Pier	Red Bank Corporate Plaza	Gramercy Agreement	Princeton Forrestal Village	Gale Kimball	12 Vreeland	Boston- Downtown Crossing	Gale Jefferson	Combined Total
Assets:										
Rental property, net	\$ 9,100	\$ 65,595	\$ 23,782	\$ 66,869	\$ 36,708	--	\$ 14,375	--	--	\$ 216,429
Other assets	836	9,712	5,985	9,700	20,954	\$ 1,879	889	\$ 46,216	\$ 2,353	98,524
Total assets	\$ 9,936	\$ 75,307	\$ 29,767	\$ 76,569	\$ 57,662	\$ 1,879	\$ 15,264	\$ 46,216	\$ 2,353	\$ 314,953
Liabilities and partners'/members' capital (deficit):										
Mortgages, loans payable and other obligations	--	\$ 72,426	\$ 20,509	\$ 77,758	\$ 49,866	--	\$ 3,841	--	--	\$ 224,400
Other liabilities	\$ 533	4,106	30	2,218	2,458	--	--	--	--	9,345
Partners'/members' capital (deficit)	9,403	(1,225)	9,228	(3,407)	5,338	\$ 1,879	11,423	\$ 46,216	\$ 2,353	81,208
Total liabilities and partners'/members' capital (deficit)	\$ 9,936	\$ 75,307	\$ 29,767	\$ 76,569	\$ 57,662	\$ 1,879	\$ 15,264	\$ 46,216	\$ 2,353	\$ 314,953
Company's investment in unconsolidated joint ventures, net	\$ 4,624	\$ 593	\$ 4,452	--	\$ 1,320	\$ 1,221	\$ 9,743	\$ 13,085	\$ 962	\$ 36,000

	December 31, 2009									
	Plaza VIII & IX Associates	Harborside South Pier	Red Bank Corporate Plaza	Gramercy Agreement	Princeton Forrestal Village	Gale Kimball	12 Vreeland	Boston- Downtown Crossing	Gale Jefferson	Combined Total
Assets:										
Rental property, net	\$ 9,560	\$ 61,836	\$ 24,884	\$ 73,037	\$ 38,739	--	\$ 15,265	--	--	\$ 223,321
Other assets	997	15,255	4,623	8,631	21,937	\$ 1,998	1,068	\$ 45,884	\$ 1,780	102,173
Total assets	\$ 10,557	\$ 77,091	\$ 29,507	\$ 81,668	\$ 60,676	\$ 1,998	\$ 16,333	\$ 45,884	\$ 1,780	\$ 325,494
Liabilities and partners'/members' capital (deficit):										
Mortgages, loans payable and other obligations	--	\$ 73,553	\$ 20,764	\$ 90,288	\$ 51,187	--	\$ 5,007	--	--	\$ 240,799
Other liabilities	\$ 532	4,374	162	2,589	3,830	--	--	--	--	11,487
Partners'/members' capital (deficit)	10,025	(836)	8,581	(11,209)	5,659	\$ 1,998	11,326	\$ 45,884	\$ 1,780	73,208
Total liabilities and partners'/members' capital (deficit)	\$ 10,557	\$ 77,091	\$ 29,507	\$ 81,668	\$ 60,676	\$ 1,998	\$ 16,333	\$ 45,884	\$ 1,780	\$ 325,494
Company's investment in unconsolidated joint ventures, net	\$ 4,935	\$ 860	\$ 4,104	--	\$ 1,211	\$ 1,259	\$ 9,599	\$ 12,948	\$ 764	\$ 35,680

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three months ended September 30, 2010 and 2009. (dollars in thousands)

Three Months Ended September 30, 2010												
	Plaza VIII & IX	Harborside	Red Bank Corporate	M-G-	Gramercy	Princeton Forrestal	Gale	12	Boston- Downtown	Gale	Route 93	Combined
	Associates	South Pier	Plaza	G	Agreement	Village	Kimball	Vreeland	Crossing	Jefferson	Portfolio	Total
Total revenues	\$ 221	\$ 9,916	\$ 827	--	\$ 2,692	\$ 3,149	\$ 66	\$ 603	--	--	--	\$ 17,474
Operating and other	(58)	(6,751)	(263)	--	(1,464)	(1,954)	--	(57)	\$ (381)	\$ 16	--	(10,912)
Depreciation and amortization	(154)	(1,307)	(225)	--	(1,106)	(790)	--	(316)	--	--	--	(3,898)
Interest expense	--	(1,134)	(83)	--	(606)	(422)	--	(72)	--	--	--	(2,317)
Net income	\$ 9	\$ 724	\$ 256	--	\$ (484)	\$ (17)	\$ 66	\$ 158	\$ (381)	\$ 16	--	\$ 347
Company's equity in earnings (loss) of unconsolidated joint ventures	\$ 5	\$ 361	\$ 128	--	--	\$ (11)	\$ 22	\$ 79	\$ (114)	\$ 5	--	\$ 475

Three Months Ended September 30, 2009												
	Plaza VIII & IX	Harborside	Red Bank Corporate	M-G-	Gramercy	Princeton Forrestal	Gale	12	Boston- Downtown	Gale	Route 93	Combined
	Associates	South Pier	Plaza	G	Agreement	Village	Kimball	Vreeland	Crossing	Jefferson	Portfolio	Total
Total revenues	\$ 232	\$ 9,334	\$ 808	\$ 3,213	--	\$ 2,856	\$ 3	\$ 594	--	--	\$ 466	\$ 17,506
Operating and other	(52)	(6,112)	(230)	(1,924)	--	(1,976)	--	(12)	\$ (706)	--	(516)	(11,528)
Depreciation and amortization	(153)	(1,045)	(153)	(1,211)	--	(842)	--	(128)	--	--	(297)	(3,829)
Interest expense	--	(1,154)	(85)	(781)	--	(436)	--	(106)	--	--	(38)	(2,600)
Net income	\$ 27	\$ 1,023	\$ 340	\$ (703)	--	\$ (398)	\$ 3	\$ 348	\$ (706)	--	\$ (385)	\$ (451)
Company's equity in earnings (loss) of unconsolidated joint ventures	\$ 13	\$ 511	\$ 170	--	--	\$ (87)	\$ 66	\$ 174	\$ (212)	--	--	\$ 635

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the nine months ended September 30, 2010 and 2009. (dollars in thousands)

Nine Months Ended September 30, 2010												
	Plaza VIII & IX	Harborside	Red Bank Corporate	M-G-	Gramercy	Princeton Forrestal	Gale	12	Boston- Downtown	Gale	Route 93	Combined
	Associates	South Pier	Plaza	G	Agreement	Village	Kimball	Vreeland	Crossing	Jefferson	Portfolio	Total
Total revenues	\$ 673	\$ 24,300	\$ 3,407	--	\$ 17,200	\$ 9,577	\$ 188	\$ 1,593	--	--	--	\$ 56,938
Operating and other	(154)	(17,627)	(694)	--	(4,453)	(5,515)	--	(147)	\$ (890)	\$ (136)	--	(29,616)
Depreciation and amortization	(460)	(3,742)	(676)	--	(3,058)	(2,509)	--	(947)	--	--	--	(11,392)
Interest expense	--	(3,320)	(252)	--	(1,887)	(1,274)	--	(211)	--	--	--	(6,944)
Net income	\$ 59	\$ (389)	\$ 1,785	--	\$ 7,802	\$ 279	\$ 188	\$ 288	\$ (890)	\$ (136)	--	\$ 8,986
Company's equity in earnings (loss) of unconsolidated joint ventures	\$ 30	\$ (267)	\$ 511	--	--	\$ 36	\$ 64	\$ 144	\$ (267)	\$ (38)	--	\$ 213

Nine Months Ended September 30, 2009												
	Plaza VIII & IX	Harborside	Red Bank Corporate	M-G-G	Gramercy	Princeton Forrestal	Gale	12	Boston- Downtown	Gale	Route 93	Combined
	Associates	South Pier	Plaza		Agreement	Village	Kimball	Vreeland	Crossing	Jefferson	Portfolio	Total
Total revenues	\$ 619	\$ 25,002	\$ 2,421	\$ 22,851	--	\$ 9,262	\$ 38	\$ 1,786	--	--	\$ 2,153	\$ 64,132
Operating and other	(146)	(16,921)	(688)	(10,052)	--	(5,149)	--	(47)	\$ (9,564)	--	(2,487)	(45,054)

Depreciation and amortization	(459)	(3,130)	(450)	(8,466)	--	(3,074)	--	(383)	--	--	(1,206)	(17,168)
Interest expense	--	(3,459)	(257)	(6,057)	--	(1,361)	--	(340)	--	--	(649)	(12,123)
<hr/>												
Net income	\$ 14	\$ 1,492	\$ 1,026	\$ (1,724)	--	\$ (322)	\$ 38	\$ 1,016	\$ (9,564)	--	\$ (2,189)	\$ (10,213)
<hr/>												
Company's equity in earnings (loss) of unconsolidated joint ventures	\$ 7	\$ 2,008	\$ 513	\$ (916)	--	\$ (159)	\$ 107	\$ 508	\$ (4,115)	--	\$ (4,354)	\$ (6,401)
<hr/>												

5. DEFERRED CHARGES AND OTHER ASSETS

<i>(dollars in thousands)</i>	September 30, 2010	December 31, 2009
Deferred leasing costs	\$234,599	\$229,725
Deferred financing costs	28,743	26,733
	263,342	256,458
Accumulated amortization	(123,729)	(119,267)
Deferred charges, net	139,613	137,191
In-place lease values, related intangible and other assets, net	38,140	49,180
Prepaid expenses and other assets, net	34,926	27,303
Total deferred charges and other assets, net	\$212,679	\$213,674

6. DISCONTINUED OPERATIONS

On June 1, 2010, the Company disposed of its 150,050 square foot office property located at 105 Challenger Road in Ridgefield Park, New Jersey and recorded a gain on the disposal of the office property of approximately \$4.4 million. The Company has presented this property as discontinued operations in its statement of operations for all periods presented.

The following table summarizes income from discontinued operations and the related realized gains (losses) and unrealized losses on disposition of rental property, net, for the three and nine month periods ended September 30, 2010 and 2009: *(dollars in thousands)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Total revenues	--	\$1,470	\$2,255	\$4,365
Operating and other expenses	--	(610)	(1,173)	(1,946)
Depreciation and amortization	--	(453)	(409)	(1,358)
Interest expense (net of interest income)	--	(303)	(431)	(903)
Income from discontinued operations before gains (losses) and unrealized losses on disposition of rental property	--	104	242	158
Realized gains (losses) and unrealized losses on disposition of rental property, net	--	--	4,447	--
Total discontinued operations, net	--	\$ 104	\$4,689	\$ 158

7. SENIOR UNSECURED NOTES

A summary of the Company's senior unsecured notes as of September 30, 2010 and December 31, 2009 is as follows (*dollars in thousands*):

	September 30, 2010	December 31, 2009	Effective Rate (1)
5.050% Senior Unsecured Notes, due April 15, 2010 (2)	--	\$149,984	5.265%
7.835% Senior Unsecured Notes, due December 15, 2010	\$ 15,000	15,000	7.950%
7.750% Senior Unsecured Notes, due February 15, 2011	299,944	299,814	7.930%
5.250% Senior Unsecured Notes, due January 15, 2012	99,744	99,599	5.457%
6.150% Senior Unsecured Notes, due December 15, 2012	93,823	93,455	6.894%
5.820% Senior Unsecured Notes, due March 15, 2013	25,834	25,751	6.448%
4.600% Senior Unsecured Notes, due June 15, 2013	99,923	99,901	4.742%
5.125% Senior Unsecured Notes, due February 15, 2014	200,809	200,989	5.110%
5.125% Senior Unsecured Notes, due January 15, 2015	149,602	149,533	5.297%
5.800% Senior Unsecured Notes, due January 15, 2016	200,408	200,464	5.806%
7.750% Senior Unsecured Notes, due August 15, 2019	248,104	247,944	8.017%
Total Senior Unsecured Notes	\$1,433,191	\$1,582,434	

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

(2) These notes were paid at maturity on April 15, 2010.

8. UNSECURED REVOLVING CREDIT FACILITY

The Company has a \$775 million unsecured credit facility (expandable to \$800 million) with a group of 23 Lenders. The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) is LIBOR plus 55 basis points at the BBB/Baa2 pricing level. In June 2010, the Company exercised its option to extend the credit facility for one year to June 2012 and paid the \$1,162,500 extension fee.

The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to \$300 million at interest rates less than the current LIBOR plus 55 basis point spread. The Company may also elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The unsecured facility also requires a 15 basis point facility fee on the current borrowing capacity payable quarterly in arrears.

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

Operating Partnership's Unsecured Debt Ratings: S&P Moody's/Fitch (a)	Interest Rate – Applicable Basis Points Above LIBOR	Facility Fee Basis Points
No ratings or less than BBB-/Baa3/BBB-	100.0	25.0
BBB-/Baa3/BBB-	75.0	20.0
BBB/Baa2/BBB (current)	55.0	15.0
BBB+/Baa1/BBB+	42.5	15.0
A-/A3/A- or higher	37.5	12.5

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

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the facility described below, or (ii) the property dispositions are completed while the Company is under an event of default under the facility, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest coverage and certain investment limitations. The dividend restriction referred to above provides that, if an event of default has occurred and is continuing, the Company will not make any excess distributions with respect to common stock or other common equity interests except to enable the Company to continue to qualify as a REIT under the Code.

The lending group for the credit facility consists of: JPMorgan Chase Bank, N.A., as administrative agent (the “Agent”); Bank of America, N.A. as syndication agent; Scotiabanc, Inc., Wachovia Bank, National Association; and Wells Fargo Bank, National Association, as documentation agents; SunTrust Bank, as senior managing agent; US Bank National Association, Citicorp North America, Inc.; and PNC Bank National Association, as managing agents; and Bank of China, New York Branch; The Bank of New York; Chevy Chase Bank, F.S.B.; The Royal Bank of Scotland PLC; Mizuho Corporate Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Successor by merger to UFJ Bank Limited); North Fork Bank; Bank Hapoalim B.M.; Comerica Bank; Chang Hwa Commercial Bank, Ltd., New York Branch; First Commercial Bank, New York Agency; Mega International Commercial Bank Co. Ltd., New York Branch; Deutsche Bank Trust Company Americas and Hua Nan Commercial Bank, New York Agency, as participants.

As of September 30, 2010 and December 31, 2009, the Company had no outstanding borrowings under its unsecured revolving credit facility.

MONEY MARKET LOAN

The Company has an agreement with JPMorgan Chase Bank to participate in a noncommitted money market loan program (“Money Market Loan”). The Money Market Loan is an unsecured borrowing of up to \$75 million arranged by JPMorgan Chase Bank with maturities of 30 days or less. The rate of interest on the Money Market Loan borrowing is set at the time of each borrowing. As of September 30, 2010 and December 31, 2009, the Company had no outstanding borrowings under the Money Market Loan.

9. MORTGAGES, LOANS PAYABLE AND OTHER OBLIGATIONS

The Company has mortgages, loans payable and other obligations which primarily consist of various loans collateralized by certain of the Company’s rental properties. As of September 30, 2010, 31 of the Company’s properties, with a total book value of approximately \$973,581,000, are encumbered by the Company’s mortgages and loans payable. Payments on mortgages, loans payable and other obligations are generally due in monthly installments of principal and interest, or interest only.

A summary of the Company's mortgages, loans payable and other obligations as of September 30, 2010 and December 31, 2009 is as follows: (dollars in thousands)

Property Name	Lender	Effective Interest Rate (a)	September 30, 2010	December 31, 2009	Maturity
105 Challenger Road (b)	Archon Financial CMBS	6.235%	--	\$ 19,408	--
2200 Renaissance Boulevard	Wachovia CMBS	5.888%	\$ 16,285	16,619	12/01/12
Soundview Plaza	Morgan Stanley Mortgage Capital	6.015%	16,223	16,614	01/01/13
9200 Edmonston Road	Principal Commercial Funding L.L.C.	5.534%	4,687	4,804	05/01/13
6305 Ivy Lane	John Hancock Life Insurance Co.	5.525%	6,531	6,693	01/01/14
395 West Passaic	State Farm Life Insurance Co.	6.004%	11,389	11,735	05/01/14
6301 Ivy Lane	John Hancock Life Insurance Co.	5.520%	6,152	6,297	07/01/14
35 Waterview Boulevard	Wachovia CMBS	6.348%	19,411	19,613	08/11/14
6 Becker, 85 Livingston, 75 Livingston & 20 Waterview	Wachovia CMBS	10.220%	61,013	60,409	08/11/14
4 Sylvan	Wachovia CMBS	10.190%	14,385	14,357	08/11/14
10 Independence	Wachovia CMBS	12.440%	15,536	15,339	08/11/14
4 Becker	Wachovia CMBS	9.550%	36,885	36,281	05/11/16
5 Becker	Wachovia CMBS	12.830%	11,472	11,111	05/11/16
210 Clay	Wachovia CMBS	13.420%	11,381	11,138	05/11/16
51 Imclone	Wachovia CMBS	8.390%	3,894	3,899	05/11/16
Various (c)	Prudential Insurance	6.332%	150,000	150,000	01/15/17
23 Main Street	JPMorgan CMBS	5.587%	31,667	32,042	09/01/18
Harborside Plaza 5	The Northwestern Mutual Life Insurance Co. & New York Life Insurance Co.	6.842%	235,220	237,248	11/01/18
100 Walnut Avenue	Guardian Life Insurance Co.	7.311%	19,491	19,600	02/01/19
One River Center (d)	Guardian Life Insurance Co.	7.311%	44,650	44,900	02/01/19
581 Main Street	Valley National Bank	6.935% (e)	16,697	16,896	07/01/34
Total mortgages, loans payable and other obligations			\$732,969	\$755,003	

- (a) Reflects effective rate of debt, including deferred financing costs, comprised of the cost of terminated treasury lock agreements (if any), debt initiation costs, mark-to-market adjustment of acquired debt and other transaction costs, as applicable.
- (b) On June 1, 2010, the Company transferred the deed for 105 Challenger Road to the lender in satisfaction of its obligations.
- (c) Mortgage is collateralized by seven properties. On January 15, 2010, the Company extended the mortgage loan until January 15, 2017 at an effective interest rate of 6.33 percent.
- (d) Mortgage is collateralized by the three properties comprising One River Center.
- (e) The coupon interest rate will be reset at the end of year 10 (2019) and year 20 (2029) at 225 basis points over the 10-year treasury yield 45 days prior to the reset dates with a minimum rate of 6.875 percent.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the nine months ended September 30, 2010 and 2009 was \$127,257,000 and \$109,718,000, respectively. Interest capitalized by the Company for the nine months ended September 30, 2010 and 2009 was \$1,327,000 and \$1,104,000, respectively.

SUMMARY OF INDEBTEDNESS

As of September 30, 2010, the Company's total indebtedness of \$2,166,160,000 (weighted average interest rate of 6.81 percent) was comprised of all fixed rate debt. As of December 31, 2009, the Company's total indebtedness of \$2,337,437,000 (weighted average interest rate of 6.61 percent) was comprised of all fixed rate debt.

10. EMPLOYEE BENEFIT 401(k) PLANS

Employees of the Company, who meet certain minimum age and service requirements, are eligible to participate in the Mack-Cali Realty Corporation 401(k) Savings/Retirement Plan (the "401(k) Plan"). Eligible employees may elect to defer from one percent up to 60 percent of their annual compensation on a pre-tax basis to the 401(k) Plan, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company may make discretionary matching or profit sharing contributions to the 401(k) Plan on behalf of eligible participants in any plan year. Participants are always 100 percent vested in their pre-tax contributions and will begin vesting in any matching or profit sharing contributions made on their behalf after two years of service with the Company at a rate of 20 percent per year, becoming 100 percent vested after a total of six years of service with the Company. All contributions are allocated as a percentage of compensation of the eligible participants for the Plan year. The assets of the 401(k) Plan are held in trust and a separate account is established for each participant. A participant may receive a distribution of his or her vested account balance in the 401(k) Plan in a single sum or in installment payments upon his or her termination of service with the Company. The Company did not recognize any expense for the 401(k) Plan for each of the three months ended September 30, 2010 and 2009, respectively and for each of the nine months ended September 30, 2010 and 2009, respectively.

11. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS

Effective April 2009, the Company adopted the provisions of ASC 825, Financial Instruments, related to interim disclosures about fair value of financial instruments. The authoritative guidance requires disclosures about fair value of financial instruments in both interim and annual financial statements. It also requires those disclosures in summarized financial information at interim reporting periods.

The following disclosure of estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments at September 30, 2010 and December 31, 2009. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, marketable securities, receivables, accounts payable, and accrued expenses and other liabilities are carried at amounts which reasonably approximate their fair values as of September 30, 2010 and December 31, 2009.

The fair value of the Company's long-term debt, consisting of senior unsecured notes, an unsecured revolving credit facility and mortgages, loans payable and other obligations aggregate approximately \$2.3 billion and \$2.4 billion as compared to the book value of approximately \$2.2 billion and \$2.3 billion as of September 30, 2010 and December 31, 2009, respectively. The fair value of the Company's long-term debt is estimated on a level 2 basis (as provided by ASC 820, Fair Value Measurements and Disclosures), using a discounted cash flow analysis based on the borrowing rates currently available to the Company for loans with similar terms and maturities. The fair value of the mortgage debt and the unsecured notes was determined by discounting the future contractual interest and principal payments by a market rate.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of September 30, 2010 and December 31, 2009. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since September 30, 2010 and current estimates of fair value may differ significantly from the amounts presented herein.

12. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

Harborside Financial Center

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

The Harborside Plaza 4-A agreement, which commenced in 2002, is for a term of 20 years. The PILOT is equal to two percent of Total Project costs, as defined. Total Project costs, as defined, are \$49.5 million. The PILOT totaled \$407,000 and \$250,000 for the three months ended September 30, 2010 and 2009, respectively, and \$958,000 and \$751,000 for the nine months ended September 30, 2010 and 2009, respectively.

The Harborside Plaza 5 agreement, as amended, which commenced in 2002 upon substantial completion of the property, as defined, is for a term of 20 years. The PILOT is equal to two percent of Total Project Costs. Total Project Costs, as defined, are \$170.9 million. The PILOT totaled \$1.3 million and \$798,000 for the three months ended September 30, 2010 and 2009, respectively, and \$3.0 million and \$2.4 million for the nine months ended September 30, 2010 and 2009, respectively.

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

LITIGATION

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

GROUND LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable ground leases under which the Company is the lessee, as of September 30, 2010, are as follows: (*dollars in thousands*)

Year	Amount
October 1 through December 31, 2010	\$ 114
2011	375
2012	367
2013	351
2014	367
2015 through 2084	17,060
Total	\$18,634

Ground lease expense incurred by the Company during the three months ended September 30, 2010 and 2009 amounted to \$102,000, and \$181,000, respectively, and \$388,000 and \$550,000 for the nine months ended September 30, 2010 and 2009, respectively.

OTHER

The Company may not dispose of or distribute certain of its properties, currently comprising seven properties with an aggregate net book value of approximately \$133.8 million, which were originally contributed by certain unrelated common unitholders, without the express written consent of such common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate specific common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company's Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration of the Property Lock-Ups, the Company is generally required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the specific common unitholders, which include members of the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, director; Martin S. Berger, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, director, and John J. Cali, a former director). 130 of the Company's properties, with an aggregate net book value of approximately \$1.8 billion, have lapsed restrictions and are subject to these conditions.

The Company had been obligated to acquire from an entity (the “Florham Entity”) whose beneficial owners include Stanley C. Gale and Mark Yeager, a former executive vice president of the Company, a 50 percent interest in a venture which owns a developable land parcel in Florham Park, New Jersey (the “Florham Park Land”) for a maximum purchase price of up to \$10.5 million. In the event the acquisition of the Florham Park Land did not close by May 9, 2010, subject to certain conditions, the Florham Entity would have been obligated to pay certain deferred costs and an additional \$1 million to the Company at that time. On May 10, 2010, the parties agreed that the Company would not be obligated to purchase the land and the total amount due to the Company was reduced to \$840,000, of which \$351,000 is due in May 2015.

Sanofi-Aventis U.S. Inc. (“Sanofi”), which occupies neighboring buildings in Bridgewater, New Jersey, exercised its option to cause the Company to construct a building on its vacant, developable land and has signed a lease for the building. The lease has a term of fifteen years, subject to three five-year extension options. The construction of the 205,000 square foot building commenced in 2009 and is expected to be delivered to the tenant in January 2011. The total estimated costs of the project are expected to be approximately \$50.9 million (of which the Company has incurred \$35.1 million through September 30, 2010.)

13. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2030. Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant’s proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass-through of charges for electrical usage.

Future minimum rentals to be received under non-cancelable operating leases at September 30, 2010 are as follows(*dollars in thousands*):

Year	Amount
October 1 through December 31, 2010	\$148,490
2011	573,302
2012	520,463
2013	440,338
2014	370,387
2015 and thereafter	1,290,419
Total	\$3,343,399

14. MACK-CALI REALTY CORPORATION STOCKHOLDERS' EQUITY

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

PREFERRED STOCK

The Company has 10,000 shares of eight-percent Series C cumulative redeemable perpetual preferred stock issued and outstanding ("Series C Preferred Stock") in the form of 1,000,000 depositary shares (\$25 stated value per depositary share). Each depositary share represents 1/100th of a share of Series C Preferred Stock.

The Series C Preferred Stock has preference rights with respect to liquidation and distributions over the common stock. Holders of the Series C Preferred Stock, except under certain limited conditions, will not be entitled to vote on any matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of the Series C Preferred Stock will have the right to elect two additional members to serve on the Company's Board of Directors until dividends have been paid in full. At September 30, 2010, there were no dividends in arrears. The Company may issue unlimited additional preferred stock ranking on a parity with the Series C Preferred Stock but may not issue any preferred stock senior to the Series C Preferred Stock without the consent of two-thirds of its holders. The Series C Preferred Stock is essentially on an equivalent basis in priority with the preferred units of the Operating Partnership (See Note 15: Noncontrolling interests in subsidiaries).

The Series C Preferred Stock is redeemable at the option of the Company, in whole or in part, at \$25 per depositary share, plus accrued and unpaid dividends.

SHARE REPURCHASE PROGRAM

On September 12, 2007, the Board of Directors authorized an increase to the Company's repurchase program under which the Company was permitted to purchase up to \$150 million of the Company's outstanding common stock ("Repurchase Program"). The Company has purchased and retired 2,893,630 shares of its outstanding common stock for an aggregate cost of approximately \$104 million through September 30, 2010 under the Repurchase Program (none of which has occurred in 2009 and the nine months ended September 30, 2010.) The Company has a remaining authorization to repurchase up to an additional \$46 million of its outstanding common stock, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

STOCK OPTION PLANS

In May 2004, the Company established the 2004 Incentive Stock Plan under which a total of 2,500,000 shares have been reserved for issuance. No options have been granted through September 30, 2010 under this plan. In September 2000, the Company established the 2000 Employee Stock Option Plan ("2000 Employee Plan") and the Amended and Restated 2000 Director Stock Option Plan ("2000 Director Plan"). In May 2002, shareholders of the Company approved amendments to both plans to increase the total shares reserved for issuance under both of the 2000 plans from 2,700,000 to 4,350,000 shares of the Company's common stock (from 2,500,000 to 4,000,000 shares under the 2000 Employee Plan and from 200,000 to 350,000 shares under the 2000 Director Plan). In 1994, and as subsequently amended, the Company established the Mack-Cali Employee Stock Option Plan ("Employee Plan") and the Mack-Cali Director Stock Option Plan ("Director Plan") under which a total of 5,380,188 shares (subject to adjustment) of the Company's common stock had been reserved for issuance (4,980,188 shares under the Employee Plan and 400,000 shares under the Director Plan). As the Employee Plan and Director Plan expired in 2004, and the 2000 Employee Plan and 2000 Director Plan expired in September 2010, stock options may no longer be issued under those plans. Stock options granted under the Employee Plan in 1994 and 1995 became exercisable over a three-year period. Stock options granted under the 2000 Employee Plan and those options granted subsequent to 1995 under the Employee Plan became exercisable over a five-year period. All stock options granted under both the 2000 Director Plan and Director Plan became exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years. As of September 30, 2010 and December 31, 2009, the stock options outstanding, which were all exercisable, had a weighted average remaining contractual life of approximately 2.0 and 2.5 years, respectively.

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

	Shares Under Options	Weighted Average Exercise Price	Aggregate Intrinsic Value \$(000's)
Outstanding at January 1, 2010	352,184	\$28.74	\$2,055
Exercised	(54,408)	27.07	
Lapsed or canceled	(1,000)	26.75	
Outstanding at September 30, 2010 (\$26.31 – \$45.47)	296,776	\$29.05	\$ 1,087
Options exercisable at September 30, 2010	296,776		
Available for grant at September 30, 2010	2,500,000		

Cash received from options exercised under all stock option plans was \$960,000 and \$421,000 for the three month ended September 30, 2010 and 2009, respectively, and \$1,473,000 and \$421,000 for the nine months ended September 30, 2010 and 2009, respectively. The total intrinsic value of options exercised during the three months ended September 30, 2010 and 2009 was \$203,000 and \$102,000 respectively, and \$344,000 and \$102,000 for the nine months ended September 30, 2010 and 2009, respectively. The Company has a policy of issuing new shares to satisfy stock option exercises.

STOCK COMPENSATION

The Company has issued stock awards ("Restricted Stock Awards") to officers, certain other employees, and nonemployee members of the Board of Directors of the Company, which allow the holders to each receive a certain amount of shares of the Company's common stock generally over a one to seven-year vesting period, of which 216,802 unvested shares were outstanding as of September 30, 2010. Of the outstanding Restricted Stock Awards issued to executive officers and senior management, 137,932 are contingent upon the Company meeting certain performance goals to be set by the Executive Compensation and Option Committee of the Board of Directors of the Company each year, with the remaining based on time and service. All Restricted Stock Awards provided to the officers and certain other employees were issued under the 2000 Employee Plan and the Employee Plan. Restricted Stock Awards provided to directors were issued under the 2000 Director Plan.

Information regarding the Restricted Stock Awards is summarized below:

	Shares	Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2010	323,088	\$36.58
Granted	36,200	35.40
Vested	(119,008)	34.63
Forfeited	(23,478)	35.70
Outstanding at September 30, 2010	216,802	\$37.55

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

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

During the nine months ended September 30, 2010 and 2009, 9,411 and 12,105 deferred stock units were earned, respectively. As of September 30, 2010 and 2009, there were 81,136 and 68,556 director stock units outstanding, respectively.

EARNINGS PER SHARE

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

The following information presents the Company's results for the three months ended September 30, 2010 and 2009 in accordance with ASC 260, Earnings Per Share: (*dollars in thousands*)

	Three Months Ended September 30,	
	2010	2009
Computation of Basic EPS		
Income from continuing operations	\$ 15,581	\$ 22,685
Add: Noncontrolling interest in consolidated joint ventures	108	213
Deduct: Noncontrolling interest in operating partnership	(2,150)	(3,399)
Deduct: Preferred stock dividends	(500)	(500)
Income from continuing operations available to common shareholders	13,039	18,999
Income from discontinued operations available to common shareholders	--	88
Net income available to common shareholders	\$ 13,039	\$ 19,087
Weighted average common shares	79,304	78,151

Basic EPS:

Income from continuing operations available to common shareholders	\$ 0.16	\$ 0.24
Income from discontinued operations available to common shareholders	--	--
Net income available to common shareholders	\$ 0.16	\$ 0.24

	Three Months Ended September 30,	
	2010	2009
Computation of Diluted EPS		
Income from continuing operations available to common shareholders	\$ 13,039	\$ 18,999
Add: Income from continuing operations attributable to common units	2,150	3,399
Income from continuing operations for diluted earnings per share	15,189	22,398
Income from discontinued operations for diluted earnings per share	--	104
Net income available to common shareholders	\$ 15,189	\$ 22,502
Weighted average common shares	92,464	92,245

Diluted EPS:

Income from continuing operations available to common shareholders	\$ 0.16	\$ 0.24
Income from discontinued operations available to common shareholders	--	--
Net income available to common shareholders	\$ 0.16	\$ 0.24

The following information presents the Company's results for the nine months ended September 30, 2010 and 2009 in accordance with ASC 260, Earnings Per Share: *(dollars in thousands)*

	Nine Months Ended September 30,	
	2010	2009
Computation of Basic EPS		
Income from continuing operations	\$ 50,518	\$ 61,853
Add: Noncontrolling interest in consolidated joint ventures	281	980
Deduct: Noncontrolling interest in operating partnership	(7,047)	(9,905)
Deduct: Preferred stock dividends	(1,500)	(1,500)
Income from continuing operations available to common shareholders	42,252	51,428
Income from discontinued operations available to common shareholders	4,021	134
Net income available to common shareholders	\$ 46,273	\$ 51,562
Weighted average common shares	79,161	72,889
Basic EPS:		
Income from continuing operations available to common shareholders	\$ 0.53	\$ 0.71
Income from discontinued operations available to common shareholders	0.05	--
Net income available to common shareholders	\$ 0.58	\$ 0.71

	Nine Months Ended September 30,	
	2010	2009
Computation of Diluted EPS		
Income from continuing operations available to common shareholders	\$ 42,252	\$ 51,428
Add: Income from continuing operations attributable to common units	7,047	9,905
Income from continuing operations for diluted earnings per share	49,299	61,333
Income from discontinued operations for diluted earnings per share	4,689	158
Net income available to common shareholders	\$ 53,988	\$ 61,491
Weighted average common shares	92,467	87,106
Diluted EPS:		
Income from continuing operations available to common shareholders	\$ 0.53	\$ 0.71
Income from discontinued operations available to common shareholders	0.05	--
Net income available to common shareholders	\$ 0.58	\$ 0.71

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Basic EPS shares	79,304	78,151	79,161	72,889
Add: Operating Partnership – common units	13,073	13,982	13,196	14,170
Stock options	32	19	47	--
Restricted Stock Awards	55	93	63	47
Diluted EPS Shares	92,464	92,245	92,467	87,106

Unvested restricted stock outstanding as of September 30, 2010 and 2009 were 216,802 and 301,418, respectively.

The following are dividends declared per share of Common Stock for the three and nine months ended September 30, 2010 and 2009.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Dividends declared per common share	\$0.45	\$0.45	\$1.35	\$1.35

15. NONCONTROLLING INTERESTS IN SUBSIDIARIES

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

OPERATING PARTNERSHIP

Preferred Units

In connection with the Company’s issuance of \$25 million of Series C cumulative redeemable perpetual preferred stock, the Company acquired from the Operating Partnership \$25 million of Series C Preferred Units (the “Series C Preferred Units”), which have terms essentially identical to the Series C preferred stock. See Note 14: Mack-Cali Realty Corporation Stockholders’ Equity – Preferred Stock.

Common Units

Certain individuals and entities own common units in the Operating Partnership. A common unit and a share of Common Stock of the Company have substantially the same economic characteristics in as much as they effectively share equally in the net income or loss of the Operating Partnership. Common unitholders have the right to redeem their common units, subject to certain restrictions. The redemption is required to be satisfied in shares of Common Stock, cash, or a combination thereof, calculated as follows: one share of the Company’s Common Stock, or cash equal to the fair market value of a share of the Company’s Common Stock at the time of redemption, for each common unit. The Company, in its sole discretion, determines the form of redemption of common units (i.e., whether a common unitholder receives Common Stock, cash, or any combination thereof). If the Company elects to satisfy the redemption with shares of Common Stock as opposed to cash, it is obligated to issue shares of its Common Stock to the redeeming unitholder. Regardless of the rights described above, the common unitholders may not put their units for cash to the Company or the Operating Partnership under any circumstances. When a unitholder redeems a common unit, noncontrolling interest in the Operating Partnership is reduced and Mack-Cali Realty Corporation Stockholders’ equity is increased.

Unit Transactions

The following table sets forth the changes in noncontrolling interests in subsidiaries which relate to the common units in the Operating Partnership for the nine months ended September 30, 2010.

	Common Units
Balance at January 1, 2010	13,495,036
Redemption of common units for shares of Common Stock	(487,368)
Balance at September 30, 2010	13,007,668

Pursuant to ASC 810, Consolidation, changes in a parent’s ownership interest (and transactions with noncontrolling interest unitholders in the subsidiary) while the parent retains its controlling interest in its subsidiary should be accounted for as equity transactions. The carrying amount of the noncontrolling interest shall be adjusted to reflect the change in its ownership interest in the subsidiary, with the offset to equity attributable to the parent. Accordingly, as a result of equity transactions which caused changes in ownership percentages between Mack-Cali Realty Corporation stockholders’ equity and noncontrolling interests in the Operating Partnership that occurred during the nine months ended September 30, 2010, the Company has increased noncontrolling interests in the Operating Partnership and decreased additional paid-in capital in Mack-Cali Realty Corporation stockholders’ equity by approximately \$0.2 million as of September 30, 2010.

NONCONTROLLING INTEREST OWNERSHIP

As of September 30, 2010 and December 31, 2009, the noncontrolling interest common unitholders owned 14.1 percent and 14.6 percent of the Operating Partnership, respectively.

CONSOLIDATED JOINT VENTURES

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

16. SEGMENT REPORTING

The Company operates in two business segments: (i) real estate and (ii) construction services. The Company provides leasing, property and facilities management, acquisition, development, construction and tenant-related services for its portfolio. In May 2006, in conjunction with the Company's acquisition of the Gale Company and related businesses, the Company acquired a business specializing solely in construction and related services whose operations comprise the Company's construction services segment. The Company had no revenues from foreign countries recorded for the three and nine months ended September 30, 2010 and 2009. The Company had no long lived assets in foreign locations as of September 30, 2010 and December 31, 2009. The accounting policies of the segments are the same as those described in Note 2: Significant Accounting Policies, excluding depreciation and amortization.

The Company evaluates performance based upon net operating income from the combined properties in the real estate segment and net operating income from its construction services segment.

Selected results of operations for the three and nine months ended September 30, 2010 and 2009 and selected asset information as of September 30, 2010 and December 31, 2009 regarding the Company's operating segments are as follows (*dollars in thousands*):

	Real Estate	Construction Services	Corporate & Other (d)	Total Company
Total revenues:				
Three months ended:				
September 30, 2010	\$181,030	\$16,733	\$ 193	\$197,956
September 30, 2009	183,435	8,188	524	192,147
Nine months ended:				
September 30, 2010	\$546,382	\$50,173	\$(1,231)	\$595,324
September 30, 2009	546,443	25,692	(6,879)	565,256
Total operating and interest expenses(a):				
Three months ended:				
September 30, 2010	\$ 73,433	\$16,629	\$44,810	\$134,872 (e)
September 30, 2009	67,944	8,005	42,771	118,720 (f)
Nine months ended:				
September 30, 2010	\$213,139	\$49,723	\$138,215	\$401,077 (g)
September 30, 2009	197,409	25,476	127,350	350,235 (h)
Equity in earnings (loss) of unconsolidated joint ventures:				
Three months ended:				
September 30, 2010	\$ 475	--	--	\$ 475
September 30, 2009	548	--	\$ 87	635
Nine months ended:				
September 30, 2010	\$ 213	--	--	\$ 213
September 30, 2009	(6,401)	--	--	(6,401)
Net operating income (b):				
Three months ended:				
September 30, 2010	\$108,072	\$ 104	\$(44,617)	\$ 63,559 (e)
September 30, 2009	116,039	183	(42,160)	74,062 (f)
Nine months ended:				
September 30, 2010	\$333,456	\$ 450	\$(139,446)	\$194,460 (g)
September 30, 2009	342,633	216	(134,229)	208,620 (h)
Total assets:				
September 30, 2010	\$4,428,346	\$18,692	\$12,134	\$4,459,172
December 31, 2009	4,512,974	12,015	196,648	4,721,637
Total long-lived assets (c):				
September 30, 2010	\$4,106,961	--	\$ 993	\$4,107,954
December 31, 2009	4,189,276	--	(1,142)	4,188,134

- (a) Total operating and interest expenses represent the sum of: real estate taxes; utilities; operating services; direct construction costs; general and administrative and interest expense (net of interest and other investment income). All interest expense, net of interest income, (including for property-level mortgages) is excluded from segment amounts and classified in Corporate & Other for all periods.
- (b) Net operating income represents total revenues less total operating and interest expenses [as defined in Note (a)], plus equity in earnings (loss) of unconsolidated joint ventures, for the period.
- (c) Long-lived assets are comprised of net investment in rental property, unbilled rents receivable and investments in unconsolidated joint ventures.
- (d) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense and non-property general and administrative expense) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
- (e) Excludes \$47,978 of depreciation and amortization.
- (f) Excludes \$51,377 of depreciation and amortization.
- (g) Excludes \$143,942 of depreciation and amortization.
- (h) Excludes \$148,460 of depreciation and amortization

17. **IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS**

FASB Accounting Standards Update No. 2010-02, Consolidation (Topic 810), *Accounting and Reporting for Decreases in Ownership of a Subsidiary—a Scope Clarification*

The objective of this Update is to address implementation issues related to the changes in ownership provisions in the Consolidation—Overall Subtopic (Subtopic 810-10) of the *FASB Accounting Standards Codification*TM, originally issued as FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. Subtopic 810-10 establishes the accounting and reporting guidance for noncontrolling interests and changes in ownership interests of a subsidiary. An entity is required to deconsolidate a subsidiary when the entity ceases to have a controlling financial interest in the subsidiary. Upon deconsolidation of a subsidiary, an entity recognizes a gain or loss on the transaction and measures any retained investment in the subsidiary at fair value. The gain or loss includes any gain or loss associated with the difference between the fair value of the retained investment in the subsidiary and its carrying amount at the date the subsidiary is deconsolidated. In contrast, an entity is required to account for a decrease in its ownership interest of a subsidiary that does not result in a change of control of the subsidiary as an equity transaction.

This Update provides amendments to Subtopic 810-10 and related guidance within U.S. GAAP to clarify that the scope of the decrease in ownership provisions of the Subtopic and related guidance applies to the following:

1. A subsidiary or group of assets that is a business or nonprofit activity
2. A subsidiary that is a business or nonprofit activity that is transferred to an equity method investee or joint venture
3. An exchange of a group of assets that constitutes a business or nonprofit activity for a noncontrolling interest in an entity (including an equity method investee or joint venture).

The amendments in this Update also clarify that the decrease in ownership guidance in Subtopic 810-10 does not apply to the following transactions even if they involve businesses:

1. Sales of in substance real estate. Entities should apply the sale of real estate guidance in Subtopics 360-20 (Property, Plant, and Equipment) and 976-605 (Retail/Land) to such transactions.
2. Conveyances of oil and gas mineral rights. Entities should apply the mineral property conveyance and related transactions guidance in Subtopic 932-360 (Oil and Gas—Property, Plant, and Equipment) to such transactions.

If a decrease in ownership occurs in a subsidiary that is not a business or nonprofit activity, an entity first needs to consider whether the substance of the transaction causing the decrease in ownership is addressed in other U.S. GAAP, such as transfers of financial assets, revenue recognition, exchanges of nonmonetary assets, sales of in substance real estate, or conveyances of oil and gas mineral rights, and apply that guidance as applicable. If no other guidance exists, an entity should apply the guidance in Subtopic 810-10.

The amendments in this Update expand the disclosures about the deconsolidation of a subsidiary or derecognition of a group of assets within the scope of Subtopic 810-10. In addition to existing disclosures, an entity should disclose the following for such a deconsolidation or derecognition:

1. The valuation techniques used to measure the fair value of any retained investment in the former subsidiary or group of assets and information that enables users of its financial statements to assess the inputs used to develop the measurement
2. The nature of continuing involvement with the subsidiary or entity acquiring the group of assets after it has been deconsolidated or derecognized
3. Whether the transaction that resulted in the deconsolidation of the subsidiary or the derecognition of the group of assets was with a related party or whether the former subsidiary or entity acquiring the group of assets will be a related party after deconsolidation.

An entity also should disclose the valuation techniques used to measure an equity interest in an acquiree held by the entity immediately before the acquisition date in a business combination achieved in stages.

The amendments in this Update are effective beginning in the period that an entity adopts Statement 160 (now included in Subtopic 810-10). If an entity has previously adopted Statement 160 as of the date the amendments in this Update are included in the Accounting Standards Codification, the amendments in this Update are effective beginning in the first interim or annual reporting period ending on or after December 15, 2009. The amendments in this Update should be applied retrospectively to the first period that an entity adopted Statement 160. The adoption of this Update did not have a material impact on the Company's financial position, results of operations and disclosures contained in its financial statements.

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

GENERAL

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

Executive Overview

Mack-Cali Realty Corporation together with its subsidiaries, (the "Company") is one of the largest real estate investment trusts (REITs) in the United States. The Company has been involved in all aspects of commercial real estate development, management and ownership for over 50 years and has been a publicly-traded REIT since 1994. The Company owns or has interests in 287 properties (collectively, the "Properties"), primarily class A office and office/flex buildings, totaling approximately 32.9 million square feet, leased to approximately 2,100 tenants. The Properties are located primarily in suburban markets of the Northeast, some with adjacent, Company-controlled developable land sites able to accommodate up to 12.5 million square feet of additional commercial space.

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

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

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

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

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

The Company's core markets continue to be weak. The percentage leased in the Company's consolidated portfolio of stabilized operating properties was 89.0 percent at September 30, 2010 as compared to 88.9 percent at June 30, 2010 and 90.0 percent at September 30, 2009. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future and leases that expire at the period end date. Leases that expired as of September 30, 2010, June 30, 2010 and September 30, 2009 aggregate 105,001, 154,534 and 44,450 square feet, respectively, or 0.3, 0.5 and 0.1 percentage of the net rentable square footage, respectively. The Company believes that vacancy rates may continue to increase and rental rates may continue to decline in some of its markets through 2011 and possibly beyond. As a result, the Company's future earnings and cash flow may continue to be negatively impacted by current market conditions.

The Company expects that the impact of the current state of the economy, including high unemployment and the unprecedented volatility in the financial and credit market, will continue to have a negative effect on the fundamentals of its business, including lower occupancy, reduced effective rents, and increases in defaults and past due accounts. These conditions would negatively affect the Company's future net income and cash flows and could have a material adverse effect on the Company's financial condition.

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

- real estate transactions;
- critical accounting policies and estimates;
- results of operations for the three and nine months ended September 30, 2010 as compared to the three and nine months ended September 30, 2009;
- liquidity and capital resources.

Real Estate Transactions

The Company's office property located at 105 Challenger Road in Ridgefield Park, New Jersey, aggregating 150,050 square feet, was collateral for a \$19.5 million mortgage loan scheduled to mature on June 6, 2010. The Company had recorded an impairment charge on the property of \$16.6 million at December 31, 2009. On June 1, 2010, the Company transferred the deed for 105 Challenger to the lender in satisfaction of its obligations. As a result, the Company recorded a gain on the disposal of the office property of approximately \$4.4 million.

Critical Accounting Policies and Estimates

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

Rental Property:

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition, development and construction of rental properties are capitalized. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Interest capitalized by the Company for the three months ended September 30, 2010 and 2009 was \$0.6 million and \$0.3 million, respectively, and \$1.3 million and \$1.1 million for the nine months ended September 30, 2010 and 2009, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

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

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

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

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

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

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

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental properties may be impaired. In addition to identifying any specific circumstances which may effect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management include reviewing low leased percentages, significant near-term lease expirations, recently acquired properties, current and historical operating and/or cash flow losses, near-term mortgage debt maturities or other factors that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairments may be realized in the future.

Rental Property Held for Sale and Discontinued Operations:

When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. If, in management's opinion, the net sales price of the assets which have been identified as held for sale is less than the net book value of the assets, a valuation allowance is established. Properties identified as held for sale and/or sold are presented in discontinued operations for all periods presented.

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

Investments in Unconsolidated Joint Ventures:

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. The Company applies the equity method by initially recording these investments at cost, as Investments in Unconsolidated Joint Ventures, subsequently adjusted for equity in earnings and cash contributions and distributions.

Accounting Standards Codification ("ASC") 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and the determination of which business enterprise, if any, should consolidate the VIEs (the "primary beneficiary"). Generally, the consideration of whether an entity is a VIE applies when either (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest, (2) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest.

On January 1, 2010, the Company adopted the updated provisions of ASC 810, pursuant to FASB No. 167, which amends FIN 46(R) to require ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. Additionally, FASB No. 167 amends FIN 46(R) to eliminate the quantitative approach previously required for determining the primary beneficiary of a variable interest entity, which was based on determining which enterprise absorbs the majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both. FASB No. 167 amends certain guidance in Interpretation 46(R) for determining whether an entity is a variable interest entity. Also, FASB No. 167 amends FIN 46(R) to require enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise's involvement in a variable interest entity. The enhanced disclosures are required for any enterprise that holds a variable interest in a variable interest entity. The adoption of this guidance did not have a material impact to the Financial Statements. See Note 4: Investments in Unconsolidated Joint Ventures to the Financial Statements for disclosures regarding the Company's unconsolidated joint ventures.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the value of the investment. The Company's estimates of value for each investment (particularly in commercial real estate joint ventures) are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the values estimated by management in its impairment analyses may not be realized, and actual losses or impairment may be realized in the future.

Revenue Recognition:

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Above-market and below-market lease values for acquired properties are initially recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed-rate renewal options for below-market leases. The capitalized above-market lease values for acquired properties are amortized as a reduction of base rental revenue over the remaining term of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed-rate renewal options of the respective leases. Escalations and recoveries from tenants are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs.

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

Allowance for Doubtful Accounts:

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

Results From Operations

The following comparisons for the three and nine months ended September 30, 2010 ("2010"), as compared to the three and nine months ended September 30, 2009 ("2009"), make reference to the following: (i) the effect of the "Same-Store Properties," which represent all in-service properties owned by the Company at June 30, 2009 (for the three-month period comparisons), and which represent all in-service properties owned by the Company at December 31, 2008 (for the nine-month period comparisons), excluding properties sold or held for sale through September 30, 2010, and (ii) the effect of the "Acquired Properties," which represent all properties acquired by the Company, commencing initial operations, or initially consolidated by the Company, from July 1, 2009 through September 30, 2010 (for the three-month period comparisons), and which represent all properties acquired by the Company commencing initial operations, or initially consolidated by the Company from January 1, 2009 through September 30, 2010 (for the nine month period comparisons).

Three Months Ended September 30, 2010 Compared to Three Months Ended September 30, 2009

<i>(dollars in thousands)</i>	Three Months Ended September 30,		Dollar Change		Percent Change
	2010	2009			
Revenue from rental operations and other:					
Base rents	\$ 150,064	\$ 154,337	\$ (4,273)		(2.8)%
Escalations and recoveries from tenants	26,420	24,717	1,703		6.9
Other income	2,983	3,524	(541)		(15.4)
Total revenues from rental operations	179,467	182,578	(3,111)		(1.7)
Property expenses:					
Real estate taxes	24,913	23,450	1,463		6.2
Utilities	20,831	17,951	2,880		16.0
Operating services	27,345	24,588	2,757		11.2
Total property expenses	73,089	65,989	7,100		10.8
Non-property revenues:					
Construction services	16,475	7,761	8,714		112.3
Real estate services	2,014	1,808	206		11.4
Total non-property revenues	18,489	9,569	8,920		93.2
Non-property expenses:					
Direct construction costs	15,884	7,337	8,547		116.5
General and administrative	8,992	9,816	(824)		(8.4)
Depreciation and amortization	47,978	51,377	(3,399)		(6.6)
Total non-property expenses	72,854	68,530	4,324		6.3
Operating income	52,013	57,628	(5,615)		(9.7)
Other (expense) income:					
Interest expense	(36,941)	(35,744)	(1,197)		(3.3)
Interest and other investment income	34	166	(132)		(79.5)
Equity in earnings (loss) of unconsolidated joint ventures	475	635	(160)		(25.2)
Total other (expense) income	(36,432)	(34,943)	(1,489)		(4.3)
Income from continuing operations	15,581	22,685	(7,104)		(31.3)
Discontinued Operations:					
Income from discontinued operations	--	104	(104)		(100.0)
Total discontinued operations, net	--	104	(104)		(100.0)
Net income	15,581	22,789	(7,208)		(31.6)
Noncontrolling interest in consolidated joint ventures	108	213	(105)		(49.3)
Noncontrolling interest in Operating Partnership	(2,150)	(3,399)	1,249		36.7
Noncontrolling interest in discontinued operations	--	(16)	16		100.0
Preferred stock dividends	(500)	(500)	--		--
Net income available to common shareholders	\$ 13,039	\$ 19,087	\$ (6,048)		(31.7)%

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

<i>(dollars in thousands)</i>	<u>Total Company</u>		<u>Same-Store Properties</u>		<u>Acquired Properties</u>	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:						
Base rents	\$ (4,273)	(2.8)%	\$ (4,273)	(2.8)%	--	--
Escalations and recoveries from tenants	1,703	6.9	1,703	6.9	--	--
Other income	(541)	(15.4)	(541)	(15.4)	--	--
Total	\$ (3,111)	(1.7)%	\$ (3,111)	(1.7)%	--	--
Property expenses:						
Real estate taxes	\$ 1,463	6.2%	\$ 1,463	6.2%	--	--
Utilities	2,880	16.0	2,880	16.0	--	--
Operating services	2,757	11.2	2,757	11.2	--	--
Total	\$ 7,100	10.8%	\$ 7,100	10.8%	--	--
OTHER DATA:						
Number of Consolidated Properties (excluding properties held for sale):	267		267		--	
Square feet <i>(in thousands)</i>	30,796		30,796		--	

Base rents for the Same-Store Properties decreased \$4.3 million, or 2.8 percent, for 2010 as compared to 2009 due primarily to decreased occupancy and rental rates. Escalations and recoveries from tenants for the Same-Store Properties increased \$1.7 million, or 6.9 percent, for 2010 over 2009, due primarily to higher property expenses in 2010 as compared to 2009. Other income for the Same-Store Properties decreased \$0.5 million, or 15.4 percent, for 2010 as compared to 2009, due primarily to a decrease in tenant extra services in 2010.

Real estate taxes on the Same-Store Properties increased \$1.5 million, or 6.2 percent, for 2010 as compared to 2009, due primarily to increased tax rates in 2010. Utilities for the Same-Store Properties increased \$2.9 million, or 16.0 percent, for 2010 as compared to 2009, due primarily to increased usage and rates in 2010 as compared to 2009. Operating services for the Same-Store Properties increased \$2.8 million, or 11.2 percent, due primarily to increases in insurance and maintenance costs and property management salaries and related expenses for 2010 as compared to 2009.

Construction services revenue increased \$8.7 million, or 112.3 percent, in 2010 as compared to 2009, due to increased construction contracts in late 2009 and 2010. Real estate services revenue increased by \$0.2 million, or 11.4 percent, for 2010 as compared to 2009, due primarily to an increase in commissions income of \$0.3 million partially offset by a decrease in management fees and related salary reimbursements of \$0.1 million for 2010 as compared to 2009.

Direct construction costs increased \$8.5 million, or 116.5 percent, in 2010 as compared to 2009, due primarily to increased construction contracts in late 2009 and 2010. General and administrative expense decreased \$0.8 million, or 8.4 percent, for 2010 as compared to 2009, which was due primarily to a decrease in salaries and related expenses in 2010.

Depreciation and amortization decreased by \$3.4 million, or 6.6 percent, for 2010 over 2009. This decrease was due primarily to assets becoming fully depreciated in 2010.

Interest expense increased \$1.2, million or 3.3 percent, for 2010 as compared to 2009. This increase was due primarily as a result of higher average interest rates in 2010 as compared to 2009.

Interest and other investment income decreased \$0.1 million, or 79.5 percent, for 2010 as compared to 2009. This decrease was due primarily to the repayment of a note receivable in late 2009.

Equity in earnings (loss) of unconsolidated joint ventures decreased \$0.2 million, or 25.2 percent, for 2010 as compared to 2009, due primarily to decreased income of \$0.2 million in the Harborside South Pier venture and decreased income of \$0.1 million in the 12 Vreeland venture for 2010 as compared to 2009, partially offset by a decreased loss of \$0.1 million in the Boston-Downtown Crossing venture for 2010 as compared to 2009.

Income from continuing operations decreased to approximately \$15.6 million in 2010 from \$22.7 million in 2009. The decrease of \$7.1 million was due to the factors discussed above.

Net income available to common shareholders decreased by approximately \$6.1 million, from \$19.1 million in 2009 to \$13.0 million in 2010. This decrease was the result of a decrease in income from continuing operations of \$7.1 million for 2010 as compared to 2009, a decrease in income from discontinued operations of \$0.1 million, and a decrease in noncontrolling interest in consolidated joint ventures of \$0.1 million. These were partially offset by a decrease in noncontrolling interest in Operating Partnership of \$1.2 million for 2010 as compared to 2009.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

	Nine Months Ended				
	September 30,			Dollar	Percent
(dollars in thousands)	2010	2009		Change	Change
Revenue from rental operations and other:					
Base rents	\$ 452,449	\$ 455,359	\$ (2,910)		(0.6)%
Escalations and recoveries from tenants	78,376	77,107	1,269		1.6
Other income	9,145	9,874	(729)		(7.4)
Total revenues from rental operations	539,970	542,340	(2,370)		(0.4)
Property expenses:					
Real estate taxes	72,986	70,015	2,971		4.2
Utilities	57,066	54,604	2,462		4.5
Operating services	84,099	78,849	5,250		6.7
Total property expenses	214,151	203,468	10,683		5.3
Non-property revenues:					
Construction services	49,694	16,466	33,228		201.8
Real estate services	5,660	6,450	(790)		(12.2)
Total non-property revenues	55,354	22,916	32,438		141.6
Non-property expenses:					
Direct construction costs	47,588	15,347	32,241		210.1
General and administrative	26,064	30,524	(4,460)		(14.6)
Depreciation and amortization	143,942	148,460	(4,518)		(3.0)
Total non-property expenses	217,594	194,331	23,263		12.0
Operating income	163,579	167,457	(3,878)		(2.3)
Other (expense) income:					
Interest expense	(113,347)	(101,445)	(11,902)		(11.7)
Interest and other investment income	73	549	(476)		(86.7)
Equity in earnings (loss) of unconsolidated joint ventures	213	(6,401)	6,614		103.3
Gain on reduction of other obligations	--	1,693	(1,693)		(100.0)
	(113,061)	(105,604)	(7,457)		(7.1)
Total other (expense) income					
Income from continuing operations	50,518	61,853	(11,335)		(18.3)
Discontinued Operations:					
Income from discontinued operations	242	158	84		53.2
Realized gains (losses) and unrealized losses on disposition of rental property, net	4,447	--	4,447		--
Total discontinued operations, net	4,689	158	4,531		2,867.7
Net income	55,207	62,011	(6,804)		(11.0)
Noncontrolling interest in consolidated joint ventures	281	980	(699)		(71.3)
Noncontrolling interest in Operating Partnership	(7,047)	(9,905)	2,858		28.9
Noncontrolling interest in discontinued operations	(668)	(24)	(644)		(2,683.3)
Preferred stock dividends	(1,500)	(1,500)	--		--
Net income available to common shareholders	\$ 46,273	\$ 51,562	\$ (5,289)		(10.3)%

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

<i>(dollars in thousands)</i>	<u>Total Company</u>		<u>Same-Store Properties</u>		<u>Acquired Properties</u>	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:						
Base rents	\$ (2,910)	(0.6)%	\$ (13,939)	(3.1)%	\$ 11,029	2.5%
Escalations and recoveries from tenants	1,269	1.6	(155)	(0.2)	1,424	1.8
Other income	(729)	(7.4)	(736)	(7.4)	7	--
Total	\$ (2,370)	(0.4)%	\$ (14,830)	(2.7)%	\$ 12,460	2.3%
Property expenses:						
Real estate taxes	\$ 2,971	4.2%	\$ 1,116	1.6%	\$ 1,855	2.6%
Utilities	2,462	4.5	1,967	3.6	495	0.9
Operating services	5,250	6.7	3,079	3.9	2,171	2.8
Total	\$ 10,683	5.3%	\$ 6,162	3.1%	\$ 4,521	2.2%
OTHER DATA:						
Number of Consolidated Properties (excluding properties held for sale):	267		254		13	
Square feet <i>(in thousands)</i>	30,796		29,095		1,701	

Base rents for the Same-Store Properties decreased \$13.9 million, or 3.1 percent, for 2010 as compared to 2009 due primarily to decreased occupancy and rental rates. Escalations and recoveries from tenants for the Same-Store Properties decreased \$0.2 million, or 0.2 percent, for 2010 over 2009, due primarily to lower recoveries from newer tenants in 2010. Other income for the Same-Store Properties decreased \$0.7 million, or 7.4 percent, for 2010 as compared to 2009 due primarily to a decrease in lease breakage fees in 2010 as compared to 2009.

Real estate taxes on the Same-Store Properties increased \$1.1 million, or 1.6 percent, for 2010 as compared to 2009, due primarily to increased tax rates in 2010 as compared to 2009. Utilities for the Same-Store Properties increased \$2.0 million, or 3.6 percent, for 2010 as compared to 2009, due primarily to increased usage and rates in 2010 as compared to 2009. Operating services for the Same-Store Properties increased \$3.1 million, or 3.9 percent, due primarily to an increase in snow removal and maintenance costs for 2010 as compared to 2009.

Construction services revenue increased \$33.2 million, or 201.8 percent, in 2010 as compared to 2009, due to increased construction contracts in late 2009 and 2010. Real estate services revenue decreased by \$0.8 million, or 12.2 percent, for 2010 as compared to 2009, due primarily to decreases in management fees income of \$0.6 million, and salary reimbursements of \$0.5 million for 2010 as compared to 2009, partially offset by an increase in commissions income of \$0.3 million.

Direct construction costs increased \$32.2 million, or 210.1 percent, in 2010 as compared to 2009, due primarily to increased construction contracts in late 2009 and 2010. General and administrative expense decreased \$4.5 million, or 14.6 percent, for 2010 as compared to 2009, which was due primarily to a decrease in professional fees and salaries and related expenses in 2010.

Depreciation and amortization decreased by \$4.5 million, or 3.0 percent, for 2010 over 2009. This decrease was due primarily to assets becoming fully depreciated in 2010.

Interest expense increased \$11.9 million or 11.7 percent for 2010 as compared to 2009. This increase was due primarily as a result of higher average debt balances and interest rates in 2010 as compared to 2009.

Interest and other investment income decreased \$0.5 million, or 86.7 percent, for 2010 as compared to 2009. This decrease was due primarily to the repayment of a note receivable in late 2009.

Equity in earnings (loss) of unconsolidated joint ventures increased \$6.6 million, or 103.3 percent, for 2010 as compared to 2009, due primarily to a loss in 2009 of \$4.4 million in the Route 93 Portfolio venture and a decreased loss of \$3.8 million in the Boston-Downtown Crossing venture for 2010 as compared to 2009, partially offset by an increased loss in the Harborside South Pier venture of \$2.3 million for 2010 as compared to 2009.

Income from continuing operations decreased to approximately \$50.5 million in 2010 from \$61.9 million in 2009. The decrease of approximately \$11.4 million was due to the factors discussed above.

Net income available to common shareholders decreased by approximately \$5.3 million, from \$51.6 million in 2009 to \$46.3 million in 2010. This decrease was the result of a decrease in income from continuing operations of \$11.4 million, a decrease in noncontrolling interest in consolidated joint ventures of \$0.7 million and an increase in noncontrolling interest in discontinued operations of \$0.6 million for 2010 as compared to 2009. These were partially offset by a realized gain on disposition of rental property of \$4.4 million in 2010, a decrease in noncontrolling interest in Operating Partnership of \$2.9 million and an increase in income from discontinued operations of \$0.1 million for 2010 as compared to 2009.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Overview:

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

The Company believes that with the general downturn in the Company's markets in recent years, it is reasonably likely that vacancy rates may continue to increase, effective rental rates on new and renewed leases may continue to decrease and tenant installation costs, including concessions, may continue to increase in most or all of its markets in 2011 and possibly beyond. As a result of the potential negative effects on the Company's revenue from the overall reduced demand for office space, the Company's cash flow could be insufficient to cover increased tenant installation costs over the short-term. If this situation were to occur, the Company expects that it would finance any shortfalls through borrowings under its revolving credit facility and other debt and equity financings.

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

If current economic conditions persist or deteriorate, the Company may experience increases in past due accounts, defaults, lower occupancy rates and reduced effective rents. This condition would negatively affect the Company's future net income and cash flows and could have a material adverse effect on the Company's financial condition.

Construction Projects and Other:

Sanofi-Aventis U.S. Inc. ("Sanofi"), which occupies neighboring buildings in Bridgewater, New Jersey, exercised its option to cause the Company to construct a building on its vacant, developable land and has signed a lease for the building. The lease has a term of fifteen years, subject to three five-year extension options. The construction of the 205,000 square foot building commenced in 2009 and is expected to be delivered to the tenant in January 2011. The total estimated costs of the project are expected to be approximately \$50.9 million (of which the Company has incurred \$35.1 million through September 30, 2010.)

The Company had been obligated to acquire from an entity (the “Florham Entity”) whose beneficial owners include Stanley C. Gale and Mark Yeager, a former executive vice president of the Company, a 50 percent interest in a venture which owns a developable land parcel in Florham Park, New Jersey (the “Florham Park Land”) for a maximum purchase price of up to \$10.5 million. In the event the acquisition of the Florham Park Land did not close by May 9, 2010, subject to certain conditions, the Florham Entity had been obligated to pay certain deferred costs and an additional \$1 million to the Company at that time. On May 10, 2010, the parties agreed that the Company would not be obligated to purchase the land and the total amount due to the Company was reduced to \$840,000, of which \$351,000 is due in May 2015.

REIT Restrictions:

To maintain its qualification as a REIT under the Code, the Company must make annual distributions to its stockholders of at least 90 percent of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains. Moreover, the Company intends to continue to make regular quarterly distributions to its common stockholders. Based upon the most recently paid quarterly common stock dividend of \$0.45 per common share, in the aggregate, such distributions would equal approximately \$143.2 million on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would be paid out of (a) available cash, including borrowings and other sources, after meeting operating requirements, preferred stock dividends and distributions, and scheduled debt service on the Company’s debt, and (b) for distributions declared on or before December 31, 2012 with respect to a taxable year ending on or before December 31, 2011, our stock, as permitted pursuant to Internal Revenue Service Revenue Procedure 2010-12, 2010-3 I.R.B. Under this Revenue Procedure, we are permitted to make taxable distributions of our stock (in lieu of cash) if (x) any such distribution is declared on or before December 31, 2012 with respect to a taxable year ending on or before December 31, 2011, and (y) each of our stockholders is permitted to elect to receive its entire entitlement under such declaration in either cash or shares of equivalent value subject to a limitation in the amount of cash to be distributed in the aggregate; provided that (i) the amount of cash that we set aside for distribution is not less than 10 percent of the aggregate distribution so declared, and (ii) if too many of our stockholders elect to receive cash, a pro rata amount of cash will be distributed to each such stockholder electing to receive cash, but in no event will any such stockholder receive less than its entire entitlement under such declaration.

Property Lock-Ups:

The Company may not dispose of or distribute certain of its properties, currently comprising seven properties with an aggregate net book value of approximately \$133.8 million, which were originally contributed by certain unrelated common unitholders of the Operating Partnership, without the express written consent of such common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate specific common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the “Property Lock-Ups”). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company’s Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration of the Property Lock-Ups, the Company is generally required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the specific common unitholders, which include members of the Mack Group (which includes William L. Mack, Chairman of the Company’s Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, director; Martin S. Berger, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, director, and John J. Cali, a former director). As of September 30, 2010, 130 of the Company’s properties, with an aggregate net book value of approximately \$1.8 billion, have lapsed restrictions and are subject to these conditions.

Unencumbered Properties:

As of September 30, 2010, the Company had 236 unencumbered properties, totaling 24.3 million square feet, representing 79.0 percent of the Company's total portfolio on a square footage basis.

Cash Flows

Cash and cash equivalents decreased by \$185.2 million to \$105.8 million at September 30, 2010, compared to \$291.0 million at December 31, 2009. This decrease is comprised of the following net cash flow items:

- 1) \$144.0 million provided by operating activities.
- 2) \$46.3 million used in investing activities, consisting primarily of the following:
 - (a) \$47.2 million used for additions to rental property; plus
 - (b) \$0.8 million used for investments in unconsolidated joint ventures; minus
 - (c) \$0.4 million provided by distributions from unconsolidated joint ventures, minus
 - (d) \$1.3 million due to a decrease in restricted cash.
- 3) \$283.0 million used in financing activities, consisting primarily of the following:
 - (a) \$126.4 million used for payments of dividends and distributions; plus
 - (b) \$150.0 million used for the repayments of senior unsecured notes; plus
 - (c) \$6.0 million used for repayments of mortgages, loans payable and other obligations; plus
 - (d) \$2.0 million for payment of financing costs; minus
 - (e) \$1.5 million from proceeds received from stock options exercised.

Debt Financing**Summary of Debt:**

The following is a breakdown of the Company's debt consisting of all fixed rate financing as of September 30, 2010:

	Balance (\$000's)	% of Total	Weighted Average Interest Rate (a)	Weighted Average Maturity in Years
Fixed Rate Unsecured Debt	\$1,433,191	66.16%	6.49%	3.75
Fixed Rate Secured Debt	732,969	33.84%	7.44%	6.80
Totals/Weighted Average:	\$2,166,160	100.00%	6.81%	4.78

- (a) No variable-rate borrowings were outstanding as of September 30, 2010.

Debt Maturities:

Scheduled principal payments and related weighted average annual interest rates for the Company's debt as of September 30, 2010 are as follows:

Period	Scheduled Amortization (\$000's)	Principal Maturities (\$000's)	Total (\$000's)	Weighted Avg. Interest Rate of Future Repayments (a)
October 1 – December 31, 2010	\$2,122	\$ 15,000	\$ 17,122	7.91%
2011	9,217	300,000	309,217	7.92%
2012	10,687	210,148	220,835	6.21%
2013	11,319	145,223	156,542	5.39%
2014	10,473	335,257	345,730	6.82%
Thereafter	44,766	1,102,532	1,147,298	6.91%
Sub-total	88,584	2,108,160	2,196,744	
Adjustment for unamortized debt discount/premium, net, as of September 30, 2010	(30,584)	--	(30,584)	
Totals/Weighted Average	\$58,000	\$2,108,160	\$2,166,160	6.81%

(a) No variable rate borrowings were outstanding as of September 30, 2010.

Senior Unsecured Notes:

The terms of the Company's senior unsecured notes (which totaled approximately \$1.4 billion as of September 30, 2010) include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets.

Unsecured Revolving Credit Facility:

The Company has an unsecured revolving credit facility with a borrowing capacity of \$775 million (expandable to \$800 million). The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) is LIBOR plus 55 basis points at the BBB/Baa2 pricing level. In June 2010, the Company exercised its option to extend the credit facility for one year to June 2012 and paid the \$1,162,500 extension fee. As of October 25, 2010, the Company had no outstanding borrowings under its unsecured revolving credit facility.

The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to \$300 million at interest rates less than the current LIBOR plus 55 basis point spread. The Company may also elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The unsecured facility also requires a 15 basis point facility fee on the current borrowing capacity payable quarterly in arrears.

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

Operating Partnership's Unsecured Debt Ratings: S&P Moody's/Fitch (a)	Interest Rate – Applicable Basis Points Above LIBOR	Facility Fee Basis Points
No ratings or less than BBB-/Baa3/BBB-	100.0	25.0
BBB-/Baa3/BBB-	75.0	20.0
BBB/Baa2/BBB (current)	55.0	15.0
BBB+/Baa1/BBB+	42.5	15.0
A-/A3/A- or higher	37.5	12.5

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

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the facility described below; or (ii) the property dispositions are completed while the Company is under an event of default under the facility, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest coverage and certain investment limitations. The dividend restriction referred to above provides that, if an event of default has occurred and is continuing, the Company will not make any excess distributions with respect to common stock or other common equity interests except to enable the Company to continue to qualify as a REIT under the Code.

The lending group for the credit facility consists of: JPMorgan Chase Bank, N.A., as administrative agent (the "Agent"); Bank of America, N.A. as syndication agent; Scotiabanc, Inc., Wachovia Bank, National Association, and Wells Fargo Bank, National Association, as documentation agents; SunTrust Bank, as senior managing agent; US Bank National Association, Citicorp North America, Inc. and PNC Bank, National Association, as managing agents; and Bank of China, New York Branch, The Bank of New York; Chevy Chase Bank, F.S.B., The Royal Bank of Scotland PLC, Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd. (successor by merger to UFJ Bank Limited), North Fork Bank, Bank Hapoalim B.M., Comerica Bank, Chang Hwa Commercial Bank, Ltd., New York Branch, First Commercial Bank, New York Agency, Mega International Commercial Bank Co. Ltd., New York Branch, Deutsche Bank Trust Company Americas and Hua Nan Commercial Bank, New York Agency, as participants.

Money Market Loan:

The Company entered into an agreement with JPMorgan Chase Bank to participate in a noncommitted money market loan program ("Money Market Loan"). The Money Market Loan is an unsecured borrowing of up to \$75 million arranged by JPMorgan Chase Bank ("the lender") with maturities of 30 days or less. The rate of interest on the Money Market Loan borrowing is set at the time of each borrowing. As of September 30, 2010, the Company had no outstanding borrowings under its Money Market Loan program.

Mortgages, Loans Payable and Other Obligations

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

On January 15, 2010, the Company 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 mortgage loan, which is collateralized by seven properties, is for a seven-year term at an effective interest rate of 6.33 percent.

Debt Strategy:

The Company does not intend to reserve funds to retire the Company's senior unsecured notes or its mortgages, loans payable and other obligations upon maturity. Instead, the Company will seek to refinance such debt at maturity or retire such debt through the issuance of additional equity or debt securities on or before the applicable maturity dates. If it cannot raise sufficient proceeds to retire the maturing debt, the Company may draw on its revolving credit facility to retire the maturing indebtedness, which would reduce the future availability of funds under such facility. As of October 25, 2010, the Company had no outstanding borrowings under its \$775 million unsecured revolving credit facility and under the Money Market Loan. The Company is reviewing various refinancing options, including the purchase of its senior unsecured notes in privately-negotiated transactions, the issuance of additional, or exchange of current, unsecured debt, common and preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed during 2010. The Company currently anticipates that its available cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs in the short term. However, if these sources of funds are insufficient or unavailable, due to current economic conditions or otherwise, the Company's ability to make the expected distributions discussed in "REIT Restrictions" above may be adversely affected.

Equity Financing and Registration Statements

Common Equity:

The following table presents the changes in the Company's issued and outstanding shares of Common Stock and the Operating Partnership's common units for the nine months ended September 30, 2010:

	Common Stock	Common Units	Total
Outstanding at January 1, 2010	78,969,752	13,495,036	92,464,788
Stock options exercised	54,408	--	54,408
Common units redeemed for Common Stock	487,368	(487,368)	--
Shares issued under Dividend Reinvestment and Stock Purchase Plan	3,901	--	3,901
Restricted shares issued, net of cancellations	12,722	--	12,722
Outstanding at September 30, 2010	79,528,151	13,007,668	92,535,819

Share Repurchase Program:

The Company has a share repurchase program which was authorized by its Board of Directors in September 2007 to purchase up to \$150 million of the Company's outstanding common stock ("Repurchase Program"), which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions. As of September 30, 2010, the Company has a remaining authorization under the Repurchase Program of \$46 million.

Dividend Reinvestment and Stock Purchase Plan:

The Company has a Dividend Reinvestment and Stock Purchase Plan (the "DRIP") which commenced in March 1999 under which 5.5 million shares of the Company's common stock have been reserved for future issuance. The DRIP provides for automatic reinvestment of all or a portion of a participant's dividends from the Company's shares of common stock. The DRIP also permits participants to make optional cash investments up to \$5,000 a month without restriction and, if the Company waives this limit, for additional amounts subject to certain restrictions and other conditions set forth in the DRIP prospectus filed as part of the Company's effective registration statement on Form S-3 filed with the Securities and Exchange Commission ("SEC") for the 5.5 million shares of the Company's common stock reserved for issuance under the DRIP.

Shelf Registration Statements:

The Company has an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of \$2.0 billion in common stock, preferred stock, depository shares, and/or warrants of the Company, under which \$287.5 million of securities have been sold through October 25, 2010 and \$1.7 billion remains available for future issuances.

The Company and the Operating Partnership also have an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of \$2.5 billion in common stock, preferred stock, depository shares and guarantees of the Company and debt securities of the Operating Partnership, under which \$250 million of securities have been sold as of October 25, 2010 and \$2.25 billion remains available for future issuances.

Off-Balance Sheet Arrangements**Unconsolidated Joint Venture Debt:**

The debt of the Company's unconsolidated joint ventures are generally non-recourse to the Company except for customary exceptions pertaining to such matters as intentional misuse of funds, environmental conditions and material misrepresentations. The Company has also posted a \$5.9 million letter of credit in support of the Harborside South Pier joint venture, half of which is indemnified by Hyatt Corporation, the Company's joint venture partner.

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

Contractual Obligations

The following table outlines the timing of payment requirements related to the Company's debt (principal and interest), PILOT agreements, ground lease and other agreements as of September 30, 2010:

<i>(dollars in thousands)</i>	Total	Payments Due by Period				
		Less than 1 Year	1 – 3 Years	4 – 5 Years	6 – 10 Years	After 10 Years
Senior unsecured notes	\$1,811,792	\$393,332	\$441,704	\$443,456	\$533,300	--
Mortgages, loans payable and other obligations	1,077,319	58,209	151,254	235,243	612,704	\$19,909
Payments in lieu of taxes (PILOT)	51,339	4,484	13,222	8,815	22,037	2,781
Ground lease payments	18,634	396	1,087	741	1,232	15,178
Total	\$2,959,084	\$456,421	\$607,267	\$688,255	\$1,169,273	\$37,868

Inflation

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

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

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

Among the factors about which we have made assumptions are:

- risks and uncertainties affecting the general economic climate and conditions, including the impact of the general economic recession as it impacts the national and local economies, which in turn may have a negative effect on the fundamentals of our business and the financial condition of our tenants;
- the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis;
- the extent of any tenant bankruptcies or of any early lease terminations;
- our ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for office, office/flex and industrial/warehouse properties;
- changes in interest rate levels and volatility in the securities markets;
- changes in operating costs;
- our ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and refinance existing debt and our future interest expense;
- changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

For further information on factors which could impact us and the statements contained herein, see Item 1A: Risk Factors in our annual report on Form 10-K for the year ended December 31, 2009. We assume no obligation to update and supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, commodity prices and equity prices. In pursuing its business plan, the primary market risk to which the Company is exposed is interest rate risk. Changes in the general level of interest rates prevailing in the financial markets may affect the spread between the Company's yield on invested assets and cost of funds and, in turn, its ability to make distributions or payments to its investors.

All of the Company's long-term debt as of September 30, 2010 bears interest at fixed rates and therefore the fair value of these instruments is affected by changes in market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed-rate debt.

September 30, 2010

Debt, including current portion (<i>\$'s in thousands</i>)	<u>10/1/10- 12/31/10</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Thereafter</u>	<u>Sub-total</u>	<u>Other (a)</u>	<u>Total</u>	<u>Fair Value</u>
Fixed Rate	\$17,122	\$309,217	\$220,835	\$156,542	\$345,730	\$1,147,298	\$2,196,744	\$(30,584)	\$2,166,160	\$2,327,945
Average Interest Rate	7.91%	7.92%	6.21%	5.39%	6.82%	6.91%			6.81%	

(a) Adjustment for unamortized debt discount/premium, net, as of September 30, 2010.

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

Item 4. Controls and Procedures

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

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

MACK-CALI REALTY CORPORATION

Part II – Other Information

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

None.

MACK-CALI REALTY CORPORATION

Part II – Other Information (continued)

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

(a) **COMMON STOCK**

During the three months ended September 30, 2010, the Company issued 92,238 shares of common stock to holders of common units in the Operating Partnership upon the redemption of such common units in private offerings pursuant to Section 4(2) of the Securities Act. The holders of the common units were limited partners of the Operating Partnership and accredited investors under Rule 501 of the Securities Act. The common units were converted into an equal number of shares of common stock. The Company has registered the resale of such shares under the Securities Act.

(b) Not Applicable.

(c) Not Applicable.

Item 3. Defaults Upon Senior Securities

(a) Not Applicable.

(b) Not Applicable.

Item 4. (Removed and Reserved)

MACK-CALI REALTY CORPORATION

Part II – Other Information (continued)

Item 5. Other Information

- (a) None.
- (b) None.

Item 6. Exhibits

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

MACK-CALI REALTY CORPORATION

Signatures

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

Mack-Cali Realty Corporation
(Registrant)

Date: October 27, 2010

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and
Chief Executive Officer
(principal executive officer)

Date: October 27, 2010

By: /s/ Barry Lefkowitz
Barry Lefkowitz
Executive Vice President and
Chief Financial Officer
(principal accounting officer and principal financial officer)

MACK-CALI REALTY CORPORATION

EXHIBIT INDEX

Exhibit Number	Exhibit Title
3.1	Articles of Restatement of Mack-Cali Realty Corporation dated September 18, 2009 (filed as Exhibit 3.2 to the Company's Form 8-K dated September 17, 2009 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Amendment No. 1 to the Amended and Restated Bylaws of Mack-Cali Realty Corporation dated March 4, 2003, (filed as Exhibit 3.3 to the Company's Form 10-Q dated March 31, 2003 and incorporated herein by reference).
3.4	Amendment No. 2 to the Mack-Cali Realty Corporation Amended and Restated Bylaws dated May 24, 2006 (filed as Exhibit 3.1 to the Company's Form 8-K dated May 24, 2006 and incorporated herein by reference).
3.5	Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated December 11, 1997 (filed as Exhibit 10.110 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.6	Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated August 21, 1998 (filed as Exhibit 3.1 to the Company's and the Operating Partnership's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).
3.7	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated July 6, 1999 (filed as Exhibit 10.1 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
3.8	Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated September 30, 2003 (filed as Exhibit 3.7 to the Company's Form 10-Q dated September 30, 2003 and incorporated herein by reference).
3.9	Certificate of Designation of Series B Preferred Operating Partnership Units of Limited Partnership Interest of Mack-Cali Realty, L.P. (filed as Exhibit 10.101 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.10	Certificate of Designation for the 8% Series C Cumulative Redeemable Perpetual Preferred Operating Partnership Units dated March 14, 2003 (filed as Exhibit 3.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.1	Amended and Restated Shareholder Rights Agreement, dated as of March 7, 2000, between Mack-Cali Realty Corporation and EquiServe Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated March 7, 2000 and incorporated herein by reference).
4.2	Amendment No. 1 to the Amended and Restated Shareholder Rights Agreement, dated as of June 27, 2000, by and among Mack-Cali Realty Corporation and EquiServe Trust Company, N.A. (filed as Exhibit 4.1 to the Company's Form 8-K dated June 27, 2000 and incorporated herein by reference).
4.3	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.4	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.5	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Operating Partnership's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
4.6	Supplemental Indenture No. 3 dated as of December 21, 2000, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 21, 2000 and incorporated herein by reference).
4.7	Supplemental Indenture No. 4 dated as of January 29, 2001, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated January 29, 2001 and incorporated herein by reference).
4.8	Supplemental Indenture No. 5 dated as of December 20, 2002, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 20, 2002 and incorporated herein by reference).
4.9	Supplemental Indenture No. 6 dated as of March 14, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
4.10	Supplemental Indenture No. 7 dated as of June 12, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated June 12, 2003 and incorporated herein by reference).
4.11	Supplemental Indenture No. 8 dated as of February 9, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated February 9, 2004 and incorporated herein by reference).
4.12	Supplemental Indenture No. 9 dated as of March 22, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 22, 2004 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.13	Supplemental Indenture No. 10 dated as of January 25, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 25, 2005 and incorporated herein by reference).
4.14	Supplemental Indenture No. 11 dated as of April 15, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 15, 2005 and incorporated herein by reference).
4.15	Supplemental Indenture No. 12 dated as of November 30, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated November 30, 2005 and incorporated herein by reference).
4.16	Supplemental Indenture No. 13 dated as of January 24, 2006, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 18, 2006 and incorporated herein by reference).
4.17	Supplemental Indenture No. 14 dated as of August 14, 2009, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated August 14, 2009 and incorporated herein by reference).
4.18	Deposit Agreement dated March 14, 2003 by and among Mack-Cali Realty Corporation, EquiServe Trust Company, N.A., and the holders from time to time of the Depositary Receipts described therein (filed as Exhibit 4.1 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.4 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.3	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.4	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.5	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.6	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.8 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.7	Employment Agreement dated as of December 5, 2000 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.5 to the Company's Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.8	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Michael Grossman (filed as Exhibit 10.6 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.9	Employment Agreement dated as of May 9, 2006 by and between Mark Yeager and Mack-Cali Realty Corporation (filed as Exhibit 10.15 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.10	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.7 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.11	Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.12	Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.13	Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.14	Restricted Share Award Agreement dated as of March 12, 2001 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).
10.15	Restricted Share Award Agreement dated as of March 12, 2001 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).
10.16	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.17	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.18	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.19	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.7 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.20	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.21	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.9 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.22	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.10 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.23	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.11 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.24	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.12 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.25	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated March 12, 2001 between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.13 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.26	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.14 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.27	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.15 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.28	Restricted Share Award Agreement dated December 6, 1999 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.16 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.29	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated December 6, 1999 between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.17 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.30	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated March 12, 2001 between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.18 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.31	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).

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

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

Exhibit Number	Exhibit Title
10.54	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.9 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.55	Restricted Share Award Agreement by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.16 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.56	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.57	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.58	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.59	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.4 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.60	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.61	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.6 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.62	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.7 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.63	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.64	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.9 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.65	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.10 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.66	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.11 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.67	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.12 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.68	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.13 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.69	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.14 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.70	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.15 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.71	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.16 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.72	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.17 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.73	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.18 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.74	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.19 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.75	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.20 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.76	Form of Multi-Year Restricted Share Award Agreement (filed as Exhibit 10.1 to the Company's Form 8-K dated September 12, 2007 and incorporated herein by reference).
10.77	Form of Tax Gross-Up Agreement (filed as Exhibit 10.2 to the Company's Form 8-K dated September 12, 2007 and incorporated herein by reference).
10.78	Form of Restricted Share Award Agreement effective December 4, 2007 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman, Mark Yeager and Roger W. Thomas (filed as Exhibit 10.1 to the Company's Form 8-K dated December 4, 2007 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.79	Form of Tax Gross-Up Agreement effective December 4, 2007 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman, Mark Yeager and Roger W. Thomas (filed as Exhibit 10.2 to the Company's Form 8-K dated December 4, 2007 and incorporated herein by reference).
10.80	Form of Restricted Share Award Agreement effective December 4, 2007 by and between Mack-Cali Realty Corporation and each of William L. Mack, Martin S. Berger, Alan S. Bernikow, John R. Cali, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.3 to the Company's Form 8-K dated December 4, 2007 and incorporated herein by reference).
10.81	Form of Restricted Share Award Agreement effective December 9, 2008 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman, Mark Yeager and Roger W. Thomas (filed as Exhibit 10.1 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.82	Form of Restricted Share Award Agreement effective December 9, 2008 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, John R. Cali, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese, Robert F. Weinberg and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.83	Form of Restricted Share Award Agreement effective December 8, 2009 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman, Mark Yeager and Roger W. Thomas (filed as Exhibit 10.1 to the Company's Form 8-K dated December 8, 2009 and incorporated herein by reference).
10.84	Form of Restricted Share Award Agreement effective December 8, 2009 by and between Mack-Cali Realty Corporation and each of William L. Mack, Martin S. Berger, Alan S. Bernikow, John R. Cali, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 8, 2009 and incorporated herein by reference).
10.85	Amended and Restated Revolving Credit Agreement dated as of September 27, 2002, among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with JPMorgan Chase Bank, as administrative agent, swing lender and fronting bank, Fleet National Bank and Commerzbank AG, New York and Grand Cayman branches as syndication agents, Bank of America, N.A. and Wells Fargo Bank, National Association, as documentation agents, and J.P. Morgan Securities Inc. and Fleet Securities, Inc, as arrangers (filed as Exhibit 10.1 to the Company's Form 8-K dated September 27, 2002 and incorporated herein by reference).
10.86	Second Amended and Restated Revolving Credit Agreement among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., Bank of America, N.A., and other lending institutions that are or may become a party to the Second Amended and Restated Revolving Credit Agreement dated as of November 23, 2004 (filed as Exhibit 10.1 to the Company's Form 8-K dated November 23, 2004 and incorporated herein by reference).
10.87	Extension and Modification Agreement dated as of September 16, 2005 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated September 16, 2005 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.88	Second Modification Agreement dated as of July 14, 2006 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated July 14, 2006 and incorporated herein by reference).
10.89	Extension and Third Modification Agreement dated as of June 22, 2007 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated June 22, 2007 and incorporated herein by reference).
10.90	Fourth Modification Agreement dated as of September 21, 2007 by and among Mack Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated September 21, 2007 and incorporated herein by reference).
10.91	Amended and Restated Master Loan Agreement dated as of November 12, 2004 among Mack-Cali Realty, L.P., and Affiliates of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P., as Borrowers, Mack-Cali Realty Corporation and Mack-Cali Realty L.P., as Guarantors and The Prudential Insurance Company of America, as Lender (filed as Exhibit 10.1 to the Company's Form 8-K dated November 12, 2004 and incorporated herein by reference).
10.92	Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).
10.93	First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.94	Employee Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.95	Director Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.96	2000 Employee Stock Option Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-52478, and incorporated herein by reference), as amended by the First Amendment to the 2000 Employee Stock Option Plan (filed as Exhibit 10.17 to the Company's Form 10-Q dated June 30, 2002 and incorporated herein by reference).
10.97	Amended and Restated 2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Registration Statement on Form S-8, Registration No. 333-100244, and incorporated herein by reference).
10.98	Mack-Cali Realty Corporation 2004 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-116437, and incorporated herein by reference).
10.99	Deferred Compensation Plan for Directors (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-80081, and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.100	Amended and Restated Mack-Cali Realty Corporation Deferred Compensation Plan for Directors (filed as Exhibit 10.3 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.101*	Indemnification Agreement by and between Mack-Cali Realty Corporation and William L. Mack dated October 22, 2002.
10.102*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Mitchell E. Hersh dated October 22, 2002.
10.103*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Martin S. Berger dated December 11, 1997.
10.104*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan S. Bernikow dated May 20, 2004.
10.105*	Indemnification Agreement by and between Mack-Cali Realty Corporation and John R. Cali dated October 22, 2002.
10.106*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Kenneth M. Duberstein dated September 13, 2005.
10.107*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Nathan Gantcher dated October 22, 2002.
10.108*	Indemnification Agreement by and between Mack-Cali Realty Corporation and David S. Mack dated December 11, 1997.
10.109*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan G. Philibosian dated October 22, 2002.
10.110*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Irvin D. Reid dated October 22, 2002.
10.111*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Vincent Tese dated October 22, 2002.
10.112*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Robert F. Weinberg dated October 22, 2002.
10.113*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roy J. Zuckerberg dated October 22, 2002.
10.114*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Barry Lefkowitz dated October 22, 2002.
10.115*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Michael Grossman dated October 22, 2002.
10.116*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roger W. Thomas dated October 22, 2002.

Exhibit Number	Exhibit Title
10.117*	Indemnification Agreement by and between Mack-Cali Realty Corporation and Mark Yeager dated May 9, 2006.
10.118	Indemnification Agreement dated October 22, 2002 by and between Mack-Cali Realty Corporation and John Crandall (filed as Exhibit 10.29 to the Company's Form 10-Q dated September 30, 2002 and incorporated herein by reference).
10.119	Second Amendment to Contribution and Exchange Agreement, dated as of June 27, 2000, between RMC Development Company, LLC f/k/a Robert Martin Company, LLC, Robert Martin Eastview North Company, L.P., the Company and the Operating Partnership (filed as Exhibit 10.44 to the Company's Form 10-K dated December 31, 2002 and incorporated herein by reference).
10.120	Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated November 25, 2003 (filed as Exhibit 10.1 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.121	Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated December 3, 2003 (filed as Exhibit 10.2 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.122	First Amendment to Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated October 5, 2004 (filed as Exhibit 10.54 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).
10.123	Letter Agreement by and between Mack-Cali Realty Corporation and The Mills Corporation dated October 5, 2004 (filed as Exhibit 10.55 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).
10.124	First Amendment to Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated as of June 30, 2005 (filed as Exhibit 10.66 to the Company's Form 10-Q dated June 30, 2005 and incorporated herein by reference).
10.125	Mack-Cali Rights, Obligations and Option Agreement by and between Meadowlands Developer Limited Partnership, Meadowlands Limited Partnership, Meadowlands Developer Holding Corp., Meadowlands Mack-Cali GP, L.L.C., Mack-Cali Meadowlands Special, L.L.C., Baseball Meadowlands Mills/Mack-Cali Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Office Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Mills/Mack-Cali Limited Partnership dated November 22, 2006 (filed as Exhibit 10.92 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.126	Redemption Agreement by and among Meadowlands Developer Limited Partnership, Meadowlands Developer Holding Corp., Mack-Cali Meadowlands entertainment L.L.C., Mack-Cali Meadowlands Special L.L.C., and Meadowlands Limited Partnership dated November 22, 2006 (filed as Exhibit 10.93 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.127	Contribution and Exchange Agreement by and between Mack-Cali Realty, L.P. and Tenth Springhill Lake Associates L.L.L.P., Eleventh Springhill Lake Associates L.L.L.P., Twelfth Springhill Lake Associates L.L.L.P., Fourteenth Springhill Lake Associates L.L.L.P., each a Maryland limited liability limited partnership, Greenbelt Associates, a Maryland general partnership, and Sixteenth Springhill Lake Associates L.L.L.P., a Maryland limited liability limited partnership, and certain other natural persons, dated as of November 21, 2005 (filed as Exhibit 10.69 to the Company's Form 10-K dated December 31, 2005 and incorporated herein by reference).
10.128	Membership Interest Purchase and Contribution Agreement by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of March 7, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.129	Amendment No. 1 to Membership Interest Purchase and Contribution Agreement dated as of March 31, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 28, 2006 and incorporated herein by reference).
10.130	Amendment No. 2 to Membership Interest Purchase and Contribution Agreement dated as of May 9, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.131	Amendment No. 8 to Membership Interest Purchase and Contribution Agreement by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of May 23, 2007 (filed as Exhibit 10.1 to the Company's Form 8-K dated May 23, 2007 and incorporated herein by reference).
10.132	Contribution and Sale Agreement by and among Gale SLG NJ LLC, a Delaware limited liability company, Gale SLG NJ MEZZ LLC, a Delaware limited liability company, and Gale SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company and Mack-Cali Ventures L.L.C. dated as of March 7, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.133	First Amendment to Contribution and Sale Agreement by and among GALE SLG NJ LLC, a Delaware limited liability company, GALE SLG NJ MEZZ LLC, a Delaware limited liability company, and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company, and Mack-Cali Ventures L.L.C., a Delaware limited liability company, dated as of May 9, 2006 (filed as Exhibit 10.4 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.134	Non-Portfolio Property Interest Contribution Agreement by and among Mr. Stanley C. Gale, Mr. Mark Yeager, GCF II Investor LLC, The Gale Investments Company, LLC, Gale & Wentworth Vreeland, LLC, Gale Urban Solutions LLC, MSGW-ONE Campus Investors, LLC, Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of May 9, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.135	Loan Agreement by and among the entities set forth on Exhibit A, collectively, as Borrowers, and Gramercy Warehouse Funding I LLC, as Lender, dated May 9, 2006 (filed as Exhibit 10.5 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.136	Promissory Note of One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, as Borrowers, in favor of Gramercy Warehouse Funding I, LLC, as Lender, in the principal amount of \$90,286,551 dated May 9, 2006 (filed as Exhibit 10.6 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.137	Mortgage, Security Agreement and Fixture Filing by and between 4 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.7 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.138	Promissory Note of 4 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$43,000,000 dated May 9, 2006 (filed as Exhibit 10.8 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.139	Mortgage, Security Agreement and Fixture Filing by and between 210 Clay SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.9 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.140	Promissory Note of 210 Clay SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$16,000,000 dated May 9, 2006 (filed as Exhibit 10.10 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.141	Mortgage, Security Agreement and Fixture Filing by and between 5 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.11 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.142	Promissory Note of 5 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$15,500,000 dated May 9, 2006 (filed as Exhibit 10.12 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.143	Mortgage, Security Agreement and Fixture Filing by and between 51 CHUBB SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.13 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.144	Promissory Note of 51 CHUBB SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$4,500,000 dated May 9, 2006 (filed as Exhibit 10.14 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.145	Agreement of Sale and Purchase dated August 9, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.91 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.146	First Amendment to Agreement of Sale and Purchase dated September 6, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.92 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.147	Second Amendment to Agreement of Sale and Purchase dated September 15, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.93 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.148	Agreement of Sale and Purchase dated September 25, 2006 by and between Phelan Realty Associates L.P., 795 Folsom Realty Associates L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.94 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.149	Membership Interest Purchase and Contribution Agreement dated as of December 28, 2006, by and among NKFGMS Owners, LLC, The Gale Construction Services Company, L.L.C., NKFFM Limited Liability Company, Scott Panzer, Ian Marlow, Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, and Mack-Cali Realty, L.P (filed as Exhibit 10.117 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.150	Operating Agreement of NKFGMS Owners, LLC (filed as Exhibit 10.118 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.151	Loans, Sale and Services Agreement dated December 28, 2006 by and between Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, Mack-Cali Realty, L.P., and Newmark Knight Frank Global Management Services, LLC (filed as Exhibit 10.119 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.152	Term Loan Agreement among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, N.A. as Administrative Agent, J.P. Morgan Securities Inc. as Arranger, and other lender which may become parties to this Agreement dated November 29, 2006 (filed as Exhibit 10.120 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.153	Agreement of Purchase and Sale among SLG Broad Street A LLC and SLG Broad Street C LLC, as Sellers, and M-C Broad 125 A L.L.C. and M-C Broad 125 C L.L.C., as Purchasers, dated as of March 15, 2007 (filed as Exhibit 10.121 to the Company's Form 10-Q dated March 31, 2007 and incorporated herein by reference).
10.154	Agreement of Purchase and Sale among 500 West Putnam L.L.C., as Seller, and SLG 500 West Putnam LLC, as Purchaser, dated as of March 15, 2007 (filed as Exhibit 10.122 to the Company's Form 10-Q dated March 31, 2007 and incorporated herein by reference).
10.155	Letter Agreement by and between Mack-Cali Realty, L.P., Mack-Cali Realty Acquisition Corp., Mack-Cali Belmar Realty, LLC, M-C Belmar, LLC, Mr. Stanley C. Gale, SCG Holding Corp., Mr. Mark Yeager, GCF II Investor LLC, The Gale Investments Company, LLC, Gale & Wentworth Vreeland, LLC, Gale Urban Solutions LLC, MSGW-ONE Campus Investors, LLC and Gale/Yeager Investments LLC dated October 31, 2007 (filed as Exhibit 10.128 to the Company's Form 10-Q dated September 30, 2007 and incorporated herein by reference).
10.156	Mortgage and Security Agreement and Financing Statement dated October 28, 2008 between M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Mortgagors and The Northwestern Mutual Life Insurance Company and New York Life Insurance Company as Mortgagees (filed as Exhibit 10.131 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.157	Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of The Northwestern Mutual Life Insurance Company, as Lender, in the principal amount of \$120,000,000, dated October 28, 2008. (filed as Exhibit 10.132 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.158	Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of New York Life Insurance Company, as Lender, in the principal amount of \$120,000,000, dated October 28, 2008 (filed as Exhibit 10.133 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.159	Guarantee of Recourse Obligations of Mack-Cali Realty, L.P. in favor of The Northwestern Mutual Life Insurance Company and New York Life Insurance Company dated October 28, 2008 (filed as Exhibit 10.134 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.160	Amended and Restated Loan Agreement by and among One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, collectively, as Borrowers and Gramercy Warehouse Funding I LLC, as Lender, dated April 29, 2009 (filed as Exhibit 10.144 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.161	Amended and Restated Promissory Note of One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, as Borrowers, in favor of Gramercy Warehouse Funding I, LLC, as Lender, dated April 29, 2009 (filed as Exhibit 10.145 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.162	Limited Liability Company Membership Interest Purchase and Sale Agreement dated April 29, 2009 by and among Gale SLG NJ LLC, Mack-Cali Ventures L.L.C., SLG Gale 55 Corporation LLC and 55 Corporate Partners L.L.C. (filed as Exhibit 10.146 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.163	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 (filed as Exhibit 10.1 to the Company's Form 8-K dated January 15, 2010 and incorporated herein by reference).
10.164	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 (filed as Exhibit 10.2 to the Company's Form 8-K dated January 15, 2010 and incorporated herein by reference).
10.165*	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 Mack-Cali Centre I in Bergen County, New Jersey.
10.166*	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 Mack-Cali Centre II in Bergen County, New Jersey.
10.167*	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 Mack-Cali Centre III in Bergen County, New Jersey.

Exhibit Number	Exhibit Title
10.168*	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 Mack-Cali Centre IV in Bergen County, New Jersey.
10.169*	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali F Properties, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre VII in Bergen County, New Jersey.
10.170*	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Chestnut Ridge, L.L.C., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Corp. Center in Bergen County, New Jersey.
10.171*	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 Mack-Cali Saddle River in Bergen County, New Jersey.
10.172*	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 Mack-Cali Centre I in Bergen County, New Jersey.
10.173*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre I in Bergen County, New Jersey.
10.174*	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 Mack-Cali Centre II in Bergen County, New Jersey.
10.175*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre II in Bergen County, New Jersey.
10.176*	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 Mack-Cali Centre III in Bergen County, New Jersey.
10.177*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre III in Bergen County, New Jersey.
10.178*	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 Mack-Cali Centre IV in Bergen County, New Jersey.
10.179*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre IV in Bergen County, New Jersey.
10.180*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali F Properties, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre VII in Bergen County, New Jersey.

Exhibit Number	Exhibit Title
10.181*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali F Properties, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre VII in Bergen County, New Jersey.
10.182*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Corp. Center in Bergen County, New Jersey.
10.183*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. in favor of VPCM, LLC with respect to Mack-Cali Corp. Center in Bergen County, New Jersey.
10.184*	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 Mack-Cali Saddle River in Bergen County, New Jersey.
10.185*	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Saddle River in Bergen County, New Jersey.
10.186*	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 certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre I in Bergen County, New Jersey.
10.187*	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 certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre II in Bergen County, New Jersey.
10.188*	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 certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre III in Bergen County, New Jersey.
10.189*	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 certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre IV in Bergen County, New Jersey.
10.190*	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 certain liabilities of Mack-Cali F Properties, L.P. with respect to Mack-Cali Centre VII in Bergen County, New Jersey.
10.191*	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 certain liabilities of Mack-Cali Chestnut Ridge, L.L.C. with respect to Mack-Cali Corp. Center in Bergen County, New Jersey.
10.192*	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 certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Saddle River in Bergen County, New Jersey.

Exhibit Number	Exhibit Title
10.193*	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre I in Bergen County, New Jersey.
10.194*	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre II in Bergen County, New Jersey.
10.195*	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre III in Bergen County, New Jersey.
10.196*	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre IV in Bergen County, New Jersey.
10.197*	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali F Properties, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre VII in Bergen County, New Jersey.
10.198*	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Corp. Center in Bergen County, New Jersey.
10.199*	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Saddle River in Bergen County, New Jersey.
31.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, and the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1*	The following financial statements from Mack-Cali Realty Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, formatted in XBRL: (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statement of Changes in Equity (unaudited), (iv) Consolidated Statements of Cash Flows (unaudited), and (v) Notes to Consolidated Financial Statements (unaudited), tagged as blocks of text.

*filed herewith

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and William L. Mack, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ William L. Mack
William L. Mack

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Mitchell E. Hersh, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnatee against other persons or entities. Indemnatee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnatee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnatee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnatee to the extent Indemnatee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnatee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnatee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnatee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnatee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnatee at Indemnatee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

By: /s/ Timothy M. Jones
Timothy M. Jones
President

INDEMNITEE:

/s/ Mitchell E. Hersh
Mitchell E. Hersh

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 11th day of December, 1997 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Martin S. Berger, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Martin S. Berger
Martin S. Berger

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 20th day of May, 2004, by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Alan S. Bernikow, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnatee against other persons or entities. Indemnatee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnatee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnatee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnatee to the extent Indemnatee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnatee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnatee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnatee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnatee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnatee at Indemnatee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Alan S. Bernikow
Alan S. Bernikow

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and John R. Cali, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ John R. Cali
John R. Cali

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 13th day of September, 2005, by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Kenneth M. Duberstein, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Kenneth M. Duberstein
Kenneth M. Duberstein

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Nathan Gantcher, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Nathan Gantcher
Nathan Gantcher

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 11th day of December, 1997, by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and David S. Mack, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ David S. Mack
David S. Mack

**INDEMNIFICATION AGREEMENT
(Directors and Officers)**

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Alan G. Philibosian, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Alan G. Philibosian
Alan G. Philibosian

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Irvin D. Reid, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnitee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnitee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnitee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnitee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnitee for any and all Expenses incurred by Indemnitee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnitee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnitee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnitee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnitee and from time to time upon written request by Indemnitee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnitee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnitee, any and all Expenses to Indemnitee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnitee all amounts to which Indemnitee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnitee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnitee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnitee against and, if requested by Indemnitee, will, within two (2) business days of such request, advance to Indemnitee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnitee in connection with any claim, action, suit or proceeding asserted or brought by Indemnitee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Irvin D. Reid
Irvin D. Reid

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Vincent Tese, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Vincent Tese
Vincent Tese

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Robert F. Weinberg, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Robert F. Weinberg
Robert F. Weinberg

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Roy J. Zuckerberg, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Roy J. Zuckerberg
Roy J. Zuckerberg

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Barry Lefkowitz, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnitee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnitee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnitee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnitee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnitee for any and all Expenses incurred by Indemnitee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnitee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnitee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnitee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnitee and from time to time upon written request by Indemnitee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnitee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnitee, any and all Expenses to Indemnitee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnitee all amounts to which Indemnitee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnitee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnitee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnitee against and, if requested by Indemnitee, will, within two (2) business days of such request, advance to Indemnitee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnitee in connection with any claim, action, suit or proceeding asserted or brought by Indemnitee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Barry Lefkowitz
Barry Lefkowitz

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Michael Grossman, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Michael Grossman
Michael Grossman

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 22nd day of October, 2002 by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Roger W. Thomas, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnitee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnitee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnitee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnitee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnitee for any and all Expenses incurred by Indemnitee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnitee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnitee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnitee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnitee and from time to time upon written request by Indemnitee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnitee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnitee, any and all Expenses to Indemnitee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnitee all amounts to which Indemnitee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnitee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnitee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnitee against and, if requested by Indemnitee, will, within two (2) business days of such request, advance to Indemnitee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnitee in connection with any claim, action, suit or proceeding asserted or brought by Indemnitee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Roger W. Thomas
Roger W. Thomas

INDEMNIFICATION AGREEMENT
(Directors and Officers)

THIS INDEMNIFICATION AGREEMENT is made and entered into this 9th day of May, 2006, by and between MACK-CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and Mark Yeager, an individual residing at [intentionally omitted] ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available; and **WHEREAS**, Indemnitee is a director and/or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today's environment; and

WHEREAS, the Company's charter (the "Charter") and bylaws (the "Bylaws") provide that the Company will indemnify its directors and officers to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as a director and/or officer of the Company is based on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the Charter and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company's Board of Directors or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of expenses to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

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

1. Certain Definitions.

1.1 "Claim" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or other, or any inquiry or investigation, whether instituted, made or conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

1.2 "Expenses" shall mean and include all court costs, attorneys' fees, disbursements and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

1.3 "Indemnifiable Event" shall mean any actual or asserted event or occurrence related to the fact that Indemnatee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, or anything done or not done by Indemnatee in any such capacity.

2. Basic Indemnification Arrangement. In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising or related in whole or in part out of) an Indemnifiable Event, (a) the Company will indemnify and hold harmless Indemnatee to the fullest extent permitted by law, as soon as practicable, but in any event no later than fifteen (15) calendar days after written demand is presented to the Company, from and against any and all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid in settlement) of, or suffered or incurred by Indemnatee in connection with, such Claim; and (b) the Company will pay or reimburse Indemnatee for any and all Expenses incurred by Indemnatee in connection with a Claim prior to final disposition of the Claim, to the fullest extent permitted by law but without requiring any preliminary determination of the ultimate entitlement of Indemnatee to indemnification, as soon as practicable, but in any event within two (2) business days, after request by Indemnatee. Notwithstanding anything in this Section 2 or Section 5 of this Agreement to the contrary, Indemnatee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnatee against the Company or any director or officer of the Company except as provided in Section 4 of this Agreement or unless the Company has joined in or consented to the initiation of such Claim.

3. Establishment of Trust. The Company will create a trust (the "Trust") for the benefit of Indemnatee and from time to time upon written request by Indemnatee will, if so authorized by the Company's Board of Directors, fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request, and any and all judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or reasonably anticipated or proposed to be paid. The terms of the Trust will provide that (i) the Trust will not be revoked, or the principal thereof invaded, without the written consent of Indemnatee, (ii) the trustee thereunder (the "Trustee") will advance, within two (2) business days of a request by Indemnatee, any and all Expenses to Indemnatee, (iii) the Trust will continue to be funded by the Company in accordance with and to the extent of the funding obligation set forth above, (iv) the Trustee will promptly pay to Indemnatee all amounts to which Indemnatee is entitled in respect of the Company's indemnification obligations under this Agreement or otherwise, and (v) all unexpended funds in the Trust will revert to the Company upon a final determination by a court of competent jurisdiction that Indemnatee has been fully indemnified under the terms of this Agreement. The Trustee will be an independent third party, and will be chosen by Indemnatee. Nothing in this Section 3 will relieve the Company of any of its obligations under this Agreement.

4. Indemnification for Additional Expenses. The Company will indemnify Indemnatee against and, if requested by Indemnatee, will, within two (2) business days of such request, advance to Indemnatee, any and all attorneys' fees and other costs, expenses and obligations paid or incurred by Indemnatee in connection with any claim, action, suit or proceeding asserted or brought by Indemnatee for (i) indemnification or payment or reimbursement of Expenses prior to final disposition of the Claim by the Company under this Agreement or any other agreement or under any provisions of the Charter or Bylaws now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

5. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. In addition, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled. The Company agrees to make any such determination, or to cause such determination to be made, as expeditiously as practicable.

6. *No Presumption.* For purposes of this Agreement, the termination of any Claim, action, suit or proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

7. *Non-Exclusivity, Etc.* The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Charter, the Bylaws or the Maryland General Corporation Law (the "MGCL") or otherwise; *provided, however*, that to the extent that Indemnitee otherwise would have any greater right to indemnification under any provision of the Charter or Bylaws as in effect on the date hereof, Indemnitee will be deemed to have such greater right hereunder, and provided, further, that to the extent that any change is made to the MGCL (whether by legislative action or judicial decision), the Charter and/or the Bylaws which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Charter or the Bylaws the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under the Charter, the Bylaws, the MGCL or otherwise as applied to any act or failure to act occurring in whole or in part prior to the date upon which the amendment was approved by the Company's Board of Directors and/or its stockholders, as the case may be.

8. *Liability Insurance.* The Company shall maintain an insurance policy or policies providing directors' and officers' liability insurance in an amount not less than \$1,000,000 and on customary terms. Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. *Period of Limitations.* No legal action will be brought and no cause of action will be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee or Indemnitee's spouse, personal or legal representatives, executors, administrators, successors, heirs, distributees or legatees after the expiration of three (3) years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliates will be extinguished and deemed released unless asserted by the timely filing of a legal action within such three (3) year period; *provided, however*, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period will govern.

10. Subrogation. In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities. Indemnitee will execute all papers reasonably required and will do every thing that may be reasonably necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights (all of Indemnitee's reasonable costs and expenses, including attorneys' fees and disbursements, to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

11. No Duplication of Payments. The Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Charter, the Bylaws or otherwise) of the amounts otherwise Indemnifiable hereunder.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b) hereof. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and any such attempted assignment shall be null and void and of no effect.

13. Notices. For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five (5) calendar days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to Indemnitee at Indemnitee's principal residence as shown in the Company's most current records, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to the principles of conflict of laws.

15. *Validity.* If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. *Miscellaneous.* No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing by Indemnatee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. References to Sections are references to Sections of this Agreement.

17. *Counterparts.* This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

THE COMPANY:

MACK-CALI REALTY CORPORATION

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

INDEMNITEE:

/s/ Mark Yeager
Mark Yeager

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)

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre I, Bergen County, New Jersey

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. 706 108 236 and 706 108 266

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
- Exhibit B** - Description of Personal Property
- Exhibit C** - Permitted Encumbrances
- Exhibit D** - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
Additional Funds	Section 3.07 (c)
Affecting the Property	Section 3.12 (a)
Affiliate	Section 3.22
All	Section 9.05 (m)
Anti-Terrorism Regulations	Section 3.20(b)
Any	Section 9.05 (m)
Assessments	Section 3.03 (a)
Assignment	Recitals, Section 2 (B)
Award	Section 3.08 (b)
Bankruptcy Code	Recitals, Section 2 (A) (ix)
Borrower	Preamble
Costs	Section 4.01
Damage	Section 3.07 (a)
Default Rate	Section 1.01 (a)
Demand	Section 9.12 (n)
Deposits	Section 3.10
Documents	Section 1.02
Environmental Indemnity	Section 8.05
Environmental Law	Section 3.12 (a)
Environmental Liens	Section 3.12 (b)
Environmental Report	Section 3.12 (a)
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Executive Order 13224	Section 2.09
First Notice	Section 3.15 (b)
Flood Acts	Section 2.04 (a)
Foreign Person	Section 2.05
Grace Period	Section 6.01(c)
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Impositions	Section 3.10
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Include, Including	Section 9.05 (f)
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Individual Shareholders	Section 2.09
Instrument	Preamble
Insurance Premiums	Section 3.10
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Lender	Preamble
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OFAC	Section 2.09
OFAC Lists	Section 2.09
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On Demand	Section 9.05 (n)
Organization State	Section 2.01
Owned	Section 9.05 (l)
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Personal Property	Section 6.02 (j)
Prepayment Premium	Section 1.01(a)
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Property Payables	Section 3.09
Property State	Section 2.01
Provisions	Section 9.05 (j)
Rating Agency	Section 9.06
Release	Section 3.12 (a)
Rent Loss Proceeds	Section 3.07 (c)
Rents	Recitals, Section 2 (A) (x)
Restoration	Section 3.07 (a)
Revenue Code	Section 2.05
Second Notice	Section 3.15 (b)
Securities	Section 9.06
Security Agreement	Section 7.01
Taking	Section 3.08 (a)
Tenant	Recitals, Section 2 (A) (vi)
Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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. 706 108 236 and 706 108 266, 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 Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as Mack-Cali Centre I; 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 Seven Million Four Hundred Sixty Eight Thousand and No/100 Dollars (\$7,468,000.00) 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 Four Million Seven Hundred Eighty Two Thousand and No/100 Dollars (\$4,782,000.00) 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 9691, Page 1, in the real estate records of Bergen County, New Jersey, 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 1014, Page 651, 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 13989, Page 686, in the real estate records of Bergen County, New Jersey, 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 9691, Page 57, in the real estate records of Bergen County, New Jersey, 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 1014, Page 665, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66) (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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00); 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 Ten and No/100 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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66), 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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00).

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 Bergen County, New Jersey 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 seised 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 (1/12th) 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 for 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

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

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 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(l). 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(l) 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Township of Rochelle Park, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point in the present southwesterly side line of Passaic Street therein distant 20.27 feet northwesterly from its intersection with the northwesterly side line of Powell Avenue, both lines extended, and from said point of beginning running; thence

1. South 47° 00' 14" West, 110.75 feet to a point; thence
2. South 40° 45' 40" West, 14.50 feet to a point; thence
3. North 51° 17' 20" West, 322.10 feet to a point; thence
4. North 40° 45' 40" East, 121.49 feet to a point; thence
5. North 76° 38' 20" West, 195.71 feet to a point; thence
6. North 87° 18' 20" West, 540 feet to a point; thence
7. running in a westerly direction along the former center line of Saddle River Brook, North 88° 27' 44" West, 85.00 feet to a point in the easterly line of Garden State Parkway; thence
8. along said line, North 15° 59' 54" East, 114 feet to a concrete monument in said line; thence
9. North 24° 14' 00" East, 51.77 feet to a concrete monument; thence
10. still along said line, North 19° 39' 17" East, 91.56 feet to a concrete monument; thence
11. North 23° 19' 35" East, 94.68 feet to a point; thence
12. North 23° 02' 08" East, 56.55 feet to a point; thence
13. leaving said line of Garden State Parkway, South 67° 40' 00" East, 207.12 feet to a point; thence
14. North 20° 28' 18" West, 44.57 feet to a point; thence
15. North 17° 05' 19" East, 32.31 feet to a point; thence
16. North 74° 21' 10" East, 318 feet to a point; thence
17. South 87° 05' 45" East, 37.85 feet to a point; thence
18. North 74° 21' 10" East, 130 feet to the present southeasterly side line of Passaic Street; thence
19. along the said side line of Passaic Street, South 19° 50' 20" East, 823.57 feet to a point, the point or place of Beginning.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 1.02 in Block 103.01 on the Township of Rochelle Park Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated December 5, 2009.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre I" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605B-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: United Retail Inc..

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)

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre II, Bergen County, New Jersey

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. 706 108 237 and 706 108 267

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
- Exhibit B** - Description of Personal Property
- Exhibit C** - Permitted Encumbrances
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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:

Action	Section 9.04
Additional Funds	Section 3.07 (c)
Affecting the Property	Section 3.12 (a)
Affiliate	Section 3.22
All	Section 9.05 (m)
Anti-Terrorism Regulations	Section 3.20(b)
Any	Section 9.05 (m)
Assessments	Section 3.03 (a)
Assignment	Recitals, Section 2 (B)
Award	Section 3.08 (b)
Bankruptcy Code	Recitals, Section 2 (A) (ix)
Borrower	Preamble
Costs	Section 4.01
Damage	Section 3.07 (a)
Default Rate	Section 1.01 (a)
Demand	Section 9.12 (n)
Deposits	Section 3.10
Documents	Section 1.02
Environmental Indemnity	Section 8.05
Environmental Law	Section 3.12 (a)
Environmental Liens	Section 3.12 (b)
Environmental Report	Section 3.12 (a)
ERISA	Section 3.11
Event of Default	Section 6.01
Executive Order 13224	Section 2.09
First Notice	Section 3.15 (b)
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Foreign Person	Section 2.05
Grace Period	Section 6.01(c)
Hazardous Materials	Section 3.12 (a)
Impositions	Section 3.10
Improvements	Recitals, Section 2 (A) (ii)
Include, Including	Section 9.05 (f)
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Instrument	Preamble
Insurance Premiums	Section 3.10
Investors	Section 9.06
Land	Recitals, Section 2 (A) (i)
Laws	Section 3.05(c)
Lease	Section 9.05 (k)
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Note	Recitals, Section 1
Notice	Section 9.02
O&M Plan	Section 3.12(b)
Obligations	Section 1.01
OFAC	Section 2.09
OFAC Lists	Section 2.09
OFAC Violation	Section 3.20(c)
On Demand	Section 9.05 (n)
Organization State	Section 2.01
Owned	Section 9.05 (l)
Permitted Encumbrances	Recitals, Section 2 (B)
Person	Section 9.05 (i)
Personal Property	Section 6.02 (j)
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Property Payables	Section 3.09
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Provisions	Section 9.05 (j)
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Rents	Recitals, Section 2 (A) (x)
Restoration	Section 3.07 (a)
Revenue Code	Section 2.05
Second Notice	Section 3.15 (b)
Securities	Section 9.06
Security Agreement	Section 7.01
Taking	Section 3.08 (a)
Tenant	Recitals, Section 2 (A) (vi)
Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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. 706 108 237 and 706 108 267, 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 Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as Mack-Cali Centre II; 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 Twenty Three Million Three Hundred Sixteen Thousand and No/100 Dollars (\$23,316,000.00) 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 Two Million Two Hundred Eighty Four Thousand and No/100 Dollars (\$2,284,000.00) 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 9690, Page 830 (re-recorded in Mortgage Book 9843, Page 842), in the real estate records of Bergen County, New Jersey, 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 1014, Page 495, 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 13985, Page 694, in the real estate records of Bergen County, New Jersey, 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 9690, Page 886, in the real estate records of Bergen County, New Jersey, 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 1014, Page 509, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Twelve Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$12,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Nine Hundred Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$10,966,666.66) (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 TWENTY THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$23,500,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note, which reflects the reduction of the amount of the indebtedness to Borrower by the principal amount of \$2,100,000.00, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, but a corresponding increase in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Twelve Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$12,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Nine Hundred Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$10,966,666.66), 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 TWENTY THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$23,500,000.00).
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 Bergen County, New Jersey 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 seised 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 \$235,000.00 (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 (1/12th) 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.

(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 for 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. 706 108 237 and 706 108 267

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. 706 108 237 and 706 108 267

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(l). 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(l) 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point in the westerly line of From Road (formerly Marginal Road) where the same is intersected by the southerly line of a 60 foot right-of-way dedicated to the Borough of Paramus by Pacco Contracting Co., Inc. by deed dated August 11, 1960, recorded December 22, 1960, Book 4197, page 347, running thence;

1. Along the westerly line of From Road, 50 feet wide, South 05 degrees 56 minutes 15 seconds West 169.39 feet to a point of curvature; thence
2. Still along the same, southwesterly on a curve to the left, having a radius of 11,175.00 feet, an arc distance of 57.75 feet to a point, thence
3. Along the northerly line of Lot 1 in Block 6207, North 85 degrees 06 minutes 20 seconds West, 588.00 feet to a point; thence
4. Along the westerly line of Lot 1 in Block 6207, South 04 degrees 38 minutes 40 seconds West, 177.50 feet to a point; thence
5. Along the northerly line of Lot 2 in Block 6207, North 75 degrees 53 minutes 50 seconds West, 324.30 feet to a point, thence
6. Along the easterly line of Lots 4 and 3 in Block 6205, North 04 degrees 23 minutes 49 seconds East, 276.89 feet to a point, thence
7. Along the easterly line of Lot 1 in Block 6205, North 04 degrees 28 minutes 06 seconds East, 265.13 feet to a point; thence
8. Still along the same and then along the easterly line of Lot 3 in Block 6109, North 04 degrees 24 minutes 06 seconds East, 587.80 feet to a point, thence
9. Along the easterly line of Lot 1 in Block 6108, North 04 degrees 22 minutes 05 seconds East, 73.47 feet to a point; thence
10. Along the southerly line of Lot 4 in block 6301 (Mack Centre III) South 88 degrees 29 minutes 12 seconds East, 512.07 feet to a bend point in same, thence
11. Still along the same, South 74 degrees 26 minutes 12 seconds East, 120.19 feet to a point in the westerly right of way line of the Garden State Parkway as conveyed by John M. Timko to the New Jersey Highway Authority by deed dated June 30, 1967, recorded July 3, 1967, Deed Book 5060 page 389; thence
12. Along said right of way line, being along the fifth (5th) course in reverse direction of said Deed Book 5060, page 389, South 05 degrees 51 minutes 51 seconds East, 106.63 feet to a point, thence

13. Still along said right of way line, South 35 degrees 01 minute 01 seconds East, 367.81 feet to a point in the former division line between Lot 1 in Block 6303 and Lot 3 in Block 6302; thence
14. Along the northerly line of Lot 1 in Block 6303, South 86 degrees 34 minutes 15 seconds East, 19.00 feet to a point; thence
15. Along the westerly line of From Road, South 05 degrees 26 minutes 28 seconds East, 58.77 feet to a point, thence
16. Still along the same, southeasterly on a curve to the right, having a radius of 725.00 feet, an arc distance of 137.36 feet to a point, thence
17. Along the division line between Lots 1 and 2 in Block 6303, North 86 degrees 34 minutes 15 seconds West, 303.00 feet to a point; thence
18. Along the westerly line of Lot 2 in Block 6303 and then along the westerly end of the aforementioned 60 foot wide right of way, South 04 degrees 17 minutes 45 seconds West, 277.45 feet to a point; thence
19. Along the southerly line of said 60 foot right of way, South 86 degrees 34 minutes 15 seconds East, 295.39 feet to the point or place of BEGINNING.

Together with, and subject to, easements for ingress and egress in Deed Book 6598 page 538; Deed Book 1065, page 17; Reciprocal Easement in Deed Book 6286, page 455; and a limited right of access in Deed Book 5060, page 389 and Deed Book 5739 page 477.

The above description is in accordance with a survey drawn by Dresden Robin, Hanson Engineering Division, dated December 10, 2009.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 1 in Block 6303 on the Borough of Paramus Tax Map.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre II" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605C-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: Movado Group Inc..

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)

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre III, Bergen County, New Jersey

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. 706 108 238 and 706 108 268

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
- Exhibit B** - Description of Personal Property
- Exhibit C** - Permitted Encumbrances
- Exhibit D** - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
Additional Funds	Section 3.07 (c)
Affecting the Property	Section 3.12 (a)
Affiliate	Section 3.22
All	Section 9.05 (m)
Anti-Terrorism Regulations	Section 3.20(b)
Any	Section 9.05 (m)
Assessments	Section 3.03 (a)
Assignment	Recitals, Section 2 (B)
Award	Section 3.08 (b)
Bankruptcy Code	Recitals, Section 2 (A) (ix)
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Costs	Section 4.01
Damage	Section 3.07 (a)
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Demand	Section 9.12 (n)
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Environmental Indemnity	Section 8.05
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Executive Order 13224	Section 2.09
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Include, Including	Section 9.05 (f)
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Individual Beneficiaries	Section 2.09
Individual Shareholders	Section 2.09
Instrument	Preamble
Insurance Premiums	Section 3.10
Investors	Section 9.06
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On Demand	Section 9.05 (n)
Organization State	Section 2.01
Owned	Section 9.05 (l)
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Property Payables	Section 3.09
Property State	Section 2.01
Provisions	Section 9.05 (j)
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Release	Section 3.12 (a)
Rent Loss Proceeds	Section 3.07 (c)
Rents	Recitals, Section 2 (A) (x)
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Revenue Code	Section 2.05
Second Notice	Section 3.15 (b)
Securities	Section 9.06
Security Agreement	Section 7.01
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Tenants	Section 9.05 (k)
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U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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. 706 108 238 and 706 108 268, as mortgagee (collectively, “**Lender**”).

W I T N E S S E T H:

WHEREAS, Borrower is the owner of fee simple interest and leasehold interests in certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as Mack-Cali Centre III; 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 Fifteen Million Three Hundred Ninety Two Thousand and No/100 Dollars (\$15,392,000.00) 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 Seven Hundred Eight Thousand and No/100 Dollars (\$708,000.00) 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 9690, Page 561, in the real estate records of Bergen County, New Jersey, 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 1014, Page 576, 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 13985, Page 804, in the real estate records of Bergen County, New Jersey, 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 9690, Page 630, in the real estate records of Bergen County, New Jersey, 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 1014, Page 591, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66) (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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note, which reflects the reduction of the amount of the indebtedness to Borrower by the principal amount of \$3,850,000.00, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, but a corresponding increase in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66), 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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00).
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 Bergen County, New Jersey, and described in Exhibit A ("**Land**"), including the parcel shown thereon as the "Leasehold Parcel", as to which the Ground Lessor (as defined on Exhibit A-1) is now seized and in possession of the fee simple estate and as to which Borrower is now seized and in possession of that certain estate for years and leasehold estate, being the leasehold estate created by, arising under, and by virtue of the Ground Lease (as defined on Exhibit A-1); and including all of Borrower's right, title, and interest as lessee or tenant or otherwise in and to said leasehold estate and in and to the Ground Lease; and TOGETHER WITH

- (A) All rights of the lessee or tenant arising under the Ground Lease, including, but not limited to, all rights to possession of the Property and any other property leased pursuant to the Ground Lease and any and all rights set forth in the Ground Lease with respect to the extension and renewal of the Ground Lease by lessee; and, subject to the restrictions hereinafter set forth, together with all extensions and renewals of, modifications and amendments to, and replacements of the Ground Lease; and

- (B) All other right, title, and interest of Borrower, whether now in existence or hereafter arising, in and to the Land and all buildings and other structures and improvements whatsoever now or hereafter constructed, placed, or located thereupon; and
 - (C) All other right, title, and interest of Borrower, whether now in existence or hereafter arising, in and to all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, sidewalks, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber, and other emblements now or hereafter located on the Property or appurtenant to the Ground Lease or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or that hereafter shall in any way belong, relate, or be appurtenant thereto, whether now owned or hereafter acquired by Borrower or hereafter arising; and
 - (D) All of the interest of Borrower as lessee or tenant under the Ground Lease, and all the estate, right, title, interest, property, possession, claim, and demand whatsoever at law, as well as in equity, of Borrower of, in and to the same; and
 - (E) All right, title, and interest of Borrower in and to all options and contracts to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired by Borrower.
- (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 seised of the Land and Improvements in fee simple, except that as to Tract I and Tract II set forth on **Exhibit A**, Borrower is lawfully seised of a leasehold estate in the Land, 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.

Section 3.06 Insurance.

(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 (1/12th) 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 for 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

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

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. 706 108 238 and 706 108 268

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. 706 108 238 and 706 108 268

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(l). 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(l) 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.

ARTICLE XI - GROUND LEASE PROVISIONS

Section 11.01 Payment of Rent and Performance Under Ground Lease and Other Agreements

(a) Borrower shall pay or cause to be paid, not later than the date upon which same becomes due and payable pursuant to the provisions of the Ground Lease, all rent, additional rent and other payments required to be paid by Borrower under the Ground Lease according to the terms, conditions and provisions of the Ground Lease. At the option of Lender, Borrower shall forward to Lender, simultaneously with the transmittal of such payment, a photostatic copy of such transmittal of payment, which copy shall be certified by Borrower as being true, correct and complete and as being delivered by Borrower to the party designated on such date. At the option of Lender, Borrower shall deliver to Lender, within ten (10) days after the date of each such payment, the original or photostatic copy of the official receipt evidencing such payment or other proof of payment satisfactory to Lender.

(b) At the sole cost and expense of Borrower, Borrower shall duly and punctually observe and perform all of the covenants, duties, obligations and agreements of the lessee or tenant under the Ground Lease in strict accordance with the terms, conditions and provisions thereof, shall not do or permit to be done anything to impair the Lender's security, shall enforce the performance and observance of each and every covenant and condition of the Ground Lease to be performed or observed by any other party to the Ground Lease and shall otherwise maintain the Ground Lease as a valid and subsisting estate for years and leasehold estate in full force and effect in accordance with the terms, conditions and provisions thereof without threat of termination of the Ground Lease or diminishment of the leasehold estate demised thereby.

(c) In the event Borrower defaults under the terms, conditions or provisions of the Ground Lease, or Borrower receives any notice from any Ground Lessor under the Ground Lease or otherwise of the occurrence of a default or event of default on the part of the Borrower or any other party under the Ground Lease, or Borrower receives any notice from any Ground Lessor under the Ground Lease or otherwise of the occurrence of, or failure of, any condition under the Ground Lease or any other circumstance pursuant to which the Ground Lease may be terminated or canceled or the leasehold estate may otherwise be diminished, Borrower shall within three (3) business days after Borrower receives information as to the commission of such default or of the receipt of such notice of default or other occurrence, notify Lender of the occurrence of such default or event of default or occurrence and provide Lender in such notification with a copy of such notice of default. Without diminishing in any respect Lender's rights hereunder or otherwise, Borrower shall in such notification and at all times thereafter provide Lender with such information as Lender may require with respect to the nature of such default, the steps Borrower is taking (or proposes to take) with respect thereto and any other information which Lender may require. Borrower shall take any and all actions as are necessary to avoid termination of the Ground Lease, including the institution of legal proceedings to enforce the Ground Lease, and Borrower shall appear in and defend any action or proceeding arising under or in any manner connected with the Ground Lease, or the obligations or liabilities of Borrower as the lessee thereunder.

- (d) Each entity comprising Borrower warrants, represents and certifies to Lender with respect to or on behalf of itself or themselves only (and not otherwise) and to each other that
- (i) The Borrower is the sole owner and holder of the entire lessee's interest in the Ground Lease and of the leasehold estate created thereby, free and clear of any and all liens, security interests and encumbrances, but subject only to the Permitted Encumbrances. Borrower has made no assignment other than this Instrument of any of the rights of Borrower under the Ground Lease.
 - (ii) The Ground Lease is a valid and subsisting estate for years of, in and to the Property and of the other property described therein and purported to be demised thereunder for the term therein set forth. The Ground Lease is valid and enforceable and in full force and effect in accordance with the terms, conditions and provisions thereof and has not been altered, modified or amended in any manner whatsoever except as expressly set forth herein.
 - (iii) No Borrower is in default under any of the terms, covenants or conditions thereof nor does there exist any event of default or any state of facts or condition that would, with the passage of time or the giving of notice, or both, constitute a default or event of default on the part of any Borrower under any of said terms, covenants or conditions or otherwise impair, reduce or otherwise alter the leasehold estate conveyed thereunder.
 - (iv) Borrower is not prohibited under any judgment, court decree, administrative regulation, administrative ruling, ordinance, law or other ruling applicable to Borrower, from the execution and delivery of this Instrument and of the assignment of Borrower's interest in the Ground Lease, the performance of each and every obligation of Borrower hereunder and under the Ground Lease and the meeting of each and every condition herein or in the Ground Lease contained.
 - (v) No action has been brought or threatened that would in any manner interfere with the right of Borrower to execute this Instrument and to perform all of Borrower's obligations contained in this Instrument or under the Leases;
 - (vi) The copy of the Ground Lease provided by Borrower to Lender is a true, correct and complete copy thereof and that the records related thereto that have been furnished by the Borrower to the Lender are true, correct, accurate and complete in all material respects.
 - (vii) Borrower has neither done any act nor failed to do any act that might prevent Lender from, or limit Lender in, acting under any of the provisions of this Instrument or that might cause Borrower to be estopped from exercising any of its rights under the Ground Lease.

- (viii) Borrower has full power and authority to execute and deliver this Instrument and said execution and delivery has been duly authorized and does not conflict with or constitute a default under the Ground Lease or any other agreement, indenture or other instrument binding upon the Borrower or the Property.
- (e) Borrower shall not, without in each such event obtaining the prior written consent of Lender, enter into any agreements, whether written or oral, that purport to amend, modify, or vary the terms, conditions and provisions of the Ground Lease or that directly or indirectly waives or releases any Ground Lessor from the performance or observance by the Ground Lessor of any obligation or condition of the Ground Lease. The prior written consent of Lender shall be evidenced in the following manner: Lender must either (i) join in the execution of such amendment, modification or variance, which amendment, modification or variance shall be thereupon recorded in the real estate records in the state and county in which the Property are located, or (ii) Lender's written consent shall be executed in recordable form, attaching thereto a true, correct and complete copy of such amendment, modification or variance, and which document indicating such consent of Lender shall be thereupon recorded in the real estate records in the state and county in which the Property are located. Any such purported amendment, modification or variance entered into by Borrower under the Ground Lease without the prior written consent of Lender evidenced in such manner shall be null and void ab initio and shall be of no force and effect.
- (f) In addition to the foregoing and not in limitation thereof, in the event of a failure or default by Borrower in the observance or performance of any one or more of the covenants and obligations of the lessee under the Ground Lease or in the event that the Ground Lease otherwise becomes subject to, or threatened with, termination or cancellation, such default or condition or occurrence shall constitute a default hereunder and under the Note and Obligations secured hereby. Lender may pay and expend such sums of money as Lender, in its sole discretion, deems necessary for any such purpose, including, but not limited to the payment of any rental amounts or other sums due under the Ground Lease, and Lender may proceed to perform any and all obligations of Borrower contained in the Ground Lease and exercise any and all rights of Borrower therein contained as fully as the Borrower itself could, and upon so doing shall be subrogated to any and all rights of Borrower as Lessee under the Ground Lease, and Borrower hereby agrees to pay to Lender immediately and without demand, all such sums so paid and expended by Lender, together with interest thereon from the date of such payment at the default rate set forth in the Note, which sums shall be secured by this Instrument as part of the Obligations. Borrower hereby appoints and constitutes Lender as Borrower's duly authorized attorney in fact to make advances under this Instrument for any purpose described in this paragraph and to take any other action referenced in this Instrument, and such power is coupled with an interest and is irrevocable by death or otherwise.
- (g) New Ground Lease with Lender. If the Ground Lease shall be terminated prior to the natural expiration of its term due to an event of default thereunder, and if, pursuant to any provision of the Ground Lease, Lender or its designee shall acquire from the lessor under the Ground Lease a new lease of the Property and the Improvements, Borrower shall have no right, title or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.
- (h) Borrower's Ground Lease Termination Rights. Notwithstanding the foregoing, Lender shall not withhold Lender's consent to a termination of the Ground Lease provided that Borrower acquires the fee simple interest therein, or to permit the termination of the Ground Lease and the re-acquisition of the fee simple interest therein in accordance with the terms of the Ground Lease, provided that (a) Borrower pays all costs and expenses incurred in connection therewith, and (b) Borrower provides to Lender evidence, including an endorsement to Lender's title insurance policy, that as a result of such termination Borrower shall own fee simple title to the portion of the Land subject to the Ground Lease, and that this Instrument is unencumbered (including as to subordinate items), exclusive of the encumbrances permitted hereunder other than the Ground Lease.

Section 11.02 Ground Lease Bankruptcy Matters.

- (a) The lien of this Instrument shall attach to any and all of the Borrower's rights and remedies arising hereafter under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. §365(h), including all of Borrower's rights to remain in possession of the Property.
- (b) Borrower shall not, without first obtaining Lender's written consent, elect to treat the Ground Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code, 11 U.S.C. §365(h)(1). Any such election made without obtaining Lender's prior written consent shall be void.
- (c) Borrower hereby unconditionally assigns, transfers and sets over to Lender all of Borrower's claims and rights to the payment of damages arising from any rejection by the Ground Lessor of the Ground Lease under the Bankruptcy Code, 11 U.S.C. §101 et seq. ("Bankruptcy Code"). Lender shall have the right to proceed in its own name or in the name of the Borrower in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease, including the right to file and prosecute, with or without the joinder of Borrower, any proofs of claim, complaints, motions, applications, notices or other documents in any case with respect to the Ground Lessor under the Ground Lease under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until this Instrument shall have terminated. Any amounts received by Lender as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of Lender (including attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this Instrument and then applied in accordance with the provisions of this Instrument in the manner set forth with respect to condemnation proceeds.
- (d) If any action, suit, proceeding, motion or notice shall be commenced or filed with respect to the Ground Lessor under the Ground Lease in connection with any case under the Bankruptcy Code, Borrower shall participate in any such litigation to an extent and in a manner acceptable to Lender. Borrower shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Ground Lease in any such case under the Bankruptcy Code without first obtaining the written consent of Lender, which consent shall not be unreasonably delayed or withheld.
- (e) Borrower shall, promptly after obtaining knowledge thereof, notify Lender orally, by telephone, of any filing by or against the Ground Lessor under the Ground Lease of a petition under the Bankruptcy Code. Borrower shall also immediately thereafter give written notice of such filing to Lender, setting forth any information available to Borrower as to the date of such filing, the court in which such petition was filed, and the relief sought therein. Borrower shall also, promptly after Borrower's receipt, deliver to Lender any and all notices, summonses, pleadings, applications and other documents received by Borrower in connection with any such petition and in connection with any proceedings relating thereto.
- (f) If there shall be filed by or against Borrower a petition under the Bankruptcy Code, and Borrower, as lessee under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, Borrower shall give Lender prior written notice of the date on which Borrower shall apply to the Bankruptcy Court for authority to reject the Ground Lease. Such date of application by Borrower shall not be less than thirty (30) days from the date such written notice is received by Lender. Lender shall have the right, but not the obligation, to serve upon Borrower, prior to the date Borrower has indicated as the date on which Borrower shall apply to the Bankruptcy Court for authority to reject the Ground Lease, a written notice stating: (i) that Lender demands that Borrower assume and assign the Ground Lease pursuant to Section 365 of the Bankruptcy Code; and (ii) that Lender covenants to cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance under the Ground Lease. If Lender serves upon Borrower the written notice described in the preceding sentence, Borrower shall not seek to reject the Ground Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after such written notice shall have been given, subject to the performance by Lender of the covenant provided for in clause (ii) of the preceding sentence.

(g) Effective upon the entry of any order for relief with respect to Borrower under Chapter 7 of the Bankruptcy Code, Borrower hereby assigns and transfers to Lender a non-exclusive right to apply to the Bankruptcy Court under Subsection 365(d)(1) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed.

Section 11.03 Merger of Title. So long as any portion of the Obligations shall remain unpaid, and unless Lender shall otherwise consent, the fee title to the Property and the Improvements and the leasehold estate therein created pursuant to the provisions of the Ground Lease shall not merge, but shall always be kept separate and distinct, notwithstanding the union of such estates in Borrower or in any other person, by purchase, operation of law or otherwise.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

JOINDER

The undersigned Ground Lessor, Catherine Taffuri, the fee simple owner of the Land which is subject to the Ground Lease and the Ground Lessor thereunder, hereby joins in the execution of this Instrument and by doing so, to secure the payment in full of the Obligations, hereby **GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, ASSIGNS and SETS OVER** to Lender, its successors and assigns, and grants Lender a security interest in, upon the terms and conditions hereof, all right, title and interest of the Ground Lessor now owned, or hereafter acquired, in and to the Property, including, but limited to, the fee simple interest in and to the Land.

TO HAVE AND TO HOLD the above granted and described Property unto Lender, and the successors and assigns of Lender forever, in **FEE SIMPLE**, and the Ground Lessor covenants that the Ground Lessor is lawfully seized of the Property and has good right to convey the same.

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 as defined in the within Instrument, which Second Mortgage secures the Cross Collateral Guaranty and the notes referenced therein and guaranteed thereby (exclusive of the Note secured hereby).

In the event of any foreclosure under the Second Mortgage, whether separately from this Instrument or jointly with this Instrument, including any foreclosure prior to any foreclosure of this Instrument, Lender or the purchaser at the foreclosure shall take subject to the Ground Lease and shall be required to recognize the Ground Lease as a superior matter of title. It is the intent of the Ground Lessor and the Lender and Borrower that the interests mortgaged by Ground Lessor hereunder shall secure only the Obligations of the Note in the principal sum of Twelve Million Two Hundred Fifty Thousand and No/100 Dollars (\$12,250,000.00) as set forth in the within Instrument, which Note amount provides for a Loan to Value ratio of less than 85% as required by the provisions of Article XVII, Section 1(B) of the Ground Lease.

Ground Lessor hereby represents and warrants to Lender as follows: Ground Lessor is duly authorized and empowered to execute and deliver this Instrument, has received all necessary consents with respect thereto, and this Instrument does not conflict with or contravene any term or condition to which Ground Lessor is bound. Ground Lessor has been represented in this transaction by independent and competent legal counsel of its own choice and have read and reviewed with such counsel the this Instrument and the other Documents.

Notwithstanding anything to the contrary contained in the Note, this Instrument, or in any of the other Documents, it is expressly acknowledged and agreed that the Ground Lessor executed and delivered this Instrument solely for the purpose of subjecting Ground Lessor's fee simple title in the Property to the lien of this Instrument and the other Documents, but not the Second Mortgage or the Cross Collateral Guaranty. Notwithstanding anything to the contrary contained in the Note, this Instrument or in any of the other Documents, but without in any manner releasing, impairing or otherwise affecting the Note, this Instrument, or any of the other Documents, or the validity hereof or thereof, or the lien of this Instrument, the liability of Ground Lessor under this Instrument and the other Documents, shall be limited to, and satisfied solely out of, the Property set forth in the Ground Lease. In no event shall Ground Lessor be personally liable under the Note, this Instrument, or any of the other Documents. If an Event of Default occurs in the timely and prompt payment of all or any part of the Obligations or in any obligations under the Documents, any judicial proceedings by Lender and any successor against Ground Lessor shall be limited to the enforcement and foreclosure of the liens and security interest now or at any time hereafter securing payment of the Obligations and to the enforcement of the Assignment of Leases and Rents and any other Documents, and no attachment, execution or other writ or process shall be sought, issued or levied upon assets, properties or funds of Ground Lessor other than the Collateral. In the event of foreclosure of any such lien or security interest securing the payment of the Obligations by private power of sale or otherwise, no judgment for any deficiency upon the Obligations shall be sought or be obtainable by Lender or any successor against Ground Lessor or any successors or assigns thereof.

IN WITNESS WHEREOF, the Ground Lessor has duly executed this Instrument under seal the day and year first above written.

GROUND LESSOR:

/s/ Catherine Taffuri

Name: Catherine Taffuri

JOINDER

The undersigned, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey Corporation, referred to, along with VPCM, LLC, a Virginia limited liability company, as “Lender” in the foregoing Mortgage and Security Agreement, does hereby join in and consent to the terms of the foregoing Joinder executed by such party as Ground Lessor for the purpose of evidencing and confirming the conditions and limitations upon Lender's rights contained in the foregoing Joinder.

IN WITNESS WHEREOF, Lender has duly executed this Instrument under seal the day and year first above written.

LENDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey Corporation

By: /s/ Melissa Farrell

Name: Melissa Farrell

Title: Vice President

JOINDER

The undersigned, **VPCM, LLC**, a Virginia limited liability company, referred to, along with The Prudential Insurance Company of America, a New Jersey Corporation, as “Lender” in the foregoing Mortgage and Security Agreement, does hereby join in and consent to the terms of the foregoing Joinder executed by such party as Ground Lessor for the purpose of evidencing and confirming the conditions and limitations upon Lender's rights contained in the foregoing Joinder.

IN WITNESS WHEREOF, Lender has duly executed this Instrument under seal the day and year first above written.

LENDER:

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

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

TRACT I:

BEGINNING at a point at the point of intersection of the southerly line of Ridgewood Avenue (30 feet from centerline) with the division line between Lots 2 and 3 in Block 6301, all as shown on a minor subdivision plat filed in the Bergen County Clerk's office as map number 7850, and from said beginning point running; thence

1. along the southerly line of Ridgewood Avenue, along a curve to the left having a radius of 2530 feet, an arc length of 52.00 feet to a point of tangency; thence
2. still along the same, South 68° 39' 10" East, 110.66 feet to a point on the division line between Lots 1 and 2 in Block 6301; thence
3. along same, South 08° 24' 20" West, 123.88 feet to a point; thence
4. along the lease line, North 68° 39' 10" West, 162.54 feet to a point on the division line between Lots 2 and 3 in Block 6301; thence
5. along same, North 08° 24' 20" East, 124.45 feet to the point or place of Beginning.

TRACT II:

BEGINNING at a point in the division line between Lot 1, Block 6108 on the north, and Lot 3, Block 6109 on the south, said point being the following courses and distances along the same from the intersection with the southeasterly line of Winters Avenue:

- a. along the southerly line of Lot 1 in Block 6108 it being the northerly line of Lot 3 in Block 6109, South 68° 57' 58" East, 117.25 feet to a bend point in same; thence
- b. still along the southerly line of Lot 1 in Block 6108, it being the northerly line of Lot 3 in Block 6109, South 86° 27' 23" East, 400.54 feet to the point of beginning of this description and running; thence
1. along the new westerly line of Lot 1 in Block 6108, North 03° 32' 37" East, 380.70 feet to a corner of Lot 1 in Block 6108 and southeasterly corner of Lot 6 in Block 6107; thence
2. along the easterly line of Lot 6 in Block 6107, North 04° 07' 38" West, 85.20 feet to a point; thence
3. still along the same, South 89° 50' 19" East, 76.01 feet to a point; thence
4. along the "lease line" North 89° 35' 08" East, 170.27 feet to a point; thence
5. still along the same, South 04° 22' 05" West, 481.42 feet to a point; thence
6. along the northerly line of Lot 3 in Block 6109 on the south, North 86° 27' 23" West, 227.44 feet to the point or place of Beginning.

TRACT III:

BEGINNING at a point and corner of Lot 3 in Block 6301, said point being the southwesterly corner of Lot 2 in Block 6301 and being distant along the division line of same, South 08° 24' 20" West, 124.45 feet from the southerly line of Ridgewood Avenue (30 feet from centerline) all as shown on the current tax assessment map of the Borough of Paramus, Bergen County, New Jersey, and running; thence

1. along the division line between Lots 2 and 4 in Block 6301, South 68° 39' 10" East, 162.54 feet to a point on the division line between Lots 1 and 4 in Block 6301; thence

2. along same, South 08° 24' 20" West, 94.30 feet to a point; thence
3. still along same, South 87° 15' 32" East, 153.08 feet to a point on the division line between Lots 1 and 4 in Block 6301; thence
4. along same, North 35° 43' 05" East, 113.82 feet to a point; thence
5. still along same, North 15° 33' 32" East, 37.00 feet to a point; thence
6. still along same, North 00° 29' 48" East, 17.41 feet to a point on the southerly line of Ridgewood Avenue (30 feet from centerline); thence
7. along same, on a curve to the right having a radius of 490.87 feet an arc length of 283.85 feet to a point of tangency in the westerly right of way line of the Garden State Parkway ramp leading to From Road; thence
8. along said right of way line, South 33° 03' 20" East, 272.44 feet to a point; thence
9. still along same, South 05° 45' 22" East, 375.49 feet to a point; thence
10. along the northerly line of Lot 1 in Block 6303, North 74° 26' 12" West, 120.19 feet to a point; thence
11. still along same, North 88° 29' 12" West, 512.07 feet to a point; thence
12. along the lease line, North 04° 22' 05" East, 410.00 feet to a point; thence
13. along the northerly line of the parcel leased from Tuttle, South 89° 35' 08" West, 170.27 feet to a point on the easterly line of Lot 6 in Block 6107; thence
14. along same, North 57° 43' 22" West, 66.25 feet to a point; thence
15. still along same, North 19° 15' 38" East, 77.17 feet to a point on the easterly line of Lot 5 in Block 6107; thence
16. along same, North 01° 39' 38" East, 121.35 feet to a point; thence
17. along same, South 88° 20' 22" East, 30.00 feet to a point; thence
18. along same, North 01° 22' 04" West, 115.62 feet to the point or place of Beginning.

TOGETHER with easements as contained in Deed Book 6598, page 538.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lots 2 and 4 in Block 6301 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated December 13, 1009.

Being a leasehold estate in Tracts I and II of the aforesaid land pursuant to the Ground Lease referenced in Exhibit A-1

Exhibit A-1

GROUND LEASE

Ground Lease: that certain Ground Lease from Sam Tuttle and Stella Tuttle to Ridgewood-Paramus Realty Corp., dated December 15, 1978, a short form of which is recorded at Deed Book 6598, page 525, Bergen County, New Jersey records; as sublet by Ridgewood-Paramus Realty Corp. to Mack Properties Co. #3 by that certain instrument entitled Sublease, dated December 15, 1978, recorded at Deed Book 6598, page 529, Bergen County, New Jersey records; as assigned by Mack Properties Co. #3 to Borrower by that certain instrument entitled Assignment and Assumption of Lease, recorded at Deed Book 8062, page 317, Bergen County, New Jersey records

Ground Lessor: Theda Carracic (deceased) and Alan Tuttle, as owner of "Tract 1", and The Tuttle Family Limited Partnership, as owner of "Tract 2", as successor to Sam Tuttle and Stella Tuttle

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre III" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605D-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: New Cingular Wireless PCS, LLC and Morgan Stanley Smith Barney Financing LLC.

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)

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre IV, Bergen County, New Jersey

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. 706 108 239 and 706 108 269

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ATTACHMENTS:

- Exhibit A - Legal Description of Land
- Exhibit B - Description of Personal Property
- Exhibit C - Permitted Encumbrances
- Exhibit D - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
Additional Funds	Section 3.07 (c)
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Affiliate	Section 3.22
All	Section 9.05 (m)
Anti-Terrorism Regulations	Section 3.20(b)
Any	Section 9.05 (m)
Assessments	Section 3.03 (a)
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Borrower	Preamble
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Demand	Section 9.12 (n)
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Instrument	Preamble
Insurance Premiums	Section 3.10
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U.C.C.	Section 2.02
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Violation	Section 3.11

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. 706 108 239 and 706 108 269, as mortgagee (collectively, “**Lender**”).

W I T N E S S E T H:

WHEREAS, Borrower is the owner of a leasehold interest in certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as Mack-Cali Centre IV; 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 Fifteen Million Seven Hundred Seventy Six Thousand and No/100 Dollars (\$15,776,000.00) 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 Five Million Twenty Four Thousand and No/100 Dollars (\$5,024,000.00) 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 9690, Page 419, in the real estate records of Bergen County, New Jersey, 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 1014, Page 620, 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 13989, Page 618, in the real estate records of Bergen County, New Jersey, 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 9690, Page 487, in the real estate records of Bergen County, New Jersey, 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 1014, Page 638, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Twelve Million Two Hundred Sixty Six Thousand Six Hundred Sixty Six and 64/100 Dollars (\$12,266,666.64) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Seven Hundred Thirty Three Thousand Three Hundred Thirty Three and 36/100 Dollars (\$10,733,333.36) (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 TWENTY THREE MILLION AND NO/100 DOLLARS (\$23,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note and reflects the extension to Borrower of additional indebtedness in the principal amount of \$2,200,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents an additional advance to Borrower, but a corresponding reduction in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Twelve Million Two Hundred Sixty Six Thousand Six Hundred Sixty Six and 64/100 Dollars (\$12,266,666.64) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Seven Hundred Thirty Three Thousand Three Hundred Thirty Three and 36/100 Dollars (\$10,733,333.36), 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 TWENTY THREE MILLION AND NO/100 DOLLARS (\$23,000,000.00).
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 Bergen County, New Jersey, and described in Exhibit A ("**Land**"), including the parcel shown thereon as the "Leasehold Parcel", as to which the Ground Lessor (as defined on Exhibit A-1) is now seized and in possession of the fee simple estate and as to which Borrower is now seized and in possession of that certain estate for years and leasehold estate, being the leasehold estate created by, arising under, and by virtue of the Ground Lease (as defined on Exhibit A-1); and including all of Borrower's right, title, and interest as lessee or tenant or otherwise in and to said leasehold estate and in and to the Ground Lease; and TOGETHER WITH

- (A) All rights of the lessee or tenant arising under the Ground Lease, including, but not limited to, all rights to possession of the Property and any other property leased pursuant to the Ground Lease and any and all rights set forth in the Ground Lease with respect to the extension and renewal of the Ground Lease by lessee; and, subject to the restrictions hereinafter set forth, together with all extensions and renewals of, modifications and amendments to, and replacements of the Ground Lease; and

- (B) All other right, title, and interest of Borrower, whether now in existence or hereafter arising, in and to the Land and all buildings and other structures and improvements whatsoever now or hereafter constructed, placed, or located thereupon; and
 - (C) All other right, title, and interest of Borrower, whether now in existence or hereafter arising, in and to all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, sidewalks, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber, and other emblements now or hereafter located on the Property or appurtenant to the Ground Lease or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or that hereafter shall in any way belong, relate, or be appurtenant thereto, whether now owned or hereafter acquired by Borrower or hereafter arising; and
 - (D) All of the interest of Borrower as lessee or tenant under the Ground Lease, and all the estate, right, title, interest, property, possession, claim, and demand whatsoever at law, as well as in equity, of Borrower of, in and to the same; and
 - (E) All right, title, and interest of Borrower in and to all options and contracts to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired by Borrower.
- (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 lawfully seised of a leasehold estate in the Land 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.

Section 3.06 Insurance.

(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 \$230,000.00 (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 (1/12th) 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 for 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

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

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. 706 108 239 and 706 108 269

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. 706 108 239 and 706 108 269

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.

ARTICLE XI - GROUND LEASE PROVISIONS

Section 11.01 Payment of Rent and Performance Under Ground Lease and Other Agreements

(a) Borrower shall pay or cause to be paid, not later than the date upon which same becomes due and payable pursuant to the provisions of the Ground Lease, all rent, additional rent and other payments required to be paid by Borrower under the Ground Lease according to the terms, conditions and provisions of the Ground Lease. At the option of Lender, Borrower shall forward to Lender, simultaneously with the transmittal of such payment, a photostatic copy of such transmittal of payment, which copy shall be certified by Borrower as being true, correct and complete and as being delivered by Borrower to the party designated on such date. At the option of Lender, Borrower shall deliver to Lender, within ten (10) days after the date of each such payment, the original or photostatic copy of the official receipt evidencing such payment or other proof of payment satisfactory to Lender.

(b) At the sole cost and expense of Borrower, Borrower shall duly and punctually observe and perform all of the covenants, duties, obligations and agreements of the lessee or tenant under the Ground Lease in strict accordance with the terms, conditions and provisions thereof, shall not do or permit to be done anything to impair the Lender's security, shall enforce the performance and observance of each and every covenant and condition of the Ground Lease to be performed or observed by any other party to the Ground Lease and shall otherwise maintain the Ground Lease as a valid and subsisting estate for years and leasehold estate in full force and effect in accordance with the terms, conditions and provisions thereof without threat of termination of the Ground Lease or diminishment of the leasehold estate demised thereby.

(c) In the event Borrower defaults under the terms, conditions or provisions of the Ground Lease, or Borrower receives any notice from any Ground Lessor under the Ground Lease or otherwise of the occurrence of a default or event of default on the part of the Borrower or any other party under the Ground Lease, or Borrower receives any notice from any Ground Lessor under the Ground Lease or otherwise of the occurrence of, or failure of, any condition under the Ground Lease or any other circumstance pursuant to which the Ground Lease may be terminated or canceled or the leasehold estate may otherwise be diminished, Borrower shall within three (3) business days after Borrower receives information as to the commission of such default or of the receipt of such notice of default or other occurrence, notify Lender of the occurrence of such default or event of default or occurrence and provide Lender in such notification with a copy of such notice of default. Without diminishing in any respect Lender's rights hereunder or otherwise, Borrower shall in such notification and at all times thereafter provide Lender with such information as Lender may require with respect to the nature of such default, the steps Borrower is taking (or proposes to take) with respect thereto and any other information which Lender may require. Borrower shall take any and all actions as are necessary to avoid termination of the Ground Lease, including the institution of legal proceedings to enforce the Ground Lease, and Borrower shall appear in and defend any action or proceeding arising under or in any manner connected with the Ground Lease, or the obligations or liabilities of Borrower as the lessee thereunder.

- (d) Each entity comprising Borrower warrants, represents and certifies to Lender with respect to or on behalf of itself or themselves only (and not otherwise) and to each other that
- (i) The Borrower is the sole owner and holder of the entire lessee's interest in the Ground Lease and of the leasehold estate created thereby, free and clear of any and all liens, security interests and encumbrances, but subject only to the Permitted Encumbrances. Borrower has made no assignment other than this Instrument of any of the rights of Borrower under the Ground Lease.
 - (ii) The Ground Lease is a valid and subsisting estate for years of, in and to the Property and of the other property described therein and purported to be demised thereunder for the term therein set forth. The Ground Lease is valid and enforceable and in full force and effect in accordance with the terms, conditions and provisions thereof and has not been altered, modified or amended in any manner whatsoever except as expressly set forth herein.
 - (iii) No Borrower is in default under any of the terms, covenants or conditions thereof nor does there exist any event of default or any state of facts or condition that would, with the passage of time or the giving of notice, or both, constitute a default or event of default on the part of any Borrower under any of said terms, covenants or conditions or otherwise impair, reduce or otherwise alter the leasehold estate conveyed thereunder.
 - (iv) Borrower is not prohibited under any judgment, court decree, administrative regulation, administrative ruling, ordinance, law or other ruling applicable to Borrower, from the execution and delivery of this Instrument and of the assignment of Borrower's interest in the Ground Lease, the performance of each and every obligation of Borrower hereunder and under the Ground Lease and the meeting of each and every condition herein or in the Ground Lease contained.
 - (v) No action has been brought or threatened that would in any manner interfere with the right of Borrower to execute this Instrument and to perform all of Borrower's obligations contained in this Instrument or under the Leases;
 - (vi) The copy of the Ground Lease provided by Borrower to Lender is a true, correct and complete copy thereof and that the records related thereto that have been furnished by the Borrower to the Lender are true, correct, accurate and complete in all material respects.
 - (vii) Borrower has neither done any act nor failed to do any act that might prevent Lender from, or limit Lender in, acting under any of the provisions of this Instrument or that might cause Borrower to be estopped from exercising any of its rights under the Ground Lease.

- (viii) Borrower has full power and authority to execute and deliver this Instrument and said execution and delivery has been duly authorized and does not conflict with or constitute a default under the Ground Lease or any other agreement, indenture or other instrument binding upon the Borrower or the Property.
- (e) Borrower shall not, without in each such event obtaining the prior written consent of Lender, enter into any agreements, whether written or oral, that purport to amend, modify, or vary the terms, conditions and provisions of the Ground Lease or that directly or indirectly waives or releases any Ground Lessor from the performance or observance by the Ground Lessor of any obligation or condition of the Ground Lease. The prior written consent of Lender shall be evidenced in the following manner: Lender must either (i) join in the execution of such amendment, modification or variance, which amendment, modification or variance shall be thereupon recorded in the real estate records in the state and county in which the Property are located, or (ii) Lender's written consent shall be executed in recordable form, attaching thereto a true, correct and complete copy of such amendment, modification or variance, and which document indicating such consent of Lender shall be thereupon recorded in the real estate records in the state and county in which the Property are located. Any such purported amendment, modification or variance entered into by Borrower under the Ground Lease without the prior written consent of Lender evidenced in such manner shall be null and void ab initio and shall be of no force and effect.
- (f) In addition to the foregoing and not in limitation thereof, in the event of a failure or default by Borrower in the observance or performance of any one or more of the covenants and obligations of the lessee under the Ground Lease or in the event that the Ground Lease otherwise becomes subject to, or threatened with, termination or cancellation, such default or condition or occurrence shall constitute a default hereunder and under the Note and Obligations secured hereby. Lender may pay and expend such sums of money as Lender, in its sole discretion, deems necessary for any such purpose, including, but not limited to the payment of any rental amounts or other sums due under the Ground Lease, and Lender may proceed to perform any and all obligations of Borrower contained in the Ground Lease and exercise any and all rights of Borrower therein contained as fully as the Borrower itself could, and upon so doing shall be subrogated to any and all rights of Borrower as Lessee under the Ground Lease, and Borrower hereby agrees to pay to Lender immediately and without demand, all such sums so paid and expended by Lender, together with interest thereon from the date of such payment at the default rate set forth in the Note, which sums shall be secured by this Instrument as part of the Obligations. Borrower hereby appoints and constitutes Lender as Borrower's duly authorized attorney in fact to make advances under this Instrument for any purpose described in this paragraph and to take any other action referenced in this Instrument, and such power is coupled with an interest and is irrevocable by death or otherwise.
- (g) New Ground Lease with Lender. If the Ground Lease shall be terminated prior to the natural expiration of its term due to an event of default thereunder, and if, pursuant to any provision of the Ground Lease, Lender or its designee shall acquire from the lessor under the Ground Lease a new lease of the Property and the Improvements, Borrower shall have no right, title or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.
- (h) Borrower's Ground Lease Termination Rights. Notwithstanding the foregoing, Lender shall not withhold Lender's consent to a termination of the Ground Lease provided that Borrower acquires the fee simple interest therein, or to permit the termination of the Ground Lease and the re-acquisition of the fee simple interest therein in accordance with the terms of the Ground Lease, provided that (a) Borrower pays all costs and expenses incurred in connection therewith, and (b) Borrower provides to Lender evidence, including an endorsement to Lender's title insurance policy, that as a result of such termination Borrower shall own fee simple title to the portion of the Land subject to the Ground Lease, and that this Instrument is unencumbered (including as to subordinate items), exclusive of the encumbrances permitted hereunder other than the Ground Lease.

Section 11.02 Ground Lease Bankruptcy Matters.

- (a) The lien of this Instrument shall attach to any and all of the Borrower's rights and remedies arising hereafter under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. §365(h), including all of Borrower's rights to remain in possession of the Property.
- (b) Borrower shall not, without first obtaining Lender's written consent, elect to treat the Ground Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code, 11 U.S.C. §365(h)(1). Any such election made without obtaining Lender's prior written consent shall be void.
- (c) Borrower hereby unconditionally assigns, transfers and sets over to Lender all of Borrower's claims and rights to the payment of damages arising from any rejection by the Ground Lessor of the Ground Lease under the Bankruptcy Code, 11 U.S.C. §101 et seq. ("Bankruptcy Code"). Lender shall have the right to proceed in its own name or in the name of the Borrower in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease, including the right to file and prosecute, with or without the joinder of Borrower, any proofs of claim, complaints, motions, applications, notices or other documents in any case with respect to the Ground Lessor under the Ground Lease under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until this Instrument shall have terminated. Any amounts received by Lender as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of Lender (including attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this Instrument and then applied in accordance with the provisions of this Instrument in the manner set forth with respect to condemnation proceeds.
- (d) If any action, suit, proceeding, motion or notice shall be commenced or filed with respect to the Ground Lessor under the Ground Lease in connection with any case under the Bankruptcy Code, Borrower shall participate in any such litigation to an extent and in a manner acceptable to Lender. Borrower shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Ground Lease in any such case under the Bankruptcy Code without first obtaining the written consent of Lender, which consent shall not be unreasonably delayed or withheld.
- (e) Borrower shall, promptly after obtaining knowledge thereof, notify Lender orally, by telephone, of any filing by or against the Ground Lessor under the Ground Lease of a petition under the Bankruptcy Code. Borrower shall also immediately thereafter give written notice of such filing to Lender, setting forth any information available to Borrower as to the date of such filing, the court in which such petition was filed, and the relief sought therein. Borrower shall also, promptly after Borrower's receipt, deliver to Lender any and all notices, summonses, pleadings, applications and other documents received by Borrower in connection with any such petition and in connection with any proceedings relating thereto.
- (f) If there shall be filed by or against Borrower a petition under the Bankruptcy Code, and Borrower, as lessee under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, Borrower shall give Lender prior written notice of the date on which Borrower shall apply to the Bankruptcy Court for authority to reject the Ground Lease. Such date of application by Borrower shall not be less than thirty (30) days from the date such written notice is received by Lender. Lender shall have the right, but not the obligation, to serve upon Borrower, prior to the date Borrower has indicated as the date on which Borrower shall apply to the Bankruptcy Court for authority to reject the Ground Lease, a written notice stating: (i) that Lender demands that Borrower assume and assign the Ground Lease pursuant to Section 365 of the Bankruptcy Code; and (ii) that Lender covenants to cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance under the Ground Lease. If Lender serves upon Borrower the written notice described in the preceding sentence, Borrower shall not seek to reject the Ground Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after such written notice shall have been given, subject to the performance by Lender of the covenant provided for in clause (ii) of the preceding sentence.

(g) Effective upon the entry of any order for relief with respect to Borrower under Chapter 7 of the Bankruptcy Code, Borrower hereby assigns and transfers to Lender a non-exclusive right to apply to the Bankruptcy Court under Subsection 365(d)(1) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed.

Section 11.03 Merger of Title. So long as any portion of the Obligations shall remain unpaid, and unless Lender shall otherwise consent, the fee title to the Property and the Improvements and the leasehold estate therein created pursuant to the provisions of the Ground Lease shall not merge, but shall always be kept separate and distinct, notwithstanding the union of such estates in Borrower or in any other person, by purchase, operation of law or otherwise.

Section 11.04 Joinder. Borrower does hereby join in and consent to the terms of the following Joinder executed by PARAMUS ROAD IV, L.L.C. for the purpose of evidencing and confirming the conditions and limitations upon Lender's rights contained in the following Joinder executed by PARAMUS ROAD IV, L.L.C..

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

JOINDER

The undersigned Ground Lessor, **PARAMUS ROAD IV, L.L.C.**, a Delaware limited liability company, successor in title to Tamburelli Properties Associates, the fee simple owner of the Land that is subject to the Ground Lease and the Ground Lessor thereunder, hereby joins in the execution of this Agreement to confirm Ground Lessor's consent to the foregoing Agreement, Tamburelli Properties Associates having joined in that certain Mortgage and Security Agreement dated as of April 30, 1998 from Borrower in favor of Lender, and joined in by Ground Lessor, recorded in Mortgage Book 9690, Page 419, 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 Lender, recorded in Mortgage Release Book 1014, Page 620 (the "Existing Mortgage") and by doing so, to secure the payment in full of the Obligations, hereby GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, ASSIGNS and SETS OVER to Lender, its successors and assigns, and grants Lender a security interest in, upon the terms and conditions hereof, all right, title and interest of the Ground Lessor now owned, or hereafter acquired, in and to the Property, including, but limited to, the fee simple interest in and to the Land.

TO HAVE AND TO HOLD the above granted and described Property unto Lender, and the successors and assigns of Lender forever, in FEE SIMPLE, and the Ground Lessor covenants that the Ground Lessor is lawfully seized of the Property and has good right to convey the same.

Notwithstanding the foregoing, the Obligations (as defined in the Existing Mortgage and the within Agreement) do not include the obligations under the Amended and Restated Cross-Collateral Guaranty and the indebtedness evidenced thereby, which obligations are secured by the Amended Cross-Collateral Mortgage as defined in the within Agreement, which Amended Cross-Collateral Mortgage secures the Amended and Restated Cross-Collateral Guaranty and the notes referenced therein and guaranteed thereby [exclusive of the Note secured hereby in the original principal amount of Twenty Three Million and No/100 Dollars (\$23,000,000.00)].

In the event of any foreclosure under the Amended Cross-Collateral Mortgage, whether separately from this Instrument or jointly with this Instrument, including any foreclosure prior to any foreclosure of this Instrument, Lender or the purchaser at the foreclosure shall take subject to the Ground Lease and shall be required to recognize the Ground Lease as a superior matter of title. It is the intent of the Ground Lessor and the Lender and Borrower that the interests mortgaged by Ground Lessor hereunder shall secure only the Obligations of the Note in the aggregate principal sum of Twenty Three Million and No/100 Dollars (\$23,000,000.00) as set forth in the within Instrument, which Note amount provides for a Loan to Value ratio of less than 80% as required by the provisions of Article 12, Section 12.01(b) of the Ground Lease.

Ground Lessor hereby represents and warrants to Lender as follows: Ground Lessor is duly authorized and empowered to execute and deliver this Instrument, has received all necessary consents with respect thereto, and this Instrument does not conflict with or contravene any term or condition to which Ground Lessor is bound. Ground Lessor has been represented in this transaction by independent and competent legal counsel of its own choice and has read and reviewed with such counsel this Instrument and the other Documents.

Notwithstanding anything to the contrary contained in the Note, this Instrument, or in any of the other Documents, it is expressly acknowledged and agreed that the Ground Lessor executed and delivered this Instrument solely for the purpose of subjecting Ground Lessor's fee simple title in the Property to the lien of this Instrument and the other Documents securing the Note in the original principal amount of Twenty Three Million and No/100 Dollars (\$23,000,000.00), but not the Cross-Collateral Guaranty. Notwithstanding anything to the contrary contained in the Note, this Instrument, or in any of the other Documents, but without in any manner releasing, impairing, or otherwise affecting the Note, this Instrument, or any of the other Documents, or the validity hereof or thereof, or the lien of this Instrument, the liability of Ground Lessor under this Instrument, and the other Documents, shall be limited to, and satisfied solely out of, the Property set forth in the Ground Lease. In no event shall Ground Lessor be personally liable under the Note, this Instrument, or any of the other Documents. If an Event of Default occurs in the timely and prompt payment of all or any part of the Obligations or in any other Obligations under the Documents, any judicial proceedings by Lender and any successor against Ground Lessor shall be limited to the enforcement and foreclosure of the liens and security interest now or at any time hereafter securing payment of the Obligations and to the enforcement of the Assignment of Leases and Rents and any other Documents, and no attachment, execution, or other writ or process shall be sought, issued, or levied upon assets, properties, or funds of Ground Lessor other than the Collateral. In the event of foreclosure of any such lien or security interest securing the payment of the Obligations by private power of sale or otherwise, no judgment for any deficiency upon the Obligations shall be sought or be obtainable by Lender or any successor against Ground Lessor or any successors or assigns thereof.

IN WITNESS WHEREOF, the Ground Lessor has duly executed this Instrument under seal the day and year first above written.

GROUND LESSOR:

PARAMUS ROAD IV, L.L.C., a Delaware limited liability company

By: /s/ Paul Ciania

Name: Paul Ciania

Title: Member

JOINDER

The undersigned, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey Corporation, referred to, along with VPCM, LLC, a Virginia limited liability company, as “Lender” in the foregoing Mortgage and Security Agreement, does hereby join in and consent to the terms of the foregoing Joinder executed by PARAMUS ROAD IV, L.L.C. for the purpose of evidencing and confirming the conditions and limitations upon Lender's rights contained in the foregoing Joinder.

In addition, the undersigned agrees with the Ground Lessor as follows in accordance with Section 12.02 of the Ground Lease: In the event that the Borrower, as defined in the foregoing Mortgage and Security Agreement (the “Mortgage”), shall fail to make payments of principal and interest and any other such charges as set forth in the terms of said Mortgage and by reason of Borrower failing to make such payments, the holder of said Mortgage shall have the right to declare Borrower in default, then the holder of the said Mortgage shall so notify Ground Lessor by certified mail or registered mail of the default at the address set forth in the Ground Lease. Ground Lessor may, then, within the time to cure provided in the Mortgage, make the necessary payments upon the Mortgage to cure the default of Borrower. Notwithstanding the terms of the Mortgage, the holder of the Mortgage shall not declare the Mortgage immediately due and payable in full upon default of Borrower, until such time as Ground Lessor has been notified of the default and Ground Lessor has failed to cure said default as hereinbefore provided for. In no event may the holder of the Mortgage declare said Mortgage in default, so as to accelerate the principal balance due under this Mortgage, without first permitting Ground Lessor to cure the default in accordance with the terms and provisions herein provided for.

IN WITNESS WHEREOF, Lender has duly executed this Instrument under seal the day and year first above written.

LENDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey Corporation

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

JOINDER

The undersigned, **VPCM, LLC**, a Virginia limited liability company, referred to, along with The Prudential Insurance Company of America, a New Jersey Corporation, as “Lender” in the foregoing Mortgage and Security Agreement, does hereby join in and consent to the terms of the foregoing Joinder executed by PARAMUS ROAD IV, L.L.C. for the purpose of evidencing and confirming the conditions and limitations upon Lender's rights contained in the foregoing Joinder.

In addition, the undersigned agrees with the Ground Lessor as follows in accordance with Section 12.02 of the Ground Lease: In the event that the Borrower, as defined in the foregoing Mortgage and Security Agreement (the “Mortgage”), shall fail to make payments of principal and interest and any other such charges as set forth in the terms of said Mortgage and by reason of Borrower failing to make such payments, the holder of said Mortgage shall have the right to declare Borrower in default, then the holder of the said Mortgage shall so notify Ground Lessor by certified mail or registered mail of the default at the address set forth in the Ground Lease. Ground Lessor may, then, within the time to cure provided in the Mortgage, make the necessary payments upon the Mortgage to cure the default of Borrower. Notwithstanding the terms of the Mortgage, the holder of the Mortgage shall not declare the Mortgage immediately due and payable in full upon default of Borrower, until such time as Ground Lessor has been notified of the default and Ground Lessor has failed to cure said default as hereinbefore provided for. In no event may the holder of the Mortgage declare said Mortgage in default, so as to accelerate the principal balance due under this Mortgage, without first permitting Ground Lessor to cure the default in accordance with the terms and provisions herein provided for.

IN WITNESS WHEREOF, Lender has duly executed this Instrument under seal the day and year first above written.

LENDER:

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

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point at the southeasterly corner of Lot 1, Block 102, at the intersection of the municipal boundary line between the Borough of Paramus and the Township of Rochelle Park with the northwesterly line of a 50 foot wide marginal road along the Garden State Parkway, as shown on a map entitled "Garden State Parkway/Section 1/General Property Map" Sheet 27, prepared by Fay, Spofford & Thorndike, Consulting Engineers, Boston, Mass. & Clifton, N.J., and running; thence

1. along the municipal boundary line between the Borough of Paramus and the Township of Rochelle Park, North 75° 51' 50" West, 509.29 feet to the easterly line of lands of the Bergen County Park Commission; thence
2. along the easterly line of lands of the Bergen County Park Commission, North 08° 00' 06" West, 628.38 feet; thence
3. still along said line, North 17° 33' 46" West, 490.00 feet to the southerly line of Lot 1; thence
4. along said southerly line, South 60° 26' 14" West, 4.90 feet; thence
5. still along the easterly line of lands of the Bergen County Park Commission, northerly along a curve to the right, having a radius of 524.16 feet, a central angle of 11° 08' 02" an arc length of 101.86 feet to a point of reverse curve; thence
6. still along said easterly line, northerly along a curve to the left having a radius of 1558.93 feet, a central angle of 19° 00' 00" an arc length of 516.96 feet to a point of tangency; thence
7. still along said easterly line, North 09° 30' 00" West, 37.53 feet to the northerly corner of Lot 1 and the southwesterly right of way line of Paramus Road; thence
8. along said southwesterly line, South 52° 45' 43" East, 47.74 feet; thence
9. still along said southwesterly line, South 48° 56' 46" East, 994.85 feet to a point 35 feet off centerline; thence
10. still along said southwesterly line, parallel with and distant 35 feet measured at right angles from the centerline of Paramus Road, South 42° 01' 10" East, 105.49 feet to a point of curve; thence
11. still along said southwesterly line, along a curve to the right having a radius of 471.30 feet and an arc length of 106.13 feet; thence
12. along the westerly line of a 50 feet wide marginal road, South 12° 10' 17" East, 332.27 feet to a point of curve; thence
13. still along said westerly line, southerly along a curve to the right having a radius of 273.60 feet, an arc distance of 61.87 feet to a point of tangency; thence
14. still along said westerly line, South 00° 47' 06" West, 133.15 feet to a point of curve; thence
15. still along said westerly line, along a curve to the right having a radius of 312.66 feet an arc length of 173.08 feet to a point of tangency; thence
16. along the northwesterly line of said 50 feet marginal road, South 32° 30' 11" West, 396.71 feet to the municipal boundary line between the Borough of Paramus and the Township of Rochelle Park, and the point or place of Beginning.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 1 in Block 102 on the Borough of Paramus Tax Map.

The above description is in accord with a survey prepared by Dresdner Robin, Hanson Engineering Division, dated December 15, 2009.

Being a leasehold estate in the aforesaid land pursuant to the Ground Lease referenced in Exhibit A-1

Exhibit A-1

GROUND LEASE

Ground Lease: That certain Ground Lease from Tamburelli Properties, Inc. to Paramus Office Park, Inc., dated February 15, 1978, a short form of which is recorded at Deed Book 6762, page 359, Bergen County, New Jersey records, as amended by the following modifications or amendments to the Ground Lease: March 23, 1978, February 11, 1980, October 13, 1980, February 16, 1982, June 23, 1983 and July 22, 1993; as the interest of Ground Lessor has been assigned by the assignment of said Lease by Tamburelli Properties, Inc., to Tamburelli Properties Associates by Assignment of Lease, dated July 1, 1986, and to **PARAMUS ROAD IV, L.L.C.**, a Delaware limited liability company ("Ground Lessor"); as sublet by Paramus Office Park, Inc. to Mack Paramus Parkway Company by that certain instrument entitled Sublease, dated June 24, 1983, recorded at Deed Book 6762, page 365, Bergen County, New Jersey records; as assigned by Mack Paramus Parkway Company to Borrower by that certain instrument entitled Assignment and Assumption of Lease, dated April 30, 1998, recorded at Deed Book 8062, page 312, Bergen County, New Jersey records.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre IV" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605E-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: Mannkind Corp..

MACK-CALI F PROPERTIES, L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, as mortgagor
(Borrower)

to

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

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre VII, Bergen County, New Jersey

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. 706 108 240 and 706 108 270

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
Exhibit B - Description of Personal Property
Exhibit C - Permitted Encumbrances
Exhibit D - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
Additional Funds	Section 3.07 (c)
Affecting the Property	Section 3.12 (a)
Affiliate	Section 3.22
All	Section 9.05 (m)
Anti-Terrorism Regulations	Section 3.20(b)
Any	Section 9.05 (m)
Assessments	Section 3.03 (a)
Assignment	Recitals, Section 2 (B)
Award	Section 3.08 (b)
Bankruptcy Code	Recitals, Section 2 (A) (ix)
Borrower	Preamble
Costs	Section 4.01
Damage	Section 3.07 (a)
Default Rate	Section 1.01 (a)
Demand	Section 9.12 (n)
Deposits	Section 3.10
Documents	Section 1.02
Environmental Indemnity	Section 8.05
Environmental Law	Section 3.12 (a)
Environmental Liens	Section 3.12 (b)
Environmental Report	Section 3.12 (a)
ERISA	Section 3.11
Event of Default	Section 6.01
Executive Order 13224	Section 2.09
First Notice	Section 3.15 (b)
Flood Acts	Section 2.04 (a)
Foreign Person	Section 2.05
Grace Period	Section 6.01(c)
Hazardous Materials	Section 3.12 (a)
Impositions	Section 3.10
Improvements	Recitals, Section 2 (A) (ii)
Include, Including	Section 9.05 (f)
Indemnified Parties	Section 8.02
Indemnify	Section 8.02
Individual Beneficiaries	Section 2.09
Individual Shareholders	Section 2.09
Instrument	Preamble
Insurance Premiums	Section 3.10
Investors	Section 9.06
Land	Recitals, Section 2 (A) (i)
Laws	Section 3.05(c)
Lease	Section 9.05 (k)
Leases	Recitals, Section 2 (A) (ix)
Lender	Preamble
Lessee	Section 9.05 (k)

Lessor	Section 9.05 (k)
Loan	Recitals, Section 1
Losses	Section 8.02
Major Tenants	Section 3.08 (d)
Microbial Matter	Section 3.12(a)
Net Proceeds	Section 3.07 (d)
Note	Recitals, Section 1
Notice	Section 9.02
O&M Plan	Section 3.12(b)
Obligations	Section 1.01
OFAC	Section 2.09
OFAC Lists	Section 2.09
OFAC Violation	Section 3.20(c)
On Demand	Section 9.05 (n)
Organization State	Section 2.01
Owned	Section 9.05 (l)
Permitted Encumbrances	Recitals, Section 2 (B)
Person	Section 9.05 (i)
Personal Property	Section 6.02 (j)
Prepayment Premium	Section 1.01(a)
Property	Recitals, Section 2 (A)
Property Payables	Section 3.09
Property State	Section 2.01
Provisions	Section 9.05 (j)
Rating Agency	Section 9.06
Release	Section 3.12 (a)
Rent Loss Proceeds	Section 3.07 (c)
Rents	Recitals, Section 2 (A) (x)
Restoration	Section 3.07 (a)
Revenue Code	Section 2.05
Second Notice	Section 3.15 (b)
Securities	Section 9.06
Security Agreement	Section 7.01
Taking	Section 3.08 (a)
Tenant	Recitals, Section 2 (A) (vi)
Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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 F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said 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. 706 108 240 and 706 108 270, as mortgagee (collectively, “**Lender**”).

WITNESSETH:

WHEREAS, Borrower is the owner of certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “Property”) and known as Mack-Cali Centre VII; 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Prudential (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 9691, Page 245, in the real estate records of Bergen County, New Jersey, 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 1014, Page 678 (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 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 1014, Page 692, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note which reflects the reduction of the amount of the indebtedness to Borrower by the principal amount of \$7,600,000.00, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, but a corresponding increase in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), 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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00).

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 Bergen County, New Jersey 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 seised 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 New Jersey 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 further represents and warrants to Lender that Borrower is a disregarded entity as defined in Section 1.1445-2(b)(2) (iii) of the Income Tax Regulations issued under the Internal Revenue Code, and that Borrower has disclosed to Lender all information regarding the owner of Borrower required under 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 (i) Borrower's only asset is the Property, and (ii) the Property generates substantially all of the gross income of Borrower and there is no substantial business being conducted by Borrower other than the business of owning and operating the Property and the activities incidental thereto.

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 \$130,000.00 (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 (1/12th) 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 for 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 F Properties, L.P.
c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh

And To:
Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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 F PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, 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

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: New Cingular Wireless PCS, LLC.

MACK-CALI CHESTNUT RIDGE L.L.C., a New Jersey limited liability company, as mortgagor
(Borrower)

to

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

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Corp. Center, Bergen County, New Jersey

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. 706 108 241 and 706 108 271

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
- Exhibit B** - Description of Personal Property
- Exhibit C** - Permitted Encumbrances
- Exhibit D** - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
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Rents	Recitals, Section 2 (A) (x)
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Revenue Code	Section 2.05
Second Notice	Section 3.15 (b)
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Security Agreement	Section 7.01
Taking	Section 3.08 (a)
Tenant	Recitals, Section 2 (A) (vi)
Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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 CHESTNUT RIDGE L.L.C.**, a New Jersey limited liability company, 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. 706 108 241 and 706 108 271, 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 Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as Mack-Cali Corp. Center; 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 Thirteen Million Eight Hundred Twenty Nine Thousand and No/100 Dollars (\$13,829,000.00) 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 Five Million Two Hundred Seventy One Thousand and No/100 Dollars (\$5,271,000.00) 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 December 22, 2003 from Borrower in favor of Prudential, recorded in Mortgage Book 13207, Page 586 (re-recorded in Mortgage Book 13753, Page 669), in the real estate records of Bergen County, New Jersey, 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 1014, Page 522, 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 13985, Page 749, in the real estate records of Bergen County, New Jersey, 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 December 22, 2003 from Borrower in favor of Prudential, recorded in Mortgage Book 13207, Page 645 (re-recorded in Mortgage Book 13753, Page 728), in the real estate records of Bergen County, New Jersey, 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 1014, Page 536, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Twelve Million Eight Hundred Thousand and No/100 Dollars (\$12,800,000.00) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Eleven Million Two Hundred Thousand and No/100 Dollars (\$11,200,000.00) (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 TWENTY FOUR MILLION AND NO/100 DOLLARS (\$24,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note and reflects the extension to Borrower of additional indebtedness in the principal amount of \$4,900,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents an additional advance to Borrower, but a corresponding reduction in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Twelve Million Eight Hundred Thousand and No/100 Dollars (\$12,800,000.00) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Eleven Million Two Hundred Thousand and No/100 Dollars (\$11,200,000.00), 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 TWENTY FOUR MILLION AND NO/100 DOLLARS (\$24,000,000.00).
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 Bergen County, New Jersey 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 seised 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 New Jersey limited liability company 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 further represents and warrants to Lender that Borrower is a disregarded entity as defined in Section 1.1445-2(b)(2) (iii) of the Income Tax Regulations issued under the Internal Revenue Code, and that Borrower has disclosed to Lender all information regarding the owner of Borrower required under 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 (i) Borrower's only asset is the Property, and (ii) the Property generates substantially all of the gross income of Borrower and there is no substantial business being conducted by Borrower other than the business of owning and operating the Property and the activities incidental thereto.

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.

Section 3.06 Insurance.

(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 \$240,000.00 (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 (1/12th) 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 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 for 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 Chestnut Ridge L.L.C.
c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh

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

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

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. 706 108 241 and 706 108 271

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. 706 108 241 and 706 108 271

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(l). 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(l) 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 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

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Woodcliff Lake, County of Bergen and State of New Jersey being more particularly described as follows:

BEING known and designated as Lot 3.01 in Block 301 as shown on map entitled "Final Subdivision Plat, Tice Campus, Borough of Woodcliff Lake" which map was duly filed in the Bergen County Register/Clerk's Office on October 20, 1978 as Map No. 7683.

SAID PREMISES BEING ALSO DESCRIBED AS FOLLOWS:

BEGINNING at the point of intersection of the northwesterly right-of-way line of Chestnut Ridge Road (33.00 feet wide) with the northeasterly right-of-way line of Tice Boulevard (60.00 feet wide and variable) all as shown on a certain map entitled "Final Subdivision plat Tice Campus" dated June 15, 1978, revised October 4, 1978 and filed in the Bergen County Clerk's Office on October 20, 1978 as Map Number 7683 and Running thence

- (1) Along the northeasterly right-of-way line of Tice Boulevard North 58 degrees 30 minutes 28 seconds West (North 58 degrees 30 minutes 28 seconds East, Filed Map No. 7683) 38.21 feet to a point on a curve; thence
- (2) Southwesterly along the northeasterly right-of-way line of Tice Boulevard on a curve to the right having a radius of 80.00 feet, a central angle of 77 degrees 07 minutes 17 seconds, tangent of 63.77 feet, and chord bearing of South 67 degrees 16 minutes 46 seconds West, an arc distance of 107.68 feet to a point of tangency; thence
- (3) North 74 degrees 09 minutes 35 seconds West, along the northeasterly right-of-way line of Tice Boulevard 95.81 foot to a point of curvature; thence
- (4) Northwesterly, along the northeasterly right-of-way line of Tice Boulevard, on a curve to the right having a radius of 990.00 feet, central angle of 09 degrees 11 minutes 58 seconds, tangent of 79.65 feet, and chord bearing of North 69 degrees 33 minutes 36 seconds West, an arc distance of 158.95 feet to a point; thence
- (5) Continuing along the northeasterly right-of-way line of Tice Boulevard (being 30.00 feet measured at right angles from the center line of Tice Boulevard) North 61 degrees, 20 minutes, 10 seconds West, 633.27 feet to a point; thence
- (6) Along the southeasterly line of Lot 3.02 in Block 301, as shown on said Filed Map, North 28 degrees 00 minutes 39 seconds East, 829.53 feet to a point; thence
- (7) South 66 degrees 52 minutes 42 seconds East, along the southwesterly terminus of Holly Court, lands now or formerly of Ziegenfus and lands nor or formerly of the Woodcliff Lake Manor Nursing Home as shown on said Filed Map, 1038.56 feet to a point in the northwesterly right-of-way line of Chestnut Ridge Road; thence
- (8) Along the northwesterly right-of-way line of Chestnut Ridge Road (being 16.50 feet measured at right angles from the center line of Chestnut Ridge Road) South 31 degrees 29 minutes 32 seconds West 810.74 feet to the point or place of BEGINNING.

The above description is in accord with a survey prepared by Dresdner Robin, Hanson Engineering Division, dated November 14, 2009.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 3.01 in Block 301 on the Borough of Woodcliff Lake Tax Map.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Corp. Center" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605G FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: Syncsort Inc..

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)

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Saddle River, Bergen County, New Jersey

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. 706 108 235 and 706 108 265

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ATTACHMENTS:

- Exhibit A - Legal Description of Land
- Exhibit B - Description of Personal Property
- Exhibit C - Permitted Encumbrances
- Exhibit D - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
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Affecting the Property	Section 3.12 (a)
Affiliate	Section 3.22
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Assessments	Section 3.03 (a)
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Award	Section 3.08 (b)
Bankruptcy Code	Recitals, Section 2 (A) (ix)
Borrower	Preamble
Costs	Section 4.01
Damage	Section 3.07 (a)
Default Rate	Section 1.01 (a)
Demand	Section 9.12 (n)
Deposits	Section 3.10
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Environmental Indemnity	Section 8.05
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Organization State	Section 2.01
Owned	Section 9.05 (l)
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Restoration	Section 3.07 (a)
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Second Notice	Section 3.15 (b)
Securities	Section 9.06
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Taking	Section 3.08 (a)
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Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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. 706 108 235 and 706 108 265, as mortgagee (collectively, “**Lender**”).

WITNESSETH:

WHEREAS, Borrower is the owner of certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as Mack-Cali Saddle River; 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 Thirty Five Million Five Hundred Fifty Thousand and No/100 Dollars (\$35,550,000.00) and payable to the order of Prudential (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 9691, Page 367, in the real estate records of Bergen County, New Jersey, 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 1014, Page 549 (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 9691, Page 423, in the real estate records of Bergen County, New Jersey, 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 1014, Page 563, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Twenty Two Million Four Hundred Thousand and No/100 Dollars (\$22,400,000.00) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Nineteen Million Six Hundred Thousand and No/100 Dollars (\$19,600,000.00) (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 FORTY TWO MILLION AND NO/100 DOLLARS (\$42,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note and reflects the extension to Borrower of additional indebtedness in the principal amount of \$6,450,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents an additional advance to Borrower, but a corresponding reduction in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Twenty Two Million Four Hundred Thousand and No/100 Dollars (\$22,400,000.00) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Nineteen Million Six Hundred Thousand and No/100 Dollars (\$19,600,000.00), 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 FORTY TWO MILLION AND NO/100 DOLLARS (\$42,000,000.00).

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 Bergen County, New Jersey 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 seised 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 \$420,000.00 (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 (1/12th) 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 for 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 appraisalment, 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, appraisalment, 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. 706 108 235 and 706 108 265

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. 706 108 235 and 706 108 265

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Upper Saddle River, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point in the easterly sideline of East Crescent Avenue, said point being distant 30.51 feet northeasterly from the intersection of said side line extended and the northeasterly sideline of Lake Street extended; thence

1. along the easterly side line of East Crescent Avenue, North 24° 25' 40" East, 426.01 feet to a point of curve; thence
2. still along said side line, curving to the left with a radius of 388.16 feet an arc length of 48.85 feet to a point; thence
3. South 66° 06' 17" East, 200.50 feet; thence
4. North 15° 30' 07" East, 331.65 feet to a point; thence
5. South 65° 13' 49" East, 174.73 feet; thence
6. North 07° 50' 16" West, 126.27 feet to a point; thence
7. South 88° 04' 30" East, 880.64 feet to a point; thence
8. North 12° 49' 52" East, 6.50 feet to a point; thence
9. North 66° 26' 10" West, 1283.31 feet to a point on the easterly side line of East Crescent Avenue; thence
10. Along said side line, North 08° 18' 40" East, 207.16 feet to a point; thence
11. South 66° 26' 10" East, 310.67 feet to a point; thence
12. North 24° 43' 50" East, 70.00 feet to a point; thence
13. South 66° 26' 10" East, 603.94 feet to a point; thence
14. South 06° 40' 39" West, 71.31 feet to a point; thence
15. South 66° 27' 15" East, 878.82 feet to a point; thence
16. South 19° 57' 51" West, 344.94 feet to a point; thence
17. South 25° 29' 04" West, 1032.09 feet to a point; thence
18. North 72° 34' 29" West, 6.26 feet to a point; thence
19. South 25° 58' 01" West, 234.66 feet to a point of curve on the northerly side line of Lake Street; thence
20. along said side line, curving to the right with a radius of 296.84 feet an arc length of 51.39 feet, a central angle of 09° 55' 11" and a chord which bears North 41° 29' 26" West, 51.33 feet to a point on curve; thence; thence
21. still along said side line, North 53° 28' 08" East, 3.50 feet to a point; thence
22. still along said side line, North 36° 31' 52" West, 228.54 feet to a point; thence
23. still along said side line, North 64° 56' 13" West, 323.15 feet to a point; thence
24. still along said side line, North 64° 42' 05" West, 280.92 feet to a point; thence
25. still along said side line, North 66° 32' 22" West, 101.28 feet to a point; thence
26. still along said side line, North 81° 07' 23" West, 51.66 feet to a point; thence
27. still along said side line, North 66° 32' 22" West, 505.07 feet to a point of curvature; thence
28. curving to the right with a radius of 30.00 feet an arc length of 47.63 feet to a point of tangency, the point or place of Beginning.

The above description is in accordance with a survey drawn by Dresdner Robin, Hanson Engineering Division, dated December 5, 2009.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 1 in Block 601 on the Borough of Upper Saddle River Tax Map.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Saddle River" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605A-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: Prentice Hall, Inc..

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,533,333.34

January 15, 2010

Loan No. 706 108 236

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).

W I T N E S S E T H

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 Seven Million Four Hundred Sixty Eight Thousand and No/100 Dollars (\$7,468,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Four Million Seven Hundred Eighty Two Thousand and No/100 Dollars (\$4,782,000.00) 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 \$5,716,666.66 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 (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 SIX MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,533,333.34) (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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00), 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 SIX MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,533,333.34), 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 \$5,716,666.66.

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. 706 108 236 and 706 108 266, the principal sum of SIX MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,533,333.34), 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 THIRTY FOUR THOUSAND TWENTY SEVEN AND 78/100 DOLLARS (\$34,027.78) 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 FORTY THOUSAND TWO HUNDRED TWENTY SIX AND 86/100 DOLLARS (\$40,226.86) 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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$5,716,666.66

January 15, 2010

Loan No. 706 108 266

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).

W I T N E S S E T H

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 Seven Million Four Hundred Sixty Eight Thousand and No/100 Dollars (\$7,468,000.00) 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 Four Million Seven Hundred Eighty Two Thousand and No/100 Dollars (\$4,782,000.00) 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 \$6,533,333.34 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 (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 FIVE MILLION SEVEN HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$5,716,666.66) (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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00), 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 FIVE MILLION SEVEN HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$5,716,666.66), 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 \$6,533,333.34.

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. 706 108 236 and 706 108 266, the principal sum of FIVE MILLION SEVEN HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$5,716,666.66), 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 TWENTY NINE THOUSAND SEVEN HUNDRED SEVENTY FOUR AND 31/100 DOLLARS (\$29,774.31) 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 THIRTY FIVE THOUSAND ONE HUNDRED NINETY EIGHT AND 50/100 DOLLARS (\$35,198.50) 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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$12,533,333.34

January 15, 2010

Loan No. 706 108 237

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 Twenty Three Million Three Hundred Sixteen Thousand and No/100 Dollars (\$23,316,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Two Million Two Hundred Eighty Four Thousand and No/100 Dollars (\$2,284,000.00) 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 \$10,966,666.66 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 \$2,100,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$10,966,666.66, 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 TWELVE MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$12,533,333.34) (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 TWENTY THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$23,500,000.00), 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 TWELVE MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$12,533,333.34), 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 \$10,966,666.66.

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. 706 108 237 and 706 108 267, the principal sum of TWELVE MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$12,533,333.34), 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 SIXTY FIVE THOUSAND TWO HUNDRED SEVENTY SEVEN AND 78/100 DOLLARS (\$65,277.78) 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 SEVENTY SEVEN THOUSAND ONE HUNDRED SIXTY NINE AND 89/100 DOLLARS (\$77,169.89) 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; and

(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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$10,966,666.66

January 15, 2010

Loan No. 706 108 267

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).

W I T N E S S E T H:

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 Twenty Three Million Three Hundred Sixteen Thousand and No/100 Dollars (\$23,316,000.00) 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 Two Million Two Hundred Eighty Four Thousand and No/100 Dollars (\$2,284,000.00) 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 \$12,533,333.34 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 \$2,100,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$12,533,333.34, 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 TEN MILLION NINE HUNDRED SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$10,966,666.66) (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 TWENTY THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$23,500,000.00), 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 TEN MILLION NINE HUNDRED SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$10,966,666.66), 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 \$12,533,333.34.

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. 706 108 237 and 706 108 267, the principal sum of TEN MILLION NINE HUNDRED SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$10,966,666.66), 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 FIFTY SEVEN THOUSAND ONE HUNDRED EIGHTEEN AND 06/100 DOLLARS (\$57,118.06) 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 SIXTY SEVEN THOUSAND FIVE HUNDRED TWENTY THREE AND 65/100 DOLLARS (\$67,523.65) 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; and

(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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,533,333.34

January 15, 2010

Loan No. 706 108 238

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).

W I T N E S S E T H

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 Fifteen Million Three Hundred Ninety Two Thousand and No/100 Dollars (\$15,392,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Seven Hundred Eight Thousand and No/100 Dollars (\$708,000.00) 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 \$5,716,666.66 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 \$3,850,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$5,716,666.66, 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 SIX MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,533,333.34) (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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00), 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 SIX MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,533,333.34), 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 \$5,716,666.66.

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. 706 108 238 and 706 108 268, the principal sum of SIX MILLION FIVE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,533,333.34), 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 THIRTY FOUR THOUSAND TWENTY SEVEN AND 78/100 DOLLARS (\$34,027.78) 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 FORTY THOUSAND TWO HUNDRED TWENTY SIX AND 86/100 DOLLARS (\$40,226.86) 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 Title Loss.

9. Full Recourse Liability. Notwithstanding the provisions of Paragraph 8 of this Note, the **RECURSE 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$5,716,666.66

January 15, 2010

Loan No. 706 108 268

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).

W I T N E S S E T H:

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 Fifteen Million Three Hundred Ninety Two Thousand and No/100 Dollars (\$15,392,000.00) 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 Seven Hundred Eight Thousand and No/100 Dollars (\$708,000.00) 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 \$6,533,333.34 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 \$3,850,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,533,333.34, 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 FIVE MILLION SEVEN HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$5,716,666.66) (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 TWELVE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$12,250,000.00), 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 FIVE MILLION SEVEN HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$5,716,666.66), 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 \$6,533,333.34.

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. 706 108 238 and 706 108 268, the principal sum of FIVE MILLION SEVEN HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$5,716,666.66), 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 TWENTY NINE THOUSAND SEVEN HUNDRED SEVENTY FOUR AND 31/100 DOLLARS (\$29,774.31) 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 THIRTY FIVE THOUSAND ONE HUNDRED NINETY EIGHT AND 50/100 DOLLARS (\$35,198.50) 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 **RECURSE 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$12,266,666.64

January 15, 2010

Loan No. 706 108 239

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 Fifteen Million Seven Hundred Seventy Six Thousand and No/100 Dollars (\$15,776,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Five Million Twenty Four Thousand and No/100 Dollars (\$5,024,000.00) 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 \$10,733,333.36 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 extend to Borrower additional indebtedness in the principal amount of \$2,200,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents an additional advance to Borrower under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$10,733,333.36, 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 TWELVE MILLION TWO HUNDRED SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 64/100 DOLLARS (\$12,266,666.64) (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 TWENTY THREE MILLION AND NO/100 DOLLARS (\$23,000,000.00), 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 TWELVE MILLION TWO HUNDRED SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 64/100 DOLLARS (\$12,266,666.64), 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 \$10,733,333.36.

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. 706 108 239 and 706 108 269, the principal sum of TWELVE MILLION TWO HUNDRED SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 64/100 DOLLARS (\$12,266,666.64), 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 SIXTY THREE THOUSAND EIGHT HUNDRED EIGHTY EIGHT AND 89/100 DOLLARS (\$63,888.89) 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 SEVENTY FIVE THOUSAND FIVE HUNDRED TWENTY SEVEN AND 98/100 DOLLARS (\$75,527.98) 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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$10,733,333.36

January 15, 2010

Loan No. 706 108 269

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).

W I T N E S S E T H:

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 Fifteen Million Seven Hundred Seventy Six Thousand and No/100 Dollars (\$15,776,000.00) 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 Five Million Twenty Four Thousand and No/100 Dollars (\$5,024,000.00) 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 \$12,266,666.64 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 extend to Borrower additional indebtedness in the principal amount of \$2,200,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents an additional advance to Borrower under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$12,266,666.64, 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 TEN MILLION SEVEN HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 36/100 DOLLARS (\$10,733,333.36) (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 TWENTY THREE MILLION AND NO/100 DOLLARS (\$23,000,000.00), 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 TEN MILLION SEVEN HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 36/100 DOLLARS (\$10,733,333.36), 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 \$12,266,666.64.

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. 706 108 239 and 706 108 269, the principal sum of TEN MILLION SEVEN HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 36/100 DOLLARS (\$10,733,333.36), 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 FIFTY FIVE THOUSAND NINE HUNDRED TWO AND 78/100 DOLLARS (\$55,902.78) 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 SIXTY SIX THOUSAND EIGHTY SIX AND 98/100 DOLLARS (\$66,086.98) 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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,933,333.34

January 15, 2010

Loan No. 706 108 240

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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).

W I T N E S S E T H:

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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Lender (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 \$6,066,666.66 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,066,666.66, 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 \$6,066,666.66.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 THIRTY SIX THOUSAND ONE HUNDRED ELEVEN AND 11/100 DOLLARS (\$36,111.11) 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 FORTY TWO THOUSAND SIX HUNDRED EIGHTY NINE AND 73/100 DOLLARS (\$42,689.73) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,066,666.66

January 15, 2010

Loan No. 706 108 270

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of The Prudential Insurance Company of America, a New Jersey corporation ("Prudential") (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 \$6,933,333.34 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,933,333.34, 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 \$6,933,333.34.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 THIRTY ONE THOUSAND FIVE HUNDRED NINETY SEVEN AND 22/100 DOLLARS (\$31,597.22) 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 THIRTY SEVEN THOUSAND THREE HUNDRED FIFTY THREE AND 51/100 DOLLARS (\$37,353.51) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

PREPARED BY:

Albert E. Bender, Jr.

MACK-CALIF PROPERTIES, L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, as mortgagor
(Borrower)

to

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

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre VII, Bergen County, New Jersey

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. 706 108 240 and 706 108 270

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
- Exhibit B** - Description of Personal Property
- Exhibit C** - Permitted Encumbrances
- Exhibit D** - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
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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 F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said 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. 706 108 240 and 706 108 270, as mortgagee (collectively, “**Lender**”).

WITNESSETH:

WHEREAS, Borrower is the owner of certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “Property”) and known as Mack-Cali Centre VII; 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Prudential (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 9691, Page 245, in the real estate records of Bergen County, New Jersey, 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 1014, Page 678 (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 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 1014, Page 692, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note which reflects the reduction of the amount of the indebtedness to Borrower by the principal amount of \$7,600,000.00, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, but a corresponding increase in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), 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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00).

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 Bergen County, New Jersey 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 seised 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 New Jersey 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 further represents and warrants to Lender that Borrower is a disregarded entity as defined in Section 1.1445-2(b)(2) (iii) of the Income Tax Regulations issued under the Internal Revenue Code, and that Borrower has disclosed to Lender all information regarding the owner of Borrower required under 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 (i) Borrower's only asset is the Property, and (ii) the Property generates substantially all of the gross income of Borrower and there is no substantial business being conducted by Borrower other than the business of owning and operating the Property and the activities incidental thereto.

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 \$130,000.00 (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 (1/12th) 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 for 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 F Properties, L.P.
c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh

And To:
Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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(l). 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(l) 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 F PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: New Cingular Wireless PCS, LLC.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

AMENDED AND RESTATED ASSIGNMENT OF LEASES AND RENTS

This Amended and Restated Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (“**Instrument**”) dated as of the date of this Assignment (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and

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.

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the "Cross-Collateral Guaranty"); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

(a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:

- (1) amend or modify any Major Tenant Lease;
- (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
- (3) terminate or accept the surrender of any Major Tenant Lease;
- (4) enter into any new Major Tenant Lease; or
- (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.

(b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:

- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
- (2) terminate any Lease which is in default; or
- (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and
- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

(c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

(d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8. Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. **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.**

12. Amended and Restated Assignment. This Assignment is made and granted in favor of Lender in amendment, renewal and replacement of that certain Assignment of Leases and Rents (the "Existing Assignment") dated April 30, 1998 from Mack F Properties to The Prudential Insurance Company of America, recorded in Mortgage Book 9691, Page 356, in the real estate records of Bergen County, New Jersey, covering the leases and rents of 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 Lender, recorded in Mortgage Release Book 1014, Page 678. The Existing Assignment has been assigned by The Prudential Insurance Company of America to The Prudential Insurance Company of America and VPCM, LLC, and is hereby amended, replaced and restated in its entirety by this Assignment.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

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.

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

**SECOND PRIORITY ASSIGNMENT OF LEASES AND RENTS
(Subordinate Assignment to Secure Cross Collateral Guaranty)**

This Second Priority Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Assignment and the Documents; and

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the “**Cross-Collateral Guaranty**”), which Cross-Collateral Guaranty is secured by that certain Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) (the “**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

- (a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:
- (1) amend or modify any Major Tenant Lease;
 - (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
 - (3) terminate or accept the surrender of any Major Tenant Lease;
 - (4) enter into any new Major Tenant Lease; or
 - (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.
- (b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:
- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
 - (2) terminate any Lease which is in default; or
 - (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and

- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

- (c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

- (d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8 . Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. 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, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

INSERTS TO BE TYPED ON THE FACE OF:

UCC FINANCING STATEMENT BETWEEN

MACK-CALI F PROPERTIES, L.P. (DEBTOR ID NO.: 0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

1. The mailing address of Debtor is:

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

2. The mailing address of Secured Party 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. 706 108 240 and 706 108 270

3. This Financing Statement covers the following types or items of property:

The collateral, which relates to the real property described on Exhibit A attached hereto and by this reference made a part hereof, includes fixtures, chattel paper, accounts, general intangibles, goods, equipment, inventory, documents, instruments, and all of the proceeds of the foregoing as more particularly described on Exhibit B attached hereto and by this reference made a part hereof.

4. **FIXTURE FILINGS ONLY:**

THIS FINANCING STATEMENT IS FILED AS A FIXTURE FILING.

THE RECORD OWNER OF THE REAL PROPERTY IS:

Mack-Cali F Properties, L.P.

The Real Property is described on Exhibit A attached hereto and by this reference made a part hereof.

EXHIBIT A

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

THE RECORD OWNER OF THE REAL PROPERTY IS:

Mack-Cali F Properties, L.P., f/k/a Mack F Properties

EXHIBIT B

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

The following described land, interests in land, estates, easements, rights, appurtenances, buildings, improvements, fixtures, furniture and appliances and other personal property (hereinafter all of the foregoing are sometimes collectively referred to as the "Premises"; as used herein, the term "Borrower" shall mean "Debtor" and the term "Lender" shall mean "Secured Party", and any other terms not herein defined shall have the definitions set forth in that certain Amended, Restated and Consolidated Mortgage and Security Agreement from Debtor to or for the benefit of Secured Party conveying the Premises):

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "Land") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "Improvements") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.

6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.

7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THE DEBTOR IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THIS FINANCING STATEMENT IS TO BE INDEXED IN THE REAL ESTATE RECORDS OF BERGEN COUNTY, NEW JERSEY

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

CLOSING CERTIFICATION

MACK-CALI F PROPERTIES, L.P., a New Jersey limited partnership ("**Borrower**") does hereby represent, warrant and certify to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("**Prudential**"), and **VPCM, LLC**, a Virginia limited liability company ("**VPCM**") (collectively, "**Lender**"), its successors and assigns, in consideration of the making of that certain loan (the "**Loan**") from Lender to Borrower, as evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the "**Note**") of even date herewith in the aggregate face principal amount of \$13,000,000.00 and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (the "**Instrument**") from Borrower of even date herewith securing the Loan with respect to real property known as Mack-Cali Centre VII, located in Bergen County, New Jersey, and covenants and agrees with Lender, as follows:

1. Borrower is the owner of the land (the "**Land**") described on Exhibit A attached to the Instrument, which description is incorporated herein by this reference, together with all Improvements (as hereinafter defined), fixtures, easements and appurtenances related thereto and all equipment, appliances and other personal property located thereon or related thereto, which personal property is more particularly described on Exhibit B thereto and incorporated herein by this reference (hereinafter all said items are collectively referred to as the "**Related Property**"). No security interest under the Uniform Commercial Code ("**UCC**") has been perfected against the Related Property other than those in favor of Lender.
 2. The improvements and buildings (together, the "**Improvements**") constructed on the Land and the Property (as defined in the Instrument), and the proposed and actual use and occupancy thereof, are in material compliance with and do not violate any applicable laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations or other requirements of any Governmental Authority (as hereinafter defined) having jurisdiction over the Property and Improvements (including, but not limited to, environmental laws and regulations, except as disclosed in the Environmental Report (as defined in the Security Instrument)), or any restrictive covenants, or building, fire, subdivision or zoning regulations (hereinafter all said items are collectively referred to as "**Rules and Regulations**"). The term "**Governmental Authority**" shall mean all federal, state, county, municipal and other governments and all agencies, authorities, departments, subdivisions, courts, commissions, boards, bureaus or instrumentalities of any of them having jurisdiction over the Security (as hereinafter defined). The Improvements and their use and occupancy shall at all times be in compliance with all Rules and Regulations. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Report, Borrower has not received notice of any violation of any Rules and Regulations. There is no action or proceeding pending before any court, quasi-judicial body or administrative agency relating to the title of or to the Property or Improvements or to the proposed or actual use of the Property and Improvements or the occupancy thereof or relating to the validity of the Loan from Lender to Borrower.
 3. Borrower has full authority to borrow the Loan, to perform the Obligations (as defined in the Instrument), and to convey the Property, the Improvements and the other Related Property (the Property, Improvements and the other Related Property are hereinafter referred to collectively as the "**Security**") as security therefor. In connection therewith, Borrower has done nothing to impair or impede its ability to borrow the Loan and/or convey the Security as aforesaid. The person or persons signing on behalf of Borrower have full power and authority to bind Borrower and have full legal capacity to sign all documents which will evidence, secure or otherwise be executed on behalf of Borrower in connection with the Loan (the "**Loan Documents**").
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4. The rent roll attached hereto as **Exhibit A** and by this reference incorporated herein is true and complete as of the date hereof. True and complete copies of all leases listed on the rent roll and all amendments thereto have been provided to Lender, and all leasing commissions have been paid in full. No tenant, sub-tenant or occupant, if any, of the rental space in the Improvements has any option to purchase, or any right, title or interest in or to the Property and/or Improvements, except as tenant under and by virtue of the provisions of its lease. Each such lease is in full force and effect in accordance with the terms thereof, with no rental offsets, defenses or claims. There exist no events of default under any such lease.
5. None of the Improvements or other Related Property owned by Borrower and described on Exhibit B attached to the Instrument and by this reference incorporated herein which are a portion of the Security (excluding equipment identified to Lender as having been leased by Borrower) was purchased under any conditional sales agreement, title retention agreement, or by deferred payment secured by chattel mortgage, security agreement or otherwise, or by any other transaction where the beneficial interest therein shall be held by any other person or entity other than Borrower, all such fixtures, equipment, machinery, appliances or other items of personal property being owned by Borrower and being fully paid for.
6. No notice of any mechanics' or materialmen's lien or of any claim or right to any such lien has been received, or to Borrower's best knowledge asserted and/or threatened against Borrower or the Security in connection with the Property and/or Improvements. All mechanics, laborers, materialmen, engineers, architects and surveyors who have worked on or provided services in connection with the Security or have furnished materials therefor have been paid in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein. With respect to unfiled liens, no improvements or repairs have been made to the Property and/or Improvements by or at the request of Borrower during the one hundred thirty (130) days immediately preceding the date hereof, and there are no outstanding bills for labor or materials used in making improvements or repairs on the Property and/or Improvements or for services of architects, surveyors, engineers or others having lien rights; or if any such work, improvements or repairs have been made or if any such services have been provided within the last one hundred (100) days, the work, improvements, repairs and services are complete and have been paid for in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein.
7. Borrower has no knowledge of and has received no notice of the institution, or the proposed institution, of any condemnation proceedings against the Property and/or Improvements, and/or any portion thereof or interest or estate therein.
8. Borrower has full and unqualified right and authority to convey and encumber the Security pursuant to and in accordance with the Instrument. The Instrument, after execution, acknowledgment, delivery and recordation, will constitute a first priority Amended, Restated and Consolidated Mortgage and Security Agreement on, and security interest in, the Security.
9. Borrower has no offsets, defenses or counterclaims against or with respect to either the Note or the Instrument or with respect to the enforceability thereof by Lender.

10. Since the date of the First Mortgage Loan Application No. 706 108 240 and 706 108 270, dated January 13, 2010 (the “**Application**”), made by Borrower, (a) the Property and Improvements have not suffered any material damage or destruction, (b) no other material adverse change has taken place in or on the Security or in Borrower’s business or financial condition including, without limitation, Borrower’s default on any other obligation Borrower may have to Lender unrelated to this Loan, (c) the representations made in the Application which resulted in the Commitment (as hereinafter defined), including, but not limited to, representations regarding the type of development, income and expenses of the Property and Improvements and occupancy leases, are, as of the date hereof, as represented in the Application, without material change, except such changes that have been acknowledged and approved in writing by Lender, and (d) there has not been filed by or against Borrower, any petition in bankruptcy or any petition or answer seeking assignment for the benefit of creditors, the appointment of a receiver, trustee or liquidator with respect to Borrower or any substantial portion of Borrower’s property, or any reorganization, arrangement, liquidation, winding up or dissolution or similar relief under the Federal Bankruptcy laws or any State law.
11. Except as otherwise agreed by Lender, Borrower has complied with all terms, covenants and conditions of the Loan Commitment No. 706 108 240 and 706 108 270 (the “**Commitment**”) dated January 13, 2010 and of the Application.
12. All installments of special taxes or assessments, service charges, water and sewer charges, private maintenance charges, and other prior lien charges by whatever name called and all installments of general real estate taxes, which are now due and payable, have been paid in full on or before the date hereof.
13. Borrower has paid in full any loan commission due and payable in connection with the Application for, issuance of the Commitment regarding closing of, and the disbursement of, the Loan.
14. 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, 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 similar list issued by or any other department or agency of the United States of America provided, however, that 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.
15. All warranties and representations made in the Instrument or in any other Loan Document are true and do not omit to state any facts necessary to prevent the same from being misleading as of the date hereof.
16. The zoning classification of the Security, as modified or supplemented by all applicable variances, conditions, special use permits, site plans and other matters, permits the use of the Security as intended.
17. All permits, licenses, certificates and approvals required for the development, construction and use of the Security have been validly issued by the appropriate Governmental Authority and are in full force and in effect, including, without limitation, building permits, certificates of occupancy, curb-cut permits, permits relating to the use of utilities and permits under any environmental laws.

18. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, the Property and Improvements as built comply with all applicable Laws (hereinafter defined), including, without limitation, zoning, building, fire, subdivision and environmental Laws. The term “**Laws**” shall mean all laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations and other requirements of Governmental Authorities.
19. All facilities for the provision of utilities services for the Security (water, sanitary sewer, electricity, telephone, natural gas, cable TV, etc.) are complete, connected to the Security through dedicated public lines or valid private easements, and in service. The capacities are adequate for the reasonable needs of the Security.
20. The Security has access to dedicated public streets and has all necessary curb-cut permits.
21. The detention and other facilities for the control of surface water at the Security are adequate and in compliance with all applicable Laws. No easements over the lands of others are required for drainage or discharge of surface water.
22. The Property and Improvements are either (i) in compliance with the provisions of the Fair Housing Amendments Act of 1988, as amended, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in effect as of the date hereof (collectively, the “**FHA Act**”), or (ii) exempt from the FHA Act.
23. The Security is in compliance with the provisions of the Americans with Disabilities Act of 1990, and any amendments in effect as of the date hereof, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in force as of the date hereof.
24. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, there are no wetlands (as such term is defined in the Code of Federal Regulations or the Federal Manual for Identifying and Delineating Jurisdictional Wetlands) located on the Property, and no portion of the Property is subject to the jurisdiction of the United States Environmental Protection Agency, the United States Corps of Engineers or any other federal, or state or local agency having jurisdiction of wetlands.
25. Borrower is validly formed and existing under the laws of the state of its organization and is in good standing in the state of its organization and the state in which the Property is located. There is no proceeding is pending for Borrower’s dissolution.
26. Copies of the organizational and authority documents relating to Borrower, and the constituent members or partners of Borrower who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, and the constituent members or partners thereof who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, have been delivered to Lender as of the date hereof and are attached to those certain Certificates Regarding Partnership Agreement and Partnership Authority, Certificates Regarding Corporate Status, Corporate Authority And Incumbency and/or Certificates Regarding Limited Liability Company Status and Authority, as applicable, delivered in connection with the Loan. Such copies are true and complete, and the documents copied have not been modified or amended except as expressly indicated in such deliveries.

27. There are no brokers or other persons under any listing agreement or other agreement with Borrower for the management, sale or lease of all or any portion of the Security which would entitle such broker or other person to a lien or claim of lien, except as set forth in the leases provided to Lender.

28. This Closing Certification is made to induce Lender to make a loan to Borrower in the amount of \$13,000,000.00 secured by the Security. Borrower hereby represents, warrants and certifies that the statements contained herein are true, correct, complete and without material omission.

29. All warranties and representations herein are made for the purpose of inducing Lender to make the Loan and shall survive the closing of the Loan and shall inure to the benefit of Lender, its successors and assigns. Borrower is fully aware that Lender is relying on this Closing Certification in making the Loan and hereby agrees to indemnify and hold Lender harmless against any claims, losses or expenses that Lender suffers or incurs, including, but not limited to, reasonable attorneys' fees, as a result of any inaccuracy in the representations and statements herein made.

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has duly executed this Closing Certification under seal, as of January 15, 2010.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

EXHIBIT A
RENT ROLL

EXHIBIT B
INCOMPLETE WORK

None

EXHIBIT C

TITLE MATTERS

None, other than as set forth in that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan

AFFIDAVIT OF TITLE

The undersigned deponent, Barry Lefkowitz (the "Deponent"), having personally appeared before the undersigned notary public and first having been duly sworn according to law, deposes and says under oath as follows:

1. Deponent is presently the Executive Vice President and Chief Financial Officer of MACK-CALI SUB I, INC., a Delaware corporation, General Partner, which is the sole member of **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (the "Owner"), and in such capacity, the Deponent has personal knowledge of the facts sworn to in this Affidavit and such facts are true and correct in all material respects.
 2. To Deponent's knowledge, based on First American Title Insurance Company, Commitment No. TS-19605F-FA (the "Title Commitment") and similar title reports to Owner, the Owner is the owner of a fee estate in certain real estate, a description of which is set forth in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement with respect to the property known as Mack-Cali Centre VII and made a part hereof by this reference (the "Mortgage"), together with all fixtures, improvements, easements and appurtenances related thereto, and all equipment, appliances and other personal property located thereon or related thereto (the "Property"), but excluding all personal property and fixtures owned by any tenant of the Property, or owned by any service contract party or vendor, or leased by Owner.
 3. To Deponent's knowledge, the Owner is in open, exclusive, notorious, continuous, adverse and peaceable possession of the Property, and has been continuously since the date of its acquisition of the Property, and there are no leases, tenancies, parties in possession, rights of occupancy of any kind or licenses affecting the Property except as set forth on the rent roll attached as Exhibit A to that certain Closing Certification of even date, executed by Owner, and by this reference made a part hereof; and except for any such leases, parties in possession, rights of occupancy, tenancies or licenses, Deponent knows of no one claiming any adverse interest in the Property whatsoever, except as may be set forth in the Title Commitment.
 4. To the best knowledge of Deponent, title to the Property has never been disputed, questioned or rejected and title insurance thereon has never been refused.
 5. No proceeding is pending for the dissolution or annulment of Owner..
 6. To the best knowledge of Deponent, there are no disputes concerning the location of the Property lines and corners.
 7. To Deponent's knowledge, there are no pending or existing suits, lis pendens, judgments, bankruptcies, executions, liens for past due taxes, assessments, encumbrances, easements, deeds to secure debt, deeds of trust, mortgages, security interests, UCC financing statements, other liens securing monetary obligations of any kind, or other title exceptions or matters that could in any way affect the title to the Property or constitute a lien thereon, except as may be set forth in the Title Commitment, with respect to any that appear in the public records of the state or county in which the Property is located (to Deponent's knowledge, there are none other), and the Owner is not surety on the bond of any county official or any other bond that through default of the principal thereon a lien would be created superior to any conveyance executed by the Owner.
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8. To Deponent's knowledge, with respect to unfilled liens, no work, improvements or repairs have been made to the Property by or on behalf of or at the request of the Owner during the one hundred twenty three (123) days immediately preceding the date hereof (or such longer period as is permitted prior to the filing of a lien or notice of lien), or, if any work, improvements or repairs have been made by or at the instance of the Owner, all bills incurred for labor, services and materials used in making improvements or repairs on the Property or for the services of architects, surveyors or engineers with respect thereto are being paid in the ordinary course of business.

9. Deponent understands that Section 1445 of the United States Internal Revenue Code of 1986 (as amended, the "Revenue Code"), provides that a transferee of a United States real property interest must withhold tax if the transferor is a "foreign person" (as defined in the Revenue Code"). For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the hereinbelow described lender (the "Transferee") that withholding of tax is not required upon the disposition of a United States real property interest by the Owner and to inform the Transferee, the Internal Revenue Service and the party completing the informational return of the items required to be reported, Deponent hereby certifies the following:

- (a) The Owner is not a "non-resident alien" for purposes of United States income taxation or otherwise a "foreign person," as defined in Section 1445 of the Revenue Code, or a "foreign corporation", "foreign partnership", "foreign trust" or "foreign estate", as those terms are defined in the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").
- (b) The Owner 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.
- (c) The Owner's United States taxpayer identification number is 22-3558003.
- (d) The address (and, if different, the mailing address) of the Owner is c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837.
- (e) Deponent is making this Affidavit pursuant to the provisions of Section 1445 of the Revenue Code in connection with the conveyance of the Property, attached hereto and incorporated herein by reference, by the Owner to Transferee, which conveyance constitutes the disposition of the Owner of the United States real property interest, for the purposes of establishing that Transferee is not required to withhold tax pursuant to Section 1445 of the Revenue Code in connection with such disposition.
- (f) Deponent acknowledges that this Affidavit may be disclosed to the Internal Revenue Service by Transferee, that this Affidavit is made under penalty of perjury, and that any false statement made herein could be punished by fine, imprisonment or both.

10. This Affidavit is made to induce The Prudential Insurance Company of America and VPCM, LLC ("Lender") to make a loan to the Owner in the amount of \$13,000,000.00 (the "Loan") secured by the Property; and to induce the title insurance company to issue its mortgagee's policy insuring Lender for said loan amount. Owner guarantees and warrants the statements of fact herein, which shall be construed as a continual contractual obligation in favor of Lender and said title insurance company.

11. That in consideration of the issuance of said title insurance policy and the making of said loan by Lender as aforesaid, Owner shall indemnify and hold harmless Lender and said title insurance company against all claims, losses or expenses (including reasonable attorneys' fees) on account of any inaccuracy in the foregoing representations and statements made herein, including expense of enforcing this agreement.

12. Under penalty of perjury, Deponent declares that Deponent has examined the foregoing Affidavit and hereby certifies that it is true, correct and complete and Deponent further declares that Deponent has the authority to make this Affidavit and the certifications contained herein on behalf of the Owner.

Dated as of January 15, 2010.

Sworn to and subscribed before me this the ____ day of January, 2010.

Notary Public

(NOTARY SEAL)

My Commission Expires:

_____(SEAL)
Name: Barry Lefkowitz

JOINDER

Owner has executed this Joinder to the foregoing Affidavit of Title to certify as to the accuracy of the statements set forth above concerning Owner and to evidence its agreement to be bound by the obligations imposed on Owner pursuant to this Affidavit of Title, and hereby agrees to indemnify and hold harmless Lender and said title insurance company for all loss or damage arising out of any reliance upon the statements made in this Affidavit of Title.

IN WITNESS WHEREOF, Owner, intending to be legally bound hereby, has caused this Affidavit of Title to be duly executed under seal, as of January 15, 2010.

OWNER:

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

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT

THIS ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT (this “**Agreement**”) is made as of January 15, 2010 by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, having its principal office and place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**Borrower**”), and **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**Principal**”) (Borrower and Principal, individually and collectively, as the context requires, shall be referred to as “**Indemnitor**”), 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**”).

RECITALS:

- A. Borrower is the sole owner of the premises described in Exhibit A attached to the Security Instrument (as hereinafter defined) and incorporated herein by reference thereto (“**Property**”);
- B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each dated as of the date of this Agreement (collectively, the “**Note**”) and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Agreement (“**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and
- C. Lender was willing to make the Loan to Borrower only if Indemnitor entered into this Agreement; and
- D. Principal is an owner of a legal and/or beneficial interest in Borrower and thus will derive substantial benefit from the Loan. Each Indemnitor enters into this Agreement to induce Lender to make the Loan.

AGREEMENT

IN CONSIDERATION of the principal sum of the Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitor, jointly and severally, agrees as follows:

1. Instrument Incorporated. The terms and conditions of the Instrument are incorporated into this Agreement as if fully set forth in this Agreement. Principal acknowledges that it has received and reviewed the Instrument. All terms and phrases with initial capital letters not otherwise defined herein, shall have the meanings ascribed to such words and phrases in the Instrument.
 2. Representations and Warranties. Principal makes and Borrower makes and reaffirms the representations and warranties set forth in Sections 2.01(iii), 2.01(iv), 2.02, 2.03, 2.06, 2.07, 2.09, 3.11 and 3.12(a) of the Instrument, and the representations and warranties set forth in Section 4 of this Agreement.
-

3. Environmental Covenants. Indemnitor covenants and agrees to comply with Section 3.12(b) and (d) of the Instrument, and, for the purpose of this covenant, all references in Section 3.12(b) and (d) to “Borrower” shall be deemed to refer to “Indemnitor.” In addition, for the purposes of determining whether an Event of Default has occurred for violation of this covenant, this covenant and the obligations of Indemnitor shall be subject to any Grace Period (as defined in the Instrument) applicable to such corresponding provisions of the Instrument.
4. ERISA Covenants. Borrower covenants and agrees to comply with Section 3.11 of the Instrument. In addition, Principal covenants and agrees as follows:
- (a) Principal 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 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 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) Principal represents and warrants to Lender that (i) Principal 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) Principal 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 4(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) Principal 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 the Principal 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 Principal 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 Principal are held by “benefit plan investors” within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or (3) Principal 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) Principal 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 4(b) above. Failure to deliver these certifications or evidence, breach of these representations and warranties, or consummation of any transaction which would cause this Agreement or the Documents or any exercise of Lender’s rights under this Agreement or under the Documents to (i) constitute a non-exempt prohibited transaction under ERISA or (ii) constitute a violation, shall be an Event of Default under the Documents. Notwithstanding anything in the Documents to the contrary, no sale, assignment, or transfer of any direct or indirect right, title, or interest in Principal or the Property (including creation of a junior lien, encumbrance or leasehold interest) shall be permitted which would, in Lender’s opinion, negate Principal’s representations in this Agreement or cause a Violation. At least fifteen (15) days before consummation of any of the foregoing, Principal shall obtain from the proposed transferee or lienholder (i) a certification to Lender that the representations and warranties contained in this Agreement will be true after consummation and (ii) an agreement to comply with the terms and conditions of this Agreement.

5. Lender's Rights, Cooperation and Access. Lender and any other person ("person" in this Agreement shall have the same meaning as in the Instrument) designated by Lender shall have the same rights hereunder as are set forth in Sections 3.11 and 3.12(c) of the Instrument.

6. Indemnification. Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses (as defined in the Instrument, but excluding any claim arising solely from Lender and not also made or threatened by any governmental entity or other third party against Indemnitor, Indemnified Parties or the Property where neither Borrower or the Property has been in violation of any Environmental Laws) imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the following: (a) the presence of any Hazardous Materials affecting the Property ("**affecting the Property**" in this Agreement shall have the same meaning as in the Instrument); (b) any past, present, future or threatened Release of Hazardous Materials affecting the Property; (c) any activity by any Indemnitor, any person affiliated with any Indemnitor ("**Affiliate**"), or any Tenant or other user of the Property in connection with any O&M Plan or any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, handling, transfer or transportation to or from the Property, or removal of any Hazardous Materials at any time affecting the Property; (d) any activity by any Indemnitor, Affiliate, Tenant or other user of the Property in connection with any actual or proposed remediation of any Hazardous Materials at any time affecting the Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including ("**including**" in this Agreement shall have the same meaning as in the Instrument) any removal, remedial or corrective action, penalties or fines; (e) any past, present, future or threatened non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including any failure by any Indemnitor, Affiliate, Tenant or other user of the Property to comply with any order of any governmental authority in connection with any Environmental Laws; (f) the actual or threatened imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any Hazardous Materials affecting the Property; (h) any past, present, future or threatened injury to, destruction of, or loss of natural resources in any way connected with the Property, including costs to investigate and assess such injury, destruction or loss; (i) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in arranging for disposal or treatment of Hazardous Materials affecting the Property at any facility or incineration vessel containing such or similar Hazardous Materials, including arrangements with any transporter; (j) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Material affecting the Property which causes the incurrence of costs for remediation; (k) any personal injury, wrongful death, property or other damage arising under any statutory, common law or tort law theory, including damages assessed for trespass or for private or public nuisance or for operation of an abnormally dangerous activity on or near the Property, with respect to Hazardous Materials affecting the Property or violations of Environmental Laws; and (l) any material misrepresentation, materially inaccurate representation or warranty, material breach or failure to perform under the provisions of this Agreement. Notwithstanding the foregoing, Indemnitor shall not be obligated to indemnify the Indemnified Parties if Indemnitor can conclusively prove that both (1) the contamination of the Property was caused solely by actions, conditions, or events that occurred after the date Lender (or any purchaser at a foreclosure sale) actually acquired title to the Property and (2) the contamination of the Property was not caused, contributed to, enhanced, or exacerbated by the direct or indirect actions or inactions of any Indemnitor or any partners, officers, members, shareholders, employees, or agents of any Indemnitor. Further, Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the matters set forth in Section 8.04 of the Instrument, and including the inaccuracy of any of the representations or warranties set forth in Section 4 of this Agreement or any violation of the covenants set forth in Section 3.11 of the Instrument and/or the covenants set forth in Section 4 of this Agreement. For the purpose of this covenant, all references in Section 8.04 to "Borrower" shall be deemed to refer to "Indemnitor." In addition, as set forth in the defined term "indemnify", the foregoing indemnities shall not apply to any Losses caused by the gross negligence or willful misconduct of the Indemnified Parties.

7. Duty to Defend, Attorneys and Other Fees and Expenses. Indemnitor agrees that the provisions of (a) Section 8.06 of the Instrument shall apply to this Agreement except all references to "Article VIII" or "this Section" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.06 to "Borrower" shall be deemed to refer to "Indemnitor," and (b) Section 6.03 of the Instrument shall apply to all Costs, expenses or other amounts paid or incurred by the Indemnified Parties under this Agreement. The term "**on demand**" shall have the same meaning as in the Instrument.
8. Recourse Obligations and Survivability. Indemnitor agrees that the provisions of Section 8.07 of the Instrument shall apply to this Agreement except all references to "Section 8.05" and "Article VIII" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor acknowledges and agrees that each Indemnitor, jointly and severally (if applicable), is fully and personally liable for the obligations under this Agreement, and such liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.
9. Unimpaired Liability. The liability of Indemnitor under this Agreement shall in no way be limited or impaired by, and Indemnitor consents to and agrees to be bound by, any amendment or modification of the provisions of the Documents (other than this Agreement) by any Indemnitor or successor-in-interest to any Indemnitor. In addition, the liability of Indemnitor shall in no way be limited or impaired by (a) any extension(s) of time for performance required under the Documents, (b) any sale or transfer of all or part of the Property, (c) except as provided in this Agreement, any exculpatory provision in the Documents limiting Lender's recourse to the Property or to any other security for the Note, or limiting Lender's rights to a deficiency judgment against any Indemnitor, (d) the accuracy or inaccuracy of the representations and warranties made by any Indemnitor under the Documents, (e) the release of any Indemnitor or person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Documents by operation of law, Lender's voluntary act, or otherwise, (f) the release or substitution in whole or in part of any security for the Note, or (g) Lender's failure to record or file (or improper filing or recording of) any of the Documents or Lender's failure to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note; and, in all of the foregoing cases, whether with or without notice to Indemnitor and with or without consideration.
10. Enforcement. Lender may enforce the obligations of Indemnitor under this Agreement without first resorting to or exhausting any security or collateral or without first having recourse to the Documents or any of the Property, through foreclosure proceedings or otherwise; provided, however, that nothing herein shall inhibit or prevent Lender from suing on the Note or exercising any other rights or remedies in the Documents. This Agreement is not collateral or security for the debt of Borrower pursuant to the Loan, unless Lender expressly elects in writing to make this Agreement additional collateral or security for the debt of Borrower pursuant to the Loan. It is not necessary for an Event of Default to have occurred under the Documents for Lender to exercise its rights under this Agreement.

11. Waivers and Delays. To the fullest extent Indemnitor may do so under Laws, Indemnitor makes the waivers and agrees to be bound by the provisions of Section 6.06 and Section 6.07 of the Instrument, and, for the purpose of this covenant, all references in Section 6.06 and Section 6.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor waives and relinquishes all rights and remedies under Laws for the benefit of Indemnitor or guarantors except any rights of subrogation which any Indemnitor may have; provided, however, that the indemnity in this Agreement is not (a) contingent upon the existence of any such rights of subrogation or (b) subject to any claims or defenses which may be asserted in connection with the enforcement of such subrogation rights including any claim that such rights were abrogated by any acts of Lender. Notwithstanding the foregoing, Indemnitor agrees to postpone the exercise of any rights of subrogation with respect to the Property and any other collateral securing the Loan until the Loan shall have been paid in full. No delay by Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

12. Intentionally Omitted.

13. Subrogation. Indemnitor shall take all reasonable actions, including institution of legal action against third parties (to the extent commercially reasonable and appropriate under the circumstances), necessary or appropriate to obtain reimbursement, payment or compensation from persons responsible for the presence of any Hazardous Materials affecting the Property or otherwise obligated by Laws to bear the cost thereof; provided, however, so long as there is no occurrence and continuance of an Event of Default, Indemnitor shall be entitled to use its reasonable business judgment to determine whether it is appropriate to undertake any legal action with respect thereto. If an Event of Default occurs and is not cured, Lender shall be subrogated to all of Indemnitor's present and future rights in such claims.

14. Notice of Legal Actions. Indemnitor shall give prompt written notice to Lender of (a) any notice, advice, demand, claim or other communication from any governmental entity or any source with respect to Hazardous Materials affecting the Property in violation (or alleged violation) of Environmental Laws and (b) any legal action brought against such party or related to the Property, with respect to which any Indemnitor may have liability under this Agreement.

15. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02, and notices to Principal shall be addressed as follows:

If to Principal:

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

With a copy of notices sent to Principal to:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attn: Barry Lefkowitz

With a copy of notices sent to Principal to:

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

16. Applicable Law and Submission to Jurisdiction. Indemnitor agrees that the provisions of Section 9.04 of the Instrument shall apply to this Agreement, and, for the purpose of this covenant, all references in Section 9.04 to "Borrower" shall be deemed to refer to "Indemnitor."

17. No Third Party Beneficiary. The terms of this Agreement are for the sole and exclusive protection and use of the Indemnified Parties. No other party shall be a third party beneficiary under this Agreement, and no provision of this Agreement shall operate or inure to the use and benefit of any such third party. It is agreed that those persons included in the definition of Indemnified Parties are not excluded third party beneficiaries.

18. Joint and Several Liability. If Indemnitor consist of more than one person or entity, the obligations and liabilities of each such person hereunder are joint and several.

19. **WAIVER OF TRIAL BY JURY.** EACH OF INDEMNITOR 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 INDEMNITOR IN CONNECTION THEREWITH.

IN WITNESS WHEREOF, Indemnitor has duly executed this Agreement as of the date first above written.

INDEMNITOR:

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

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

By: _____

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: _____

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

ASSIGNMENT OF PERMITS AND DEVELOPER'S RIGHTS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as additional security for the obligations incurred pursuant to certain Loan Documents, hereinafter described, **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (hereinafter referred to as "Borrower") having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837, hereby assigns and sets over unto **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM") (collectively, "Lender"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270, all permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale or use of the real estate and improvements, now or hereafter located thereon, in Bergen County, New Jersey (the "Real Estate"), legally described in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement executed by Borrower of even date in favor of Lender, including all of Borrower's rights and privileges heretofore or hereafter otherwise arising in connection with or pertaining to the Real Estate, 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 Real Estate (all of the foregoing being collectively referred to as the "Permits and Rights"). In the event any governmental regulation or requirement prohibits assignment of any of the Permits and Rights, the prohibited assignment shall not be effective until the governmental agency or body with jurisdiction gives its written consent to the same, but Borrower shall use reasonable diligence in obtaining such consent and the Real Estate shall still have the full use and benefit of any such Permit and Right regardless of the name of the registered holder of same.

This Agreement is given as additional security for the obligations of Borrower incurred and to be incurred under that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith by Borrower to Lender, in the aggregate amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), along with all other documents evidencing or securing said Note (collectively, the "Loan Documents"), including, without limitation, the Amended, Restated and Consolidated Mortgage and Security Agreement, the Amended and Restated Assignment of Leases and Rents and the Financing Statements executed by Borrower to Lender of even date herewith, and Borrower may continue to receive and exercise all of the rights, benefits and privileges under the Permits and Rights so long as no Event of Default (as defined in the Loan Documents) has occurred under the Loan Documents.

This Assignment shall constitute a direction to and full authority to any issuer of any of said Permits and Rights and to any party to any of said Permits and Rights to act at Lender's written direction and otherwise perform on Lender's behalf, subject to the terms and conditions of said Permits and Rights, after receiving Lender's written notice that an Event of Default has occurred under the Loan Documents, but the recipient of such notice may so act without any other evidence of an Event of Default. Borrower hereby acknowledges and agrees that all such parties are hereby irrevocably authorized and directed to rely upon and comply with (and shall be fully protected by Borrower in so doing) any written request, notice or demand made by Lender with respect to any of the Permits and Rights, or for performance of any undertaking thereunder, and such parties shall have no right or duty to inquire as to whether any Event of Default under the Loan Documents has actually occurred or is then existing.

Lender does not hereby assume any of Borrower's obligations or duties under or in connection with any of said Permits and Rights, until and unless Lender or Lender's successor, nominee or assignee shall exercise its rights hereunder as to same.

Borrower shall pay all Lender's costs, charges, and expenses, including reasonable attorneys' fees (whether before trial, at trial or on appeal) in connection with any enforcement of this Assignment and/or Lender's rights under this Assignment.

This Assignment shall be governed by the laws of the State of New Jersey and shall be binding on and inure to the benefit of Borrower and Lender and their respective successors and assigns.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment under seal as of January 15, 2010.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

**CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT
AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES**

THIS CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES (this "Assignment") is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 ("Borrower"), to and for **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. 706 108 240 and 706 108 270 (collectively, "Lender"), and is acknowledged and consented to by **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (collectively, "Mack-Cali").

RECITALS:

- A. Borrower by its Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and by its Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith (the notes together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to collectively as the "Note") is indebted to Lender in the aggregate principal sum of \$13,000,000.00 in lawful money of the United States of America, with interest from the date thereof at the rates set forth in the Note (the indebtedness evidenced by the Note, together with such interest accrued thereon, shall collectively be referred to as the "Loan"), principal and interest to be payable in accordance with the terms and conditions provided in the Note.
- B. The Loan is secured by, among other things, a Amended, Restated and Consolidated Mortgage and Security Agreement (the "Security Instrument") dated of even date herewith, which grants Lender a first lien on the property encumbered thereby (the "Property"). All and any of the documents other than the Note, the Security Instrument and this Assignment now or hereafter executed by Borrower and/or others and by or in favor of Lender, which wholly or partially secure or guarantee payment of the Note are referred to as the "Other Security Documents."
- C. With the exception of those services performed by Mack-Cali, Borrower has not employed any management agent to rent, lease, operate or manage the Property (any such agreement, and any and all other management agreements, agency agreements or similar agreements for the management and operation of the Property, now or hereafter existing, including, but not limited to, that certain Amended and Restated Leasing, Management and Construction Management Agreement dated as of January 1, 1999 between Borrower and Mack-Cali Realty, L.P., as the same may be amended, extended, modified or renewed, are herein referred to as the "Management Agreement"), and Borrower is currently performing all such responsibilities that would otherwise be the responsibility of an Agent under a Management Agreement (Borrower, in such capacity, and Mack-Cali, performing such services, and any management agent successor of Borrower hereunder, is herein referred to as "Agent").
- D. Lender requires as a condition to the making of the Loan that Borrower assign any Management Agreement, and that Borrower and Agent subordinate the Management Agreement and their respective interests in the Management Fees in lien and payment to the Security Instrument as set forth below.
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AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Assignment of Management Agreement. As additional collateral security for the Loan, Borrower hereby conditionally transfers, sets over and assigns to Lender all of Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at Lender's option, in the event of a default by Borrower under the Note, the Security Instrument or any of the Other Security Documents, including but not limited to escrow agreements, and the failure of Borrower to cure such default within any applicable grace period. In the event Lender or any other purchaser at a foreclosure sale or sale under private power contained in the Security Instrument succeeds to the interest of Borrower as the owner of the Property by reason of any foreclosure, or by any other manner (a "Succession"), it is agreed that, AT THE OPTION OF LENDER OR SUCH OTHER PURCHASER, which option shall be exercisable by written notice to Agent prior to or upon the effective date of such Succession, Agent shall be bound to Lender or such other purchaser and upon exercise of such option Lender and such other purchaser shall be bound to Agent under the terms, covenants and conditions of the Management Agreement as provided herein for the remaining balance of the term thereof, with the same force and effect as if Lender or such other purchaser were the owner and landlord of the Property under such Management Agreement, and Agent does hereby agree to attorn to Lender or such other purchaser as the owner and landlord of the Property, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties to this Agreement, immediately upon Lender or such other purchaser's succeeding to the interest of Borrower under the Management Agreement. Upon any Succession, the liability of Lender (or any other party taking under a Succession) shall be limited to its interest in the Property.
2. Termination. At such time as the Loan is paid in full and the Security Instrument is released or assigned of record, this Assignment and all of Lender's right, title and interest hereunder with respect to the Management Agreement shall terminate.
3. Borrower's Covenants. Borrower hereby covenants with Lender that during the term of this Assignment, that if a Management Agreement is hereafter entered into by Borrower and a separate entity as Agent, Borrower shall obtain the prior written approval of Lender as to the identity of such Agent (if such party is not affiliated with Borrower), and, in such event: (a) Borrower shall not transfer the responsibility for the management of the Property from Agent to any other person or entity without prior written notification to Lender and the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; and (c) Borrower shall, in the manner provided for in this Assignment, give notice to Lender of any notice or information that Borrower receives that indicates that Agent is terminating the Management Agreement or that Agent is otherwise discontinuing its management of the Property.
4. Agreement by Borrower and Agent. Borrower and Agent hereby agree that in the event of a default by Borrower (beyond any applicable grace period) under the Note, the Security Instrument or any of the Other Security Documents during the term of this Assignment, at the option of Lender exercised by written notice to Borrower and Agent: (a) all rents, security deposits, issues, proceeds and profits of the Property collected by Agent, after payment of all costs and expenses of operating the Property (including, without limitation, operating expenses, real estate taxes, insurance premiums, repairs and maintenance, but excluding the fees and commissions payable under the Management Agreement), shall be applied in accordance with Lender's written directions to Agent; and (b) Lender may exercise its rights under this Assignment and may immediately terminate the Management Agreement and require Agent to transfer its responsibility for the management of the Property to a management company selected by Lender in Lender's sole and absolute discretion.

5. **Lender's Right to Replace Agent.** In the event that Lender, in Lender's reasonable discretion, at any time during the term of this Assignment, determines that the Property is not being managed in accordance with generally accepted management practices for properties similar to the Property, Lender shall deliver written notice thereof to Borrower and Agent, which notice shall specify with particularity the grounds for Lender's determination. If Lender reasonably determines that the conditions specified in Lender's notice are not remedied to Lender's reasonable satisfaction by Borrower or Agent within thirty (30) days from receipt of such notice or that Borrower or Agent have failed to diligently undertake correcting such conditions within such thirty (30) day period, Lender may direct Borrower to terminate the Management Agreement and to replace Agent with a management company acceptable to Lender in Lender's sole discretion. Upon such termination, Agent shall be entitled only to the payment of any fees actually earned for management services performed pursuant to the Management Agreement prior to the termination of the Management Agreement and, notwithstanding any provision to the contrary in the Management Agreement, no monetary penalties or termination fees shall be paid to Manager. In the event of Lender's termination of the Management Agreement, Agent agrees that it shall look solely to Borrower, and not to Lender, for the payment of any sums due to Agent under the terms of the Management Agreement or any obligations on the part of Borrower under the Management Agreement and, to the extent permitted by law, Agent hereby waives any and all rights to file any lien or encumbrance against the Property relating thereto.
6. **Subordination.** Borrower and Agent hereby agree that the Management Agreement and the interests and estates created thereby and the rights, privileges and powers of the Agent and Borrower thereunder, including, without limitation, all rights of first refusal, purchase options and all other rights and interests of the Agent under the Management Agreement, shall be and the same are hereby, unconditionally made and shall at all times remain subject, subordinate and inferior in all respects in lien and payment to the lien and payment of the Security Instrument, the Note, the Other Security Documents, and all the rights, privileges and powers of Lender thereunder and to any and all renewals, modifications, consolidations, replacements and extensions thereof. Agent does hereby waive, relinquish and release any and all rights, claims and liens which Agent may now or hereafter have in and to the Property, including, without limitation, any rights, claims and liens of Agent, or rights to file or have filed any liens, claims of lien, pursuant to applicable law on or against said Property on account of brokerage services, management services, leasing services or other services furnished by Agent pursuant to the Management Agreement.
7. **Consent and Agreement by Agent.** Agent hereby acknowledges and consents to this Assignment and agrees that Agent will act in conformity with the provisions of this Assignment and Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Agent in accordance with the provisions hereof, Agent shall, and hereby agrees to, fully cooperate in transferring its responsibility to a new management company and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Agent hereby agrees (a) not to contest or impede the exercise by Lender of any right it has under or in connection with this Assignment; and (b) that it shall, in the manner provided for in this Assignment, give at least thirty (30) days prior written notice to Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property.
8. **Estoppel.** Agent represents and warrants that (a) the Management Agreement is an unwritten agreement pursuant to which Mack-Cali performs certain services for Borrower, and that such arrangement has not been modified, amended or assigned, (b) neither Agent nor Borrower is in default under any of the terms, covenants or provisions of the Management Agreement and Agent knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Management Agreement, (c) neither Agent nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Management Agreement, and (d) the Management Fees and all other sums due and payable to the Agent under the Management Agreement, if any, have been paid in full.

9. Receipt of Management Fees. Borrower and Agent hereby agree that Agent shall not be entitled to receive any Management Fees or other fee, commission or other amount payable to Agent under the Management Agreement for and during any period of time that any Event of Default has occurred and is continuing; provided, however, that Agent shall not be obligated to return or refund to Lender any Management Fee or other fee, commission or other amount already received by Agent prior to the occurrence of the Event of Default, and to which Agent was entitled under this Assignment, and provided further that Agent shall be entitled to its normal payments under the Management Agreement so long as it complies with all of its obligations under such under the Management Agreement and so long as it complies with any reasonable written request from Lender to Agent to deliver leasing reports, financial information (to the extent such information is in the possession or control of Agent or reasonably available to Agent) and rents, issues and profits of the Property in accordance with the terms of the Loan Documents.
10. Lender's Agreement. So long as Borrower is not in default (beyond any applicable grace period) under this Assignment, the Note, the Security Instrument or the Other Security Documents, Lender agrees to permit any sums due to Borrower under the Management Agreement to be paid directly to Borrower.
11. Governing Law. This Assignment shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.
12. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Security Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02. Notices to Agent shall be sent to the address of Borrower in said Section 9.02.
13. No Oral Change. This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.
14. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Assignment shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.
15. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

16. Headings, etc. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. Duplicate Originals; Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. Secondary Market. Lender may sell, transfer and deliver the Note and assign the Security Instrument, this Assignment and the Other Security Documents to one or more Investors (as defined in the Security Instrument) in the secondary mortgage market. In connection with such sale, Lender may retain or assign responsibility for servicing the Loan, including the Note, the Security Instrument, this Assignment and the Other Security Documents, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

20. Miscellaneous.

(a) Wherever pursuant to this Assignment (i) Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Assignment it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Lender, whether with respect to retained firms, the reimbursement for the expenses of in-house staff or otherwise.

IN WITNESS WHEREOF the undersigned have executed this Assignment as of the date and year first written above.

BORROWER:

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

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Witnessed or Acknowledged by:

Printed Name: _____

AGENT:

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: _____

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: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

- (a) this person is the attesting witness to the signing of this Agreement by Barry Lefkowitz, as Executive Vice President and Chief Financial Officer of Mack-Cali Realty Corporation, a Maryland corporation;
- (b) this Agreement was signed and delivered by Mack-Cali Realty Corporation, a Maryland corporation, as its voluntary act duly authorized, if applicable; and
- (c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____

My Commission Expires:

(NOTARY SEAL)

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI REALTY CORPORATION, a Maryland corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

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 **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each made by Borrower of even date herewith, in the aggregate original principal amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.
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 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 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

ADMIN/20569019v1/s13 Recourse Liabilities Guaranty
Mack Cali VII; Loan Nos. 706 108 240 and 706 108 270 (A&B)

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 **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership ("**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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) 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. 706 108 235 - 706 108 241, 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 \$13,000,000.00 (the "Mack-Cali Centre VII Loan") to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre VII (the "Mack-Cali Centre VII Property") and which Loan is known as Loan No. 706 108 240 and 706 108 270, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66); 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 Mack-Cali Centre VII 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “Mack-Cali Centre VII 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 “Mack-Cali Centre VII Mortgage”), encumbering the Mack-Cali Centre VII Property and securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Loan entered into with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Centre VII Property and the other Collateral (as defined in the Mack-Cali Centre VII Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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:

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

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

The address of Guarantor is:

Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

TRANSFER AND ASSIGNMENT OF MORTGAGES AND SECURITY AGREEMENTS AND LOAN DOCUMENTS

STATE OF NEW JERSEY

COUNTY OF BERGEN

FOR AND IN CONSIDERATION of the sum of Ten and No/Dollars (\$10.00) and other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation (hereinafter called "Assignor"), the "Mortgagee" in (a) that certain Mortgage and Security Agreement, made between Mack-Cali F Properties, L.P., formerly known as Mack F Properties, A New Jersey Limited Partnership ("Borrower"), as "Mortgagor", in favor of Assignor as "Mortgagee", dated as of April 30, 1998, recorded in Mortgage Book 9691, Page 245, in the Real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 678 (such original Assignment of Leases and Rents having been recorded in Mortgage Book 9691, Page 356), and (b) that certain Second Priority Mortgage and Security Agreement dated as of April 30, 1998 from Borrower, as "Mortgagor", in favor of Assignor as "Mortgagee", recorded in Mortgage Book 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 692 (collectively, the "Mortgage"), does hereby transfer, set-over, assign and convey the Mortgage, together with all of the rights, powers and privileges conferred by the Mortgage upon the Assignor as "Mortgagee", without recourse, to, collectively, jointly and severally, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270 ("Assignee") and does authorize the Assignee to exercise said rights, powers and privileges in as full a manner as the Assignor as "Mortgagee" is authorized to exercise the same.

TOGETHER WITH all of Assignor's right, title and interest in and to (a) the note described in said Mortgage and any and all other indebtedness secured thereby, (b) all monies due and to become due thereon with all interest thereon, (c) the property and other collateral conveyed and encumbered by the Mortgage, (d) all other documents evidencing or securing said note or other indebtedness secured by the Mortgage, including, but not limited to, any assignment of leases or rents executed in connection

therewith, and (e) all of the rights, powers and interests of the beneficiary under or by virtue of the Mortgage, said note or notes or any such other documents executed in connection therewith.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever.

This Transfer and Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, legal representatives and assigns.

IN WITNESS WHEREOF, the duly elected and authorized officer of the Assignor has hereunder set his hand and affixed the corporate seal, as of the date and year first above written.

Witnessed or Acknowledged by:

LENDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey Corporation

By: _____
Name: Melissa Farrell
Title: Vice President

(ATTACH ACKNOWLEDGMENT)

ACKNOWLEDGMENT

STATE OF NEW YORK

COUNTY OF NEW YORK

I CERTIFY that on January ____, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

(a) this person is the attesting witness to the signing of this Agreement by Melissa Farrell, as Vice President of **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation;

(b) this Agreement was signed and delivered by **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation, as its voluntary act duly authorized, if applicable; and

(c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____

My Commission Expires:

(NOTARY SEAL)

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,933,333.34

January 15, 2010

Loan No. 706 108 240

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Lender (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 \$6,066,666.66 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,066,666.66, 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 \$6,066,666.66.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 THIRTY SIX THOUSAND ONE HUNDRED ELEVEN AND 11/100 DOLLARS (\$36,111.11) 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 FORTY TWO THOUSAND SIX HUNDRED EIGHTY NINE AND 73/100 DOLLARS (\$42,689.73) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,066,666.66

January 15, 2010

Loan No. 706 108 270

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of The Prudential Insurance Company of America, a New Jersey corporation ("Prudential") (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 \$6,933,333.34 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,933,333.34, 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 \$6,933,333.34.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 THIRTY ONE THOUSAND FIVE HUNDRED NINETY SEVEN AND 22/100 DOLLARS (\$31,597.22) 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 THIRTY SEVEN THOUSAND THREE HUNDRED FIFTY THREE AND 51/100 DOLLARS (\$37,353.51) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

PREPARED BY:

Albert E. Bender, Jr.

MACK-CALIF PROPERTIES, L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, as mortgagor
(Borrower)

to

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

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre VII, Bergen County, New Jersey

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. 706 108 240 and 706 108 270

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
- Exhibit B** - Description of Personal Property
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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:

Action	Section 9.04
Additional Funds	Section 3.07 (c)
Affecting the Property	Section 3.12 (a)
Affiliate	Section 3.22
All	Section 9.05 (m)
Anti-Terrorism Regulations	Section 3.20(b)
Any	Section 9.05 (m)
Assessments	Section 3.03 (a)
Assignment	Recitals, Section 2 (B)
Award	Section 3.08 (b)
Bankruptcy Code	Recitals, Section 2 (A) (ix)
Borrower	Preamble
Costs	Section 4.01
Damage	Section 3.07 (a)
Default Rate	Section 1.01 (a)
Demand	Section 9.12 (n)
Deposits	Section 3.10
Documents	Section 1.02
Environmental Indemnity	Section 8.05
Environmental Law	Section 3.12 (a)
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Environmental Report	Section 3.12 (a)
ERISA	Section 3.11
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Executive Order 13224	Section 2.09
First Notice	Section 3.15 (b)
Flood Acts	Section 2.04 (a)
Foreign Person	Section 2.05
Grace Period	Section 6.01(c)
Hazardous Materials	Section 3.12 (a)
Impositions	Section 3.10
Improvements	Recitals, Section 2 (A) (ii)
Include, Including	Section 9.05 (f)
Indemnified Parties	Section 8.02
Indemnify	Section 8.02
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Individual Shareholders	Section 2.09
Instrument	Preamble
Insurance Premiums	Section 3.10
Investors	Section 9.06
Land	Recitals, Section 2 (A) (i)
Laws	Section 3.05(c)
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Leases	Recitals, Section 2 (A) (ix)
Lender	Preamble
Lessee	Section 9.05 (k)

Lessor	Section 9.05 (k)
Loan	Recitals, Section 1
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Major Tenants	Section 3.08 (d)
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Note	Recitals, Section 1
Notice	Section 9.02
O&M Plan	Section 3.12(b)
Obligations	Section 1.01
OFAC	Section 2.09
OFAC Lists	Section 2.09
OFAC Violation	Section 3.20(c)
On Demand	Section 9.05 (n)
Organization State	Section 2.01
Owned	Section 9.05 (l)
Permitted Encumbrances	Recitals, Section 2 (B)
Person	Section 9.05 (i)
Personal Property	Section 6.02 (j)
Prepayment Premium	Section 1.01(a)
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Property Payables	Section 3.09
Property State	Section 2.01
Provisions	Section 9.05 (j)
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Release	Section 3.12 (a)
Rent Loss Proceeds	Section 3.07 (c)
Rents	Recitals, Section 2 (A) (x)
Restoration	Section 3.07 (a)
Revenue Code	Section 2.05
Second Notice	Section 3.15 (b)
Securities	Section 9.06
Security Agreement	Section 7.01
Taking	Section 3.08 (a)
Tenant	Recitals, Section 2 (A) (vi)
Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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 F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said 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. 706 108 240 and 706 108 270, as mortgagee (collectively, “**Lender**”).

WITNESSETH:

WHEREAS, Borrower is the owner of certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “Property”) and known as Mack-Cali Centre VII; 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Prudential (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 9691, Page 245, in the real estate records of Bergen County, New Jersey, 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 1014, Page 678 (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 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 1014, Page 692, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note which reflects the reduction of the amount of the indebtedness to Borrower by the principal amount of \$7,600,000.00, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, but a corresponding increase in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), 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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00).

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 Bergen County, New Jersey 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 seised 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 New Jersey 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 further represents and warrants to Lender that Borrower is a disregarded entity as defined in Section 1.1445-2(b)(2) (iii) of the Income Tax Regulations issued under the Internal Revenue Code, and that Borrower has disclosed to Lender all information regarding the owner of Borrower required under 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 (i) Borrower's only asset is the Property, and (ii) the Property generates substantially all of the gross income of Borrower and there is no substantial business being conducted by Borrower other than the business of owning and operating the Property and the activities incidental thereto.

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 \$130,000.00 (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 (1/12th) 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 for 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 F Properties, L.P.
c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh

And To:
Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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(l). 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(l) 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-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: New Cingular Wireless PCS, LLC.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

AMENDED AND RESTATED ASSIGNMENT OF LEASES AND RENTS

This Amended and Restated Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (“**Instrument**”) dated as of the date of this Assignment (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and

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.

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the "Cross-Collateral Guaranty"); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

(a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:

- (1) amend or modify any Major Tenant Lease;
- (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
- (3) terminate or accept the surrender of any Major Tenant Lease;
- (4) enter into any new Major Tenant Lease; or
- (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.

(b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:

- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
- (2) terminate any Lease which is in default; or
- (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and
- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

(c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

(d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8. Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. **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.**

12. Amended and Restated Assignment. This Assignment is made and granted in favor of Lender in amendment, renewal and replacement of that certain Assignment of Leases and Rents (the "Existing Assignment") dated April 30, 1998 from Mack F Properties to The Prudential Insurance Company of America, recorded in Mortgage Book 9691, Page 356, in the real estate records of Bergen County, New Jersey, covering the leases and rents of 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 Lender, recorded in Mortgage Release Book 1014, Page 678. The Existing Assignment has been assigned by The Prudential Insurance Company of America to The Prudential Insurance Company of America and VPCM, LLC, and is hereby amended, replaced and restated in its entirety by this Assignment.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

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.

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

**SECOND PRIORITY ASSIGNMENT OF LEASES AND RENTS
(Subordinate Assignment to Secure Cross Collateral Guaranty)**

This Second Priority Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Assignment and the Documents; and

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the “**Cross-Collateral Guaranty**”), which Cross-Collateral Guaranty is secured by that certain Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) (the “**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

- (a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:
- (1) amend or modify any Major Tenant Lease;
 - (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
 - (3) terminate or accept the surrender of any Major Tenant Lease;
 - (4) enter into any new Major Tenant Lease; or
 - (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.
- (b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:
- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
 - (2) terminate any Lease which is in default; or
 - (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and

- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

- (c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

- (d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8 . Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. **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, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

INSERTS TO BE TYPED ON THE FACE OF:

UCC FINANCING STATEMENT BETWEEN

MACK-CALI F PROPERTIES, L.P. (DEBTOR ID NO.: 0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

1. The mailing address of Debtor is:

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

2. The mailing address of Secured Party 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. 706 108 240 and 706 108 270

3. This Financing Statement covers the following types or items of property:

The collateral, which relates to the real property described on Exhibit A attached hereto and by this reference made a part hereof, includes fixtures, chattel paper, accounts, general intangibles, goods, equipment, inventory, documents, instruments, and all of the proceeds of the foregoing as more particularly described on Exhibit B attached hereto and by this reference made a part hereof.

4. **FIXTURE FILINGS ONLY:**

THIS FINANCING STATEMENT IS FILED AS A FIXTURE FILING.

THE RECORD OWNER OF THE REAL PROPERTY IS:

Mack-Cali F Properties, L.P.

The Real Property is described on Exhibit A attached hereto and by this reference made a part hereof.

EXHIBIT A

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

THE RECORD OWNER OF THE REAL PROPERTY IS:

Mack-Cali F Properties, L.P., f/k/a Mack F Properties

EXHIBIT B

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

The following described land, interests in land, estates, easements, rights, appurtenances, buildings, improvements, fixtures, furniture and appliances and other personal property (hereinafter all of the foregoing are sometimes collectively referred to as the "Premises"; as used herein, the term "Borrower" shall mean "Debtor" and the term "Lender" shall mean "Secured Party", and any other terms not herein defined shall have the definitions set forth in that certain Amended, Restated and Consolidated Mortgage and Security Agreement from Debtor to or for the benefit of Secured Party conveying the Premises):

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "Land") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "Improvements") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.

6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.

7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THE DEBTOR IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THIS FINANCING STATEMENT IS TO BE INDEXED IN THE REAL ESTATE RECORDS OF BERGEN COUNTY, NEW JERSEY

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

CLOSING CERTIFICATION

MACK-CALI F PROPERTIES, L.P., a New Jersey limited partnership ("**Borrower**") does hereby represent, warrant and certify to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("**Prudential**"), and **VPCM, LLC**, a Virginia limited liability company ("**VPCM**") (collectively, "**Lender**"), its successors and assigns, in consideration of the making of that certain loan (the "**Loan**") from Lender to Borrower, as evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the "**Note**") of even date herewith in the aggregate face principal amount of \$13,000,000.00 and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (the "**Instrument**") from Borrower of even date herewith securing the Loan with respect to real property known as Mack-Cali Centre VII, located in Bergen County, New Jersey, and covenants and agrees with Lender, as follows:

1. Borrower is the owner of the land (the "**Land**") described on Exhibit A attached to the Instrument, which description is incorporated herein by this reference, together with all Improvements (as hereinafter defined), fixtures, easements and appurtenances related thereto and all equipment, appliances and other personal property located thereon or related thereto, which personal property is more particularly described on Exhibit B thereto and incorporated herein by this reference (hereinafter all said items are collectively referred to as the "**Related Property**"). No security interest under the Uniform Commercial Code ("**UCC**") has been perfected against the Related Property other than those in favor of Lender.
 2. The improvements and buildings (together, the "**Improvements**") constructed on the Land and the Property (as defined in the Instrument), and the proposed and actual use and occupancy thereof, are in material compliance with and do not violate any applicable laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations or other requirements of any Governmental Authority (as hereinafter defined) having jurisdiction over the Property and Improvements (including, but not limited to, environmental laws and regulations, except as disclosed in the Environmental Report (as defined in the Security Instrument)), or any restrictive covenants, or building, fire, subdivision or zoning regulations (hereinafter all said items are collectively referred to as "**Rules and Regulations**"). The term "**Governmental Authority**" shall mean all federal, state, county, municipal and other governments and all agencies, authorities, departments, subdivisions, courts, commissions, boards, bureaus or instrumentalities of any of them having jurisdiction over the Security (as hereinafter defined). The Improvements and their use and occupancy shall at all times be in compliance with all Rules and Regulations. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Report, Borrower has not received notice of any violation of any Rules and Regulations. There is no action or proceeding pending before any court, quasi-judicial body or administrative agency relating to the title of or to the Property or Improvements or to the proposed or actual use of the Property and Improvements or the occupancy thereof or relating to the validity of the Loan from Lender to Borrower.
 3. Borrower has full authority to borrow the Loan, to perform the Obligations (as defined in the Instrument), and to convey the Property, the Improvements and the other Related Property (the Property, Improvements and the other Related Property are hereinafter referred to collectively as the "**Security**") as security therefor. In connection therewith, Borrower has done nothing to impair or impede its ability to borrow the Loan and/or convey the Security as aforesaid. The person or persons signing on behalf of Borrower have full power and authority to bind Borrower and have full legal capacity to sign all documents which will evidence, secure or otherwise be executed on behalf of Borrower in connection with the Loan (the "**Loan Documents**").
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4. The rent roll attached hereto as **Exhibit A** and by this reference incorporated herein is true and complete as of the date hereof. True and complete copies of all leases listed on the rent roll and all amendments thereto have been provided to Lender, and all leasing commissions have been paid in full. No tenant, sub-tenant or occupant, if any, of the rental space in the Improvements has any option to purchase, or any right, title or interest in or to the Property and/or Improvements, except as tenant under and by virtue of the provisions of its lease. Each such lease is in full force and effect in accordance with the terms thereof, with no rental offsets, defenses or claims. There exist no events of default under any such lease.
5. None of the Improvements or other Related Property owned by Borrower and described on Exhibit B attached to the Instrument and by this reference incorporated herein which are a portion of the Security (excluding equipment identified to Lender as having been leased by Borrower) was purchased under any conditional sales agreement, title retention agreement, or by deferred payment secured by chattel mortgage, security agreement or otherwise, or by any other transaction where the beneficial interest therein shall be held by any other person or entity other than Borrower, all such fixtures, equipment, machinery, appliances or other items of personal property being owned by Borrower and being fully paid for.
6. No notice of any mechanics' or materialmen's lien or of any claim or right to any such lien has been received, or to Borrower's best knowledge asserted and/or threatened against Borrower or the Security in connection with the Property and/or Improvements. All mechanics, laborers, materialmen, engineers, architects and surveyors who have worked on or provided services in connection with the Security or have furnished materials therefor have been paid in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein. With respect to unfiled liens, no improvements or repairs have been made to the Property and/or Improvements by or at the request of Borrower during the one hundred thirty (130) days immediately preceding the date hereof, and there are no outstanding bills for labor or materials used in making improvements or repairs on the Property and/or Improvements or for services of architects, surveyors, engineers or others having lien rights; or if any such work, improvements or repairs have been made or if any such services have been provided within the last one hundred (100) days, the work, improvements, repairs and services are complete and have been paid for in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein.
7. Borrower has no knowledge of and has received no notice of the institution, or the proposed institution, of any condemnation proceedings against the Property and/or Improvements, and/or any portion thereof or interest or estate therein.
8. Borrower has full and unqualified right and authority to convey and encumber the Security pursuant to and in accordance with the Instrument. The Instrument, after execution, acknowledgment, delivery and recordation, will constitute a first priority Amended, Restated and Consolidated Mortgage and Security Agreement on, and security interest in, the Security.
9. Borrower has no offsets, defenses or counterclaims against or with respect to either the Note or the Instrument or with respect to the enforceability thereof by Lender.

10. Since the date of the First Mortgage Loan Application No. 706 108 240 and 706 108 270, dated January 13, 2010 (the “**Application**”), made by Borrower, (a) the Property and Improvements have not suffered any material damage or destruction, (b) no other material adverse change has taken place in or on the Security or in Borrower’s business or financial condition including, without limitation, Borrower’s default on any other obligation Borrower may have to Lender unrelated to this Loan, (c) the representations made in the Application which resulted in the Commitment (as hereinafter defined), including, but not limited to, representations regarding the type of development, income and expenses of the Property and Improvements and occupancy leases, are, as of the date hereof, as represented in the Application, without material change, except such changes that have been acknowledged and approved in writing by Lender, and (d) there has not been filed by or against Borrower, any petition in bankruptcy or any petition or answer seeking assignment for the benefit of creditors, the appointment of a receiver, trustee or liquidator with respect to Borrower or any substantial portion of Borrower’s property, or any reorganization, arrangement, liquidation, winding up or dissolution or similar relief under the Federal Bankruptcy laws or any State law.
11. Except as otherwise agreed by Lender, Borrower has complied with all terms, covenants and conditions of the Loan Commitment No. 706 108 240 and 706 108 270 (the “**Commitment**”) dated January 13, 2010 and of the Application.
12. All installments of special taxes or assessments, service charges, water and sewer charges, private maintenance charges, and other prior lien charges by whatever name called and all installments of general real estate taxes, which are now due and payable, have been paid in full on or before the date hereof.
13. Borrower has paid in full any loan commission due and payable in connection with the Application for, issuance of the Commitment regarding closing of, and the disbursement of, the Loan.
14. 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, 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 similar list issued by or any other department or agency of the United States of America provided, however, that 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.
15. All warranties and representations made in the Instrument or in any other Loan Document are true and do not omit to state any facts necessary to prevent the same from being misleading as of the date hereof.
16. The zoning classification of the Security, as modified or supplemented by all applicable variances, conditions, special use permits, site plans and other matters, permits the use of the Security as intended.
17. All permits, licenses, certificates and approvals required for the development, construction and use of the Security have been validly issued by the appropriate Governmental Authority and are in full force and in effect, including, without limitation, building permits, certificates of occupancy, curb-cut permits, permits relating to the use of utilities and permits under any environmental laws.

18. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, the Property and Improvements as built comply with all applicable Laws (hereinafter defined), including, without limitation, zoning, building, fire, subdivision and environmental Laws. The term “**Laws**” shall mean all laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations and other requirements of Governmental Authorities.
19. All facilities for the provision of utilities services for the Security (water, sanitary sewer, electricity, telephone, natural gas, cable TV, etc.) are complete, connected to the Security through dedicated public lines or valid private easements, and in service. The capacities are adequate for the reasonable needs of the Security.
20. The Security has access to dedicated public streets and has all necessary curb-cut permits.
21. The detention and other facilities for the control of surface water at the Security are adequate and in compliance with all applicable Laws. No easements over the lands of others are required for drainage or discharge of surface water.
22. The Property and Improvements are either (i) in compliance with the provisions of the Fair Housing Amendments Act of 1988, as amended, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in effect as of the date hereof (collectively, the “**FHA Act**”), or (ii) exempt from the FHA Act.
23. The Security is in compliance with the provisions of the Americans with Disabilities Act of 1990, and any amendments in effect as of the date hereof, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in force as of the date hereof.
24. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, there are no wetlands (as such term is defined in the Code of Federal Regulations or the Federal Manual for Identifying and Delineating Jurisdictional Wetlands) located on the Property, and no portion of the Property is subject to the jurisdiction of the United States Environmental Protection Agency, the United States Corps of Engineers or any other federal, or state or local agency having jurisdiction of wetlands.
25. Borrower is validly formed and existing under the laws of the state of its organization and is in good standing in the state of its organization and the state in which the Property is located. There is no proceeding is pending for Borrower’s dissolution.
26. Copies of the organizational and authority documents relating to Borrower, and the constituent members or partners of Borrower who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, and the constituent members or partners thereof who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, have been delivered to Lender as of the date hereof and are attached to those certain Certificates Regarding Partnership Agreement and Partnership Authority, Certificates Regarding Corporate Status, Corporate Authority And Incumbency and/or Certificates Regarding Limited Liability Company Status and Authority, as applicable, delivered in connection with the Loan. Such copies are true and complete, and the documents copied have not been modified or amended except as expressly indicated in such deliveries.

27. There are no brokers or other persons under any listing agreement or other agreement with Borrower for the management, sale or lease of all or any portion of the Security which would entitle such broker or other person to a lien or claim of lien, except as set forth in the leases provided to Lender.

28. This Closing Certification is made to induce Lender to make a loan to Borrower in the amount of \$13,000,000.00 secured by the Security. Borrower hereby represents, warrants and certifies that the statements contained herein are true, correct, complete and without material omission.

29. All warranties and representations herein are made for the purpose of inducing Lender to make the Loan and shall survive the closing of the Loan and shall inure to the benefit of Lender, its successors and assigns. Borrower is fully aware that Lender is relying on this Closing Certification in making the Loan and hereby agrees to indemnify and hold Lender harmless against any claims, losses or expenses that Lender suffers or incurs, including, but not limited to, reasonable attorneys' fees, as a result of any inaccuracy in the representations and statements herein made.

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has duly executed this Closing Certification under seal, as of January 15, 2010.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____ -

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

EXHIBIT A
RENT ROLL

EXHIBIT B
INCOMPLETE WORK

None

EXHIBIT C

TITLE MATTERS

None, other than as set forth in that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan

AFFIDAVIT OF TITLE

The undersigned deponent, Barry Lefkowitz (the "Deponent"), having personally appeared before the undersigned notary public and first having been duly sworn according to law, deposes and says under oath as follows:

1. Deponent is presently the Executive Vice President and Chief Financial Officer of MACK-CALI SUB I, INC., a Delaware corporation, General Partner, which is the sole member of **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (the "Owner"), and in such capacity, the Deponent has personal knowledge of the facts sworn to in this Affidavit and such facts are true and correct in all material respects.
2. To Deponent's knowledge, based on First American Title Insurance Company, Commitment No. TS-19605F-FA (the "Title Commitment") and similar title reports to Owner, the Owner is the owner of a fee estate in certain real estate, a description of which is set forth in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement with respect to the property known as Mack-Cali Centre VII and made a part hereof by this reference (the "Mortgage"), together with all fixtures, improvements, easements and appurtenances related thereto, and all equipment, appliances and other personal property located thereon or related thereto (the "Property"), but excluding all personal property and fixtures owned by any tenant of the Property, or owned by any service contract party or vendor, or leased by Owner.
3. To Deponent's knowledge, the Owner is in open, exclusive, notorious, continuous, adverse and peaceable possession of the Property, and has been continuously since the date of its acquisition of the Property, and there are no leases, tenancies, parties in possession, rights of occupancy of any kind or licenses affecting the Property except as set forth on the rent roll attached as Exhibit A to that certain Closing Certification of even date, executed by Owner, and by this reference made a part hereof; and except for any such leases, parties in possession, rights of occupancy, tenancies or licenses, Deponent knows of no one claiming any adverse interest in the Property whatsoever, except as may be set forth in the Title Commitment.
4. To the best knowledge of Deponent, title to the Property has never been disputed, questioned or rejected and title insurance thereon has never been refused.
5. No proceeding is pending for the dissolution or annulment of Owner..
6. To the best knowledge of Deponent, there are no disputes concerning the location of the Property lines and corners.
7. To Deponent's knowledge, there are no pending or existing suits, lis pendens, judgments, bankruptcies, executions, liens for past due taxes, assessments, encumbrances, easements, deeds to secure debt, deeds of trust, mortgages, security interests, UCC financing statements, other liens securing monetary obligations of any kind, or other title exceptions or matters that could in any way affect the title to the Property or constitute a lien thereon, except as may be set forth in the Title Commitment, with respect to any that appear in the public records of the state or county in which the Property is located (to Deponent's knowledge, there are none other), and the Owner is not surety on the bond of any county official or any other bond that through default of the principal thereon a lien would be created superior to any conveyance executed by the Owner.

8. To Deponent's knowledge, with respect to unfilled liens, no work, improvements or repairs have been made to the Property by or on behalf of or at the request of the Owner during the one hundred twenty three (123) days immediately preceding the date hereof (or such longer period as is permitted prior to the filing of a lien or notice of lien), or, if any work, improvements or repairs have been made by or at the instance of the Owner, all bills incurred for labor, services and materials used in making improvements or repairs on the Property or for the services of architects, surveyors or engineers with respect thereto are being paid in the ordinary course of business.

9. Deponent understands that Section 1445 of the United States Internal Revenue Code of 1986 (as amended, the "Revenue Code"), provides that a transferee of a United States real property interest must withhold tax if the transferor is a "foreign person" (as defined in the Revenue Code"). For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the hereinbelow described lender (the "Transferee") that withholding of tax is not required upon the disposition of a United States real property interest by the Owner and to inform the Transferee, the Internal Revenue Service and the party completing the informational return of the items required to be reported, Deponent hereby certifies the following:

- (a) The Owner is not a "non-resident alien" for purposes of United States income taxation or otherwise a "foreign person," as defined in Section 1445 of the Revenue Code, or a "foreign corporation", "foreign partnership", "foreign trust" or "foreign estate", as those terms are defined in the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").
- (b) The Owner 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.
- (c) The Owner's United States taxpayer identification number is 22-3558003.
- (d) The address (and, if different, the mailing address) of the Owner is c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837.
- (e) Deponent is making this Affidavit pursuant to the provisions of Section 1445 of the Revenue Code in connection with the conveyance of the Property, attached hereto and incorporated herein by reference, by the Owner to Transferee, which conveyance constitutes the disposition of the Owner of the United States real property interest, for the purposes of establishing that Transferee is not required to withhold tax pursuant to Section 1445 of the Revenue Code in connection with such disposition.
- (f) Deponent acknowledges that this Affidavit may be disclosed to the Internal Revenue Service by Transferee, that this Affidavit is made under penalty of perjury, and that any false statement made herein could be punished by fine, imprisonment or both.

10. This Affidavit is made to induce The Prudential Insurance Company of America and VPCM, LLC ("Lender") to make a loan to the Owner in the amount of \$13,000,000.00 (the "Loan") secured by the Property; and to induce the title insurance company to issue its mortgagee's policy insuring Lender for said loan amount. Owner guarantees and warrants the statements of fact herein, which shall be construed as a continual contractual obligation in favor of Lender and said title insurance company.

11. That in consideration of the issuance of said title insurance policy and the making of said loan by Lender as aforesaid, Owner shall indemnify and hold harmless Lender and said title insurance company against all claims, losses or expenses (including reasonable attorneys' fees) on account of any inaccuracy in the foregoing representations and statements made herein, including expense of enforcing this agreement.

12. Under penalty of perjury, Deponent declares that Deponent has examined the foregoing Affidavit and hereby certifies that it is true, correct and complete and Deponent further declares that Deponent has the authority to make this Affidavit and the certifications contained herein on behalf of the Owner.

Dated as of January 15, 2010.

Sworn to and subscribed before me this the ____ day of January, 2010.

Notary Public

(NOTARY SEAL)

My Commission Expires:

_____(SEAL)
Name: Barry Lefkowitz

JOINDER

Owner has executed this Joinder to the foregoing Affidavit of Title to certify as to the accuracy of the statements set forth above concerning Owner and to evidence its agreement to be bound by the obligations imposed on Owner pursuant to this Affidavit of Title, and hereby agrees to indemnify and hold harmless Lender and said title insurance company for all loss or damage arising out of any reliance upon the statements made in this Affidavit of Title.

IN WITNESS WHEREOF, Owner, intending to be legally bound hereby, has caused this Affidavit of Title to be duly executed under seal, as of January 15, 2010.

OWNER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT

THIS ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT (this “**Agreement**”) is made as of January 15, 2010 by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, having its principal office and place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**Borrower**”), and **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**Principal**”) (Borrower and Principal, individually and collectively, as the context requires, shall be referred to as “**Indemnitor**”), 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**”).

RECITALS:

- A. Borrower is the sole owner of the premises described in Exhibit A attached to the Security Instrument (as hereinafter defined) and incorporated herein by reference thereto (“**Property**”);
- B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each dated as of the date of this Agreement (collectively, the “**Note**”) and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Agreement (“**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and
- C. Lender was willing to make the Loan to Borrower only if Indemnitor entered into this Agreement; and
- D. Principal is an owner of a legal and/or beneficial interest in Borrower and thus will derive substantial benefit from the Loan. Each Indemnitor enters into this Agreement to induce Lender to make the Loan.

AGREEMENT

IN CONSIDERATION of the principal sum of the Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitor, jointly and severally, agrees as follows:

1. Instrument Incorporated. The terms and conditions of the Instrument are incorporated into this Agreement as if fully set forth in this Agreement. Principal acknowledges that it has received and reviewed the Instrument. All terms and phrases with initial capital letters not otherwise defined herein, shall have the meanings ascribed to such words and phrases in the Instrument.
 2. Representations and Warranties. Principal makes and Borrower makes and reaffirms the representations and warranties set forth in Sections 2.01(iii), 2.01(iv), 2.02, 2.03, 2.06, 2.07, 2.09, 3.11 and 3.12(a) of the Instrument, and the representations and warranties set forth in Section 4 of this Agreement.
-

3. Environmental Covenants. Indemnitor covenants and agrees to comply with Section 3.12(b) and (d) of the Instrument, and, for the purpose of this covenant, all references in Section 3.12(b) and (d) to “Borrower” shall be deemed to refer to “Indemnitor.” In addition, for the purposes of determining whether an Event of Default has occurred for violation of this covenant, this covenant and the obligations of Indemnitor shall be subject to any Grace Period (as defined in the Instrument) applicable to such corresponding provisions of the Instrument.
4. ERISA Covenants. Borrower covenants and agrees to comply with Section 3.11 of the Instrument. In addition, Principal covenants and agrees as follows:
- (a) Principal 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 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 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) Principal represents and warrants to Lender that (i) Principal 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) Principal 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 4(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) Principal 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 the Principal 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 Principal 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 Principal are held by “benefit plan investors” within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or (3) Principal 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) Principal 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 4(b) above. Failure to deliver these certifications or evidence, breach of these representations and warranties, or consummation of any transaction which would cause this Agreement or the Documents or any exercise of Lender’s rights under this Agreement or under the Documents to (i) constitute a non-exempt prohibited transaction under ERISA or (ii) constitute a violation, shall be an Event of Default under the Documents. Notwithstanding anything in the Documents to the contrary, no sale, assignment, or transfer of any direct or indirect right, title, or interest in Principal or the Property (including creation of a junior lien, encumbrance or leasehold interest) shall be permitted which would, in Lender’s opinion, negate Principal’s representations in this Agreement or cause a Violation. At least fifteen (15) days before consummation of any of the foregoing, Principal shall obtain from the proposed transferee or lienholder (i) a certification to Lender that the representations and warranties contained in this Agreement will be true after consummation and (ii) an agreement to comply with the terms and conditions of this Agreement.

5. Lender's Rights, Cooperation and Access. Lender and any other person ("person" in this Agreement shall have the same meaning as in the Instrument) designated by Lender shall have the same rights hereunder as are set forth in Sections 3.11 and 3.12(c) of the Instrument.

6. Indemnification. Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses (as defined in the Instrument, but excluding any claim arising solely from Lender and not also made or threatened by any governmental entity or other third party against Indemnitor, Indemnified Parties or the Property where neither Borrower or the Property has been in violation of any Environmental Laws) imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the following: (a) the presence of any Hazardous Materials affecting the Property ("**affecting the Property**" in this Agreement shall have the same meaning as in the Instrument); (b) any past, present, future or threatened Release of Hazardous Materials affecting the Property; (c) any activity by any Indemnitor, any person affiliated with any Indemnitor ("**Affiliate**"), or any Tenant or other user of the Property in connection with any O&M Plan or any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, handling, transfer or transportation to or from the Property, or removal of any Hazardous Materials at any time affecting the Property; (d) any activity by any Indemnitor, Affiliate, Tenant or other user of the Property in connection with any actual or proposed remediation of any Hazardous Materials at any time affecting the Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including ("**including**" in this Agreement shall have the same meaning as in the Instrument) any removal, remedial or corrective action, penalties or fines; (e) any past, present, future or threatened non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including any failure by any Indemnitor, Affiliate, Tenant or other user of the Property to comply with any order of any governmental authority in connection with any Environmental Laws; (f) the actual or threatened imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any Hazardous Materials affecting the Property; (h) any past, present, future or threatened injury to, destruction of, or loss of natural resources in any way connected with the Property, including costs to investigate and assess such injury, destruction or loss; (i) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in arranging for disposal or treatment of Hazardous Materials affecting the Property at any facility or incineration vessel containing such or similar Hazardous Materials, including arrangements with any transporter; (j) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Material affecting the Property which causes the incurrence of costs for remediation; (k) any personal injury, wrongful death, property or other damage arising under any statutory, common law or tort law theory, including damages assessed for trespass or for private or public nuisance or for operation of an abnormally dangerous activity on or near the Property, with respect to Hazardous Materials affecting the Property or violations of Environmental Laws; and (l) any material misrepresentation, materially inaccurate representation or warranty, material breach or failure to perform under the provisions of this Agreement. Notwithstanding the foregoing, Indemnitor shall not be obligated to indemnify the Indemnified Parties if Indemnitor can conclusively prove that both (1) the contamination of the Property was caused solely by actions, conditions, or events that occurred after the date Lender (or any purchaser at a foreclosure sale) actually acquired title to the Property and (2) the contamination of the Property was not caused, contributed to, enhanced, or exacerbated by the direct or indirect actions or inactions of any Indemnitor or any partners, officers, members, shareholders, employees, or agents of any Indemnitor. Further, Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the matters set forth in Section 8.04 of the Instrument, and including the inaccuracy of any of the representations or warranties set forth in Section 4 of this Agreement or any violation of the covenants set forth in Section 3.11 of the Instrument and/or the covenants set forth in Section 4 of this Agreement. For the purpose of this covenant, all references in Section 8.04 to "Borrower" shall be deemed to refer to "Indemnitor." In addition, as set forth in the defined term "indemnify", the foregoing indemnities shall not apply to any Losses caused by the gross negligence or willful misconduct of the Indemnified Parties.

7. Duty to Defend, Attorneys and Other Fees and Expenses. Indemnitor agrees that the provisions of (a) Section 8.06 of the Instrument shall apply to this Agreement except all references to "Article VIII" or "this Section" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.06 to "Borrower" shall be deemed to refer to "Indemnitor," and (b) Section 6.03 of the Instrument shall apply to all Costs, expenses or other amounts paid or incurred by the Indemnified Parties under this Agreement. The term "**on demand**" shall have the same meaning as in the Instrument.
8. Recourse Obligations and Survivability. Indemnitor agrees that the provisions of Section 8.07 of the Instrument shall apply to this Agreement except all references to "Section 8.05" and "Article VIII" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor acknowledges and agrees that each Indemnitor, jointly and severally (if applicable), is fully and personally liable for the obligations under this Agreement, and such liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.
9. Unimpaired Liability. The liability of Indemnitor under this Agreement shall in no way be limited or impaired by, and Indemnitor consents to and agrees to be bound by, any amendment or modification of the provisions of the Documents (other than this Agreement) by any Indemnitor or successor-in-interest to any Indemnitor. In addition, the liability of Indemnitor shall in no way be limited or impaired by (a) any extension(s) of time for performance required under the Documents, (b) any sale or transfer of all or part of the Property, (c) except as provided in this Agreement, any exculpatory provision in the Documents limiting Lender's recourse to the Property or to any other security for the Note, or limiting Lender's rights to a deficiency judgment against any Indemnitor, (d) the accuracy or inaccuracy of the representations and warranties made by any Indemnitor under the Documents, (e) the release of any Indemnitor or person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Documents by operation of law, Lender's voluntary act, or otherwise, (f) the release or substitution in whole or in part of any security for the Note, or (g) Lender's failure to record or file (or improper filing or recording of) any of the Documents or Lender's failure to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note; and, in all of the foregoing cases, whether with or without notice to Indemnitor and with or without consideration.
10. Enforcement. Lender may enforce the obligations of Indemnitor under this Agreement without first resorting to or exhausting any security or collateral or without first having recourse to the Documents or any of the Property, through foreclosure proceedings or otherwise; provided, however, that nothing herein shall inhibit or prevent Lender from suing on the Note or exercising any other rights or remedies in the Documents. This Agreement is not collateral or security for the debt of Borrower pursuant to the Loan, unless Lender expressly elects in writing to make this Agreement additional collateral or security for the debt of Borrower pursuant to the Loan. It is not necessary for an Event of Default to have occurred under the Documents for Lender to exercise its rights under this Agreement.

11. Waivers and Delays. To the fullest extent Indemnitor may do so under Laws, Indemnitor makes the waivers and agrees to be bound by the provisions of Section 6.06 and Section 6.07 of the Instrument, and, for the purpose of this covenant, all references in Section 6.06 and Section 6.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor waives and relinquishes all rights and remedies under Laws for the benefit of Indemnitor or guarantors except any rights of subrogation which any Indemnitor may have; provided, however, that the indemnity in this Agreement is not (a) contingent upon the existence of any such rights of subrogation or (b) subject to any claims or defenses which may be asserted in connection with the enforcement of such subrogation rights including any claim that such rights were abrogated by any acts of Lender. Notwithstanding the foregoing, Indemnitor agrees to postpone the exercise of any rights of subrogation with respect to the Property and any other collateral securing the Loan until the Loan shall have been paid in full. No delay by Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

12. Intentionally Omitted.

13. Subrogation. Indemnitor shall take all reasonable actions, including institution of legal action against third parties (to the extent commercially reasonable and appropriate under the circumstances), necessary or appropriate to obtain reimbursement, payment or compensation from persons responsible for the presence of any Hazardous Materials affecting the Property or otherwise obligated by Laws to bear the cost thereof; provided, however, so long as there is no occurrence and continuance of an Event of Default, Indemnitor shall be entitled to use its reasonable business judgment to determine whether it is appropriate to undertake any legal action with respect thereto. If an Event of Default occurs and is not cured, Lender shall be subrogated to all of Indemnitor's present and future rights in such claims.

14. Notice of Legal Actions. Indemnitor shall give prompt written notice to Lender of (a) any notice, advice, demand, claim or other communication from any governmental entity or any source with respect to Hazardous Materials affecting the Property in violation (or alleged violation) of Environmental Laws and (b) any legal action brought against such party or related to the Property, with respect to which any Indemnitor may have liability under this Agreement.

15. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02, and notices to Principal shall be addressed as follows:

If to Principal:

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

With a copy of notices sent to Principal to:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attn: Barry Lefkowitz

With a copy of notices sent to Principal to:

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

16. Applicable Law and Submission to Jurisdiction. Indemnitor agrees that the provisions of Section 9.04 of the Instrument shall apply to this Agreement, and, for the purpose of this covenant, all references in Section 9.04 to “Borrower” shall be deemed to refer to “Indemnitor.”

17. No Third Party Beneficiary. The terms of this Agreement are for the sole and exclusive protection and use of the Indemnified Parties. No other party shall be a third party beneficiary under this Agreement, and no provision of this Agreement shall operate or inure to the use and benefit of any such third party. It is agreed that those persons included in the definition of Indemnified Parties are not excluded third party beneficiaries.

18. Joint and Several Liability. If Indemnitor consist of more than one person or entity, the obligations and liabilities of each such person hereunder are joint and several.

19. **WAIVER OF TRIAL BY JURY.** EACH OF INDEMNITOR 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 INDEMNITOR IN CONNECTION THEREWITH.

IN WITNESS WHEREOF, Indemnitor has duly executed this Agreement as of the date first above written.

INDEMNITOR:

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

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

By: _____

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: _____

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

ASSIGNMENT OF PERMITS AND DEVELOPER'S RIGHTS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as additional security for the obligations incurred pursuant to certain Loan Documents, hereinafter described, **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (hereinafter referred to as "Borrower") having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837, hereby assigns and sets over unto **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM") (collectively, "Lender"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270, all permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale or use of the real estate and improvements, now or hereafter located thereon, in Bergen County, New Jersey (the "Real Estate"), legally described in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement executed by Borrower of even date in favor of Lender, including all of Borrower's rights and privileges heretofore or hereafter otherwise arising in connection with or pertaining to the Real Estate, 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 Real Estate (all of the foregoing being collectively referred to as the "Permits and Rights"). In the event any governmental regulation or requirement prohibits assignment of any of the Permits and Rights, the prohibited assignment shall not be effective until the governmental agency or body with jurisdiction gives its written consent to the same, but Borrower shall use reasonable diligence in obtaining such consent and the Real Estate shall still have the full use and benefit of any such Permit and Right regardless of the name of the registered holder of same.

This Agreement is given as additional security for the obligations of Borrower incurred and to be incurred under that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith by Borrower to Lender, in the aggregate amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), along with all other documents evidencing or securing said Note (collectively, the "Loan Documents"), including, without limitation, the Amended, Restated and Consolidated Mortgage and Security Agreement, the Amended and Restated Assignment of Leases and Rents and the Financing Statements executed by Borrower to Lender of even date herewith, and Borrower may continue to receive and exercise all of the rights, benefits and privileges under the Permits and Rights so long as no Event of Default (as defined in the Loan Documents) has occurred under the Loan Documents.

This Assignment shall constitute a direction to and full authority to any issuer of any of said Permits and Rights and to any party to any of said Permits and Rights to act at Lender's written direction and otherwise perform on Lender's behalf, subject to the terms and conditions of said Permits and Rights, after receiving Lender's written notice that an Event of Default has occurred under the Loan Documents, but the recipient of such notice may so act without any other evidence of an Event of Default. Borrower hereby acknowledges and agrees that all such parties are hereby irrevocably authorized and directed to rely upon and comply with (and shall be fully protected by Borrower in so doing) any written request, notice or demand made by Lender with respect to any of the Permits and Rights, or for performance of any undertaking thereunder, and such parties shall have no right or duty to inquire as to whether any Event of Default under the Loan Documents has actually occurred or is then existing.

Lender does not hereby assume any of Borrower's obligations or duties under or in connection with any of said Permits and Rights, until and unless Lender or Lender's successor, nominee or assignee shall exercise its rights hereunder as to same.

Borrower shall pay all Lender's costs, charges, and expenses, including reasonable attorneys' fees (whether before trial, at trial or on appeal) in connection with any enforcement of this Assignment and/or Lender's rights under this Assignment.

This Assignment shall be governed by the laws of the State of New Jersey and shall be binding on and inure to the benefit of Borrower and Lender and their respective successors and assigns.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment under seal as of January 15, 2010.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

**CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT
AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES**

THIS CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES (this "Assignment") is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 ("Borrower"), to and for **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. 706 108 240 and 706 108 270 (collectively, "Lender"), and is acknowledged and consented to by **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (collectively, "Mack-Cali").

RECITALS:

- A. Borrower by its Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and by its Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith (the notes together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to collectively as the "Note") is indebted to Lender in the aggregate principal sum of \$13,000,000.00 in lawful money of the United States of America, with interest from the date thereof at the rates set forth in the Note (the indebtedness evidenced by the Note, together with such interest accrued thereon, shall collectively be referred to as the "Loan"), principal and interest to be payable in accordance with the terms and conditions provided in the Note.
- B. The Loan is secured by, among other things, a Amended, Restated and Consolidated Mortgage and Security Agreement (the "Security Instrument") dated of even date herewith, which grants Lender a first lien on the property encumbered thereby (the "Property"). All and any of the documents other than the Note, the Security Instrument and this Assignment now or hereafter executed by Borrower and/or others and by or in favor of Lender, which wholly or partially secure or guarantee payment of the Note are referred to as the "Other Security Documents."
- C. With the exception of those services performed by Mack-Cali, Borrower has not employed any management agent to rent, lease, operate or manage the Property (any such agreement, and any and all other management agreements, agency agreements or similar agreements for the management and operation of the Property, now or hereafter existing, including, but not limited to, that certain Amended and Restated Leasing, Management and Construction Management Agreement dated as of January 1, 1999 between Borrower and Mack-Cali Realty, L.P., as the same may be amended, extended, modified or renewed, are herein referred to as the "Management Agreement"), and Borrower is currently performing all such responsibilities that would otherwise be the responsibility of an Agent under a Management Agreement (Borrower, in such capacity, and Mack-Cali, performing such services, and any management agent successor of Borrower hereunder, is herein referred to as "Agent").
- D. Lender requires as a condition to the making of the Loan that Borrower assign any Management Agreement, and that Borrower and Agent subordinate the Management Agreement and their respective interests in the Management Fees in lien and payment to the Security Instrument as set forth below.
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AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Assignment of Management Agreement. As additional collateral security for the Loan, Borrower hereby conditionally transfers, sets over and assigns to Lender all of Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at Lender's option, in the event of a default by Borrower under the Note, the Security Instrument or any of the Other Security Documents, including but not limited to escrow agreements, and the failure of Borrower to cure such default within any applicable grace period. In the event Lender or any other purchaser at a foreclosure sale or sale under private power contained in the Security Instrument succeeds to the interest of Borrower as the owner of the Property by reason of any foreclosure, or by any other manner (a "Succession"), it is agreed that, AT THE OPTION OF LENDER OR SUCH OTHER PURCHASER, which option shall be exercisable by written notice to Agent prior to or upon the effective date of such Succession, Agent shall be bound to Lender or such other purchaser and upon exercise of such option Lender and such other purchaser shall be bound to Agent under the terms, covenants and conditions of the Management Agreement as provided herein for the remaining balance of the term thereof, with the same force and effect as if Lender or such other purchaser were the owner and landlord of the Property under such Management Agreement, and Agent does hereby agree to attorn to Lender or such other purchaser as the owner and landlord of the Property, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties to this Agreement, immediately upon Lender or such other purchaser's succeeding to the interest of Borrower under the Management Agreement. Upon any Succession, the liability of Lender (or any other party taking under a Succession) shall be limited to its interest in the Property.
2. Termination. At such time as the Loan is paid in full and the Security Instrument is released or assigned of record, this Assignment and all of Lender's right, title and interest hereunder with respect to the Management Agreement shall terminate.
3. Borrower's Covenants. Borrower hereby covenants with Lender that during the term of this Assignment, that if a Management Agreement is hereafter entered into by Borrower and a separate entity as Agent, Borrower shall obtain the prior written approval of Lender as to the identity of such Agent (if such party is not affiliated with Borrower), and, in such event: (a) Borrower shall not transfer the responsibility for the management of the Property from Agent to any other person or entity without prior written notification to Lender and the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; and (c) Borrower shall, in the manner provided for in this Assignment, give notice to Lender of any notice or information that Borrower receives that indicates that Agent is terminating the Management Agreement or that Agent is otherwise discontinuing its management of the Property.
4. Agreement by Borrower and Agent. Borrower and Agent hereby agree that in the event of a default by Borrower (beyond any applicable grace period) under the Note, the Security Instrument or any of the Other Security Documents during the term of this Assignment, at the option of Lender exercised by written notice to Borrower and Agent: (a) all rents, security deposits, issues, proceeds and profits of the Property collected by Agent, after payment of all costs and expenses of operating the Property (including, without limitation, operating expenses, real estate taxes, insurance premiums, repairs and maintenance, but excluding the fees and commissions payable under the Management Agreement), shall be applied in accordance with Lender's written directions to Agent; and (b) Lender may exercise its rights under this Assignment and may immediately terminate the Management Agreement and require Agent to transfer its responsibility for the management of the Property to a management company selected by Lender in Lender's sole and absolute discretion.

5. **Lender's Right to Replace Agent.** In the event that Lender, in Lender's reasonable discretion, at any time during the term of this Assignment, determines that the Property is not being managed in accordance with generally accepted management practices for properties similar to the Property, Lender shall deliver written notice thereof to Borrower and Agent, which notice shall specify with particularity the grounds for Lender's determination. If Lender reasonably determines that the conditions specified in Lender's notice are not remedied to Lender's reasonable satisfaction by Borrower or Agent within thirty (30) days from receipt of such notice or that Borrower or Agent have failed to diligently undertake correcting such conditions within such thirty (30) day period, Lender may direct Borrower to terminate the Management Agreement and to replace Agent with a management company acceptable to Lender in Lender's sole discretion. Upon such termination, Agent shall be entitled only to the payment of any fees actually earned for management services performed pursuant to the Management Agreement prior to the termination of the Management Agreement and, notwithstanding any provision to the contrary in the Management Agreement, no monetary penalties or termination fees shall be paid to Manager. In the event of Lender's termination of the Management Agreement, Agent agrees that it shall look solely to Borrower, and not to Lender, for the payment of any sums due to Agent under the terms of the Management Agreement or any obligations on the part of Borrower under the Management Agreement and, to the extent permitted by law, Agent hereby waives any and all rights to file any lien or encumbrance against the Property relating thereto.
6. **Subordination.** Borrower and Agent hereby agree that the Management Agreement and the interests and estates created thereby and the rights, privileges and powers of the Agent and Borrower thereunder, including, without limitation, all rights of first refusal, purchase options and all other rights and interests of the Agent under the Management Agreement, shall be and the same are hereby, unconditionally made and shall at all times remain subject, subordinate and inferior in all respects in lien and payment to the lien and payment of the Security Instrument, the Note, the Other Security Documents, and all the rights, privileges and powers of Lender thereunder and to any and all renewals, modifications, consolidations, replacements and extensions thereof. Agent does hereby waive, relinquish and release any and all rights, claims and liens which Agent may now or hereafter have in and to the Property, including, without limitation, any rights, claims and liens of Agent, or rights to file or have filed any liens, claims of lien, pursuant to applicable law on or against said Property on account of brokerage services, management services, leasing services or other services furnished by Agent pursuant to the Management Agreement.
7. **Consent and Agreement by Agent.** Agent hereby acknowledges and consents to this Assignment and agrees that Agent will act in conformity with the provisions of this Assignment and Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Agent in accordance with the provisions hereof, Agent shall, and hereby agrees to, fully cooperate in transferring its responsibility to a new management company and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Agent hereby agrees (a) not to contest or impede the exercise by Lender of any right it has under or in connection with this Assignment; and (b) that it shall, in the manner provided for in this Assignment, give at least thirty (30) days prior written notice to Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property.
8. **Estoppel.** Agent represents and warrants that (a) the Management Agreement is an unwritten agreement pursuant to which Mack-Cali performs certain services for Borrower, and that such arrangement has not been modified, amended or assigned, (b) neither Agent nor Borrower is in default under any of the terms, covenants or provisions of the Management Agreement and Agent knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Management Agreement, (c) neither Agent nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Management Agreement, and (d) the Management Fees and all other sums due and payable to the Agent under the Management Agreement, if any, have been paid in full.

9. Receipt of Management Fees. Borrower and Agent hereby agree that Agent shall not be entitled to receive any Management Fees or other fee, commission or other amount payable to Agent under the Management Agreement for and during any period of time that any Event of Default has occurred and is continuing; provided, however, that Agent shall not be obligated to return or refund to Lender any Management Fee or other fee, commission or other amount already received by Agent prior to the occurrence of the Event of Default, and to which Agent was entitled under this Assignment, and provided further that Agent shall be entitled to its normal payments under the Management Agreement so long as it complies with all of its obligations under such under the Management Agreement and so long as it complies with any reasonable written request from Lender to Agent to deliver leasing reports, financial information (to the extent such information is in the possession or control of Agent or reasonably available to Agent) and rents, issues and profits of the Property in accordance with the terms of the Loan Documents.
10. Lender's Agreement. So long as Borrower is not in default (beyond any applicable grace period) under this Assignment, the Note, the Security Instrument or the Other Security Documents, Lender agrees to permit any sums due to Borrower under the Management Agreement to be paid directly to Borrower.
11. Governing Law. This Assignment shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.
12. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Security Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02. Notices to Agent shall be sent to the address of Borrower in said Section 9.02.
13. No Oral Change. This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.
14. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Assignment shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.
15. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

16. Headings, etc. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. Duplicate Originals; Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. Secondary Market. Lender may sell, transfer and deliver the Note and assign the Security Instrument, this Assignment and the Other Security Documents to one or more Investors (as defined in the Security Instrument) in the secondary mortgage market. In connection with such sale, Lender may retain or assign responsibility for servicing the Loan, including the Note, the Security Instrument, this Assignment and the Other Security Documents, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

20. Miscellaneous.

(a) Wherever pursuant to this Assignment (i) Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Assignment it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Lender, whether with respect to retained firms, the reimbursement for the expenses of in-house staff or otherwise.

IN WITNESS WHEREOF the undersigned have executed this Assignment as of the date and year first written above.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Witnessed or Acknowledged by:

Printed Name: _____

AGENT:

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: _____

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: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

- (a) this person is the attesting witness to the signing of this Agreement by Barry Lefkowitz, as Executive Vice President and Chief Financial Officer of Mack-Cali Realty Corporation, a Maryland corporation;
- (b) this Agreement was signed and delivered by Mack-Cali Realty Corporation, a Maryland corporation, as its voluntary act duly authorized, if applicable; and
- (c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____ -

My Commission Expires:

(NOTARY SEAL)

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI REALTY CORPORATION, a Maryland corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

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 **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each made by Borrower of even date herewith, in the aggregate original principal amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.
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 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 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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 **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership ("**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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) 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. 706 108 235 - 706 108 241, 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 \$13,000,000.00 (the "Mack-Cali Centre VII Loan") to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre VII (the "Mack-Cali Centre VII Property") and which Loan is known as Loan No. 706 108 240 and 706 108 270, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66); 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 Mack-Cali Centre VII 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “Mack-Cali Centre VII 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 “Mack-Cali Centre VII Mortgage”), encumbering the Mack-Cali Centre VII Property and securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Loan entered into with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Centre VII Property and the other Collateral (as defined in the Mack-Cali Centre VII Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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:

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

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

By: _____ -

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

The address of Guarantor is:

Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

TRANSFER AND ASSIGNMENT OF MORTGAGES AND SECURITY AGREEMENTS AND LOAN DOCUMENTS

STATE OF NEW JERSEY

COUNTY OF BERGEN

FOR AND IN CONSIDERATION of the sum of Ten and No/Dollars (\$10.00) and other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation (hereinafter called "Assignor"), the "Mortgagee" in (a) that certain Mortgage and Security Agreement, made between Mack-Cali F Properties, L.P., formerly known as Mack F Properties, A New Jersey Limited Partnership ("Borrower"), as "Mortgagor", in favor of Assignor as "Mortgagee", dated as of April 30, 1998, recorded in Mortgage Book 9691, Page 245, in the Real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 678 (such original Assignment of Leases and Rents having been recorded in Mortgage Book 9691, Page 356), and (b) that certain Second Priority Mortgage and Security Agreement dated as of April 30, 1998 from Borrower, as "Mortgagor", in favor of Assignor as "Mortgagee", recorded in Mortgage Book 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 692 (collectively, the "Mortgage"), does hereby transfer, set-over, assign and convey the Mortgage, together with all of the rights, powers and privileges conferred by the Mortgage upon the Assignor as "Mortgagee", without recourse, to, collectively, jointly and severally, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270 ("Assignee") and does authorize the Assignee to exercise said rights, powers and privileges in as full a manner as the Assignor as "Mortgagee" is authorized to exercise the same.

TOGETHER WITH all of Assignor's right, title and interest in and to (a) the note described in said Mortgage and any and all other indebtedness secured thereby, (b) all monies due and to become due thereon with all interest thereon, (c) the property and other collateral conveyed and encumbered by the Mortgage, (d) all other documents evidencing or securing said note or other indebtedness secured by the Mortgage, including, but not limited to, any assignment of leases or rents executed in connection

therewith, and (e) all of the rights, powers and interests of the beneficiary under or by virtue of the Mortgage, said note or notes or any such other documents executed in connection therewith.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever.

This Transfer and Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, legal representatives and assigns.

IN WITNESS WHEREOF, the duly elected and authorized officer of the Assignor has hereunder set his hand and affixed the corporate seal, as of the date and year first above written.

Witnessed or Acknowledged by:

LENDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey Corporation

By: _____ -
Name: Melissa Farrell
Title: Vice President

(ATTACH ACKNOWLEDGMENT)

ACKNOWLEDGMENT

STATE OF NEW YORK

COUNTY OF NEW YORK

I CERTIFY that on January ____, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

(a) this person is the attesting witness to the signing of this Agreement by Melissa Farrell, as Vice President of **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation;

(b) this Agreement was signed and delivered by **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation, as its voluntary act duly authorized, if applicable; and

(c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____

My Commission Expires:

(NOTARY SEAL)

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$12,800,000.00

January 15, 2010

Loan No. 706 108 241

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI CHESTNUT RIDGE L.L.C.**, a New Jersey limited liability company ("**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).

W I T N E S S E T H

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 Thirteen Million Eight Hundred Twenty Nine Thousand and No/100 Dollars (\$13,829,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Five Million Two Hundred Seventy One Thousand and No/100 Dollars (\$5,271,000.00) 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 \$11,200,000.00 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 extend to Borrower additional indebtedness in the principal amount of \$4,900,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents an additional advance to Borrower under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$11,200,000.00, 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 TWELVE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$12,800,000.00) (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 TWENTY FOUR MILLION AND NO/100 DOLLARS (\$24,000,000.00), 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 TWELVE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$12,800,000.00), 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 \$11,200,000.00.

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. 706 108 241 and 706 108 271, the principal sum of TWELVE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$12,800,000.00), 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 SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$66,666.66) 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 SEVENTY EIGHT THOUSAND EIGHT HUNDRED ELEVEN AND 79/100 DOLLARS (\$78,811.79) 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.

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 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

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$11,200,000.00

January 15, 2010

Loan No. 706 108 271

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI CHESTNUT RIDGE L.L.C.**, a New Jersey limited liability company ("**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 Thirteen Million Eight Hundred Twenty Nine Thousand and No/100 Dollars (\$13,829,000.00) 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 Five Million Two Hundred Seventy One Thousand and No/100 Dollars (\$5,271,000.00) 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 \$12,800,000.00 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 extend to Borrower additional indebtedness in the principal amount of \$4,900,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents an additional advance to Borrower under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$12,800,000.00, 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 ELEVEN MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$11,200,000.00) (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 TWENTY FOUR MILLION AND NO/100 DOLLARS (\$24,000,000.00), 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 ELEVEN MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$11,200,000.00), 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 \$12,800,000.00.

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. 706 108 241 and 706 108 271, the principal sum of ELEVEN MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$11,200,000.00), 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 FIFTY EIGHT THOUSAND THREE HUNDRED THIRTY THREE AND 32/100 DOLLARS (\$58,333.32) 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 SIXTY EIGHT THOUSAND NINE HUNDRED SIXTY AND 33/100 DOLLARS (\$68,960.33) 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.

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 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

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$22,400,000.00

January 15, 2010

Loan No. 706 108 235

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).

W I T N E S S E T H

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 Thirty Five Million Five Hundred Fifty Thousand and No/100 Dollars (\$35,550,000.00) and payable to the order of Lender (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 \$19,600,000.00 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 extend to Borrower additional indebtedness in the principal amount of \$6,450,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents an additional advance to Borrower under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$19,600,000.00, 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 TWENTY TWO MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$22,400,000.00) (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 FORTY TWO MILLION AND NO/100 DOLLARS (\$42,000,000.00), 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 TWENTY TWO MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$22,400,000.00), 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 \$19,600,000.00.

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. 706 108 235 and 706 108 265, the principal sum of TWENTY TWO MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$22,400,000.00), 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 ONE HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY SIX AND 67/100 DOLLARS (\$116,666.67) 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 ONE HUNDRED THIRTY SEVEN THOUSAND NINE HUNDRED TWENTY AND 65/100 DOLLARS (\$137,920.65) 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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$19,600,000.00

January 15, 2010

Loan No. 706 108 265

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 Thirty Five Million Five Hundred Fifty Thousand and No/100 Dollars (\$35,550,000.00) and payable to the order of The Prudential Insurance Company of America, a New Jersey corporation ("**Prudential**") (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 \$22,400,000.00 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 extend to Borrower additional indebtedness in the principal amount of \$6,450,000.00, which amount reflects a reallocation of the loan amounts from among certain of the other six (6) Crossed Loans governed by the Existing Loan Agreement and represents an additional advance to Borrower under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$22,400,000.00, 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 NINETEEN MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$19,600,000.00) (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 FORTY TWO MILLION AND NO/100 DOLLARS (\$42,000,000.00), 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 NINETEEN MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$19,600,000.00), 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 \$22,400,000.00.

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. 706 108 235 and 706 108 265, the principal sum of NINETEEN MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$19,600,000.00), 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 ONE HUNDRED TWO THOUSAND EIGHTY THREE AND 33/100 DOLLARS (\$102,083.33) 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 ONE HUNDRED TWENTY THOUSAND SIX HUNDRED EIGHTY AND 57/100 DOLLARS (\$120,680.57) 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.

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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66), each made by Borrower of even date herewith, in the aggregate original principal amount of Twelve Million Two Hundred Fifty Thousand and No/100 Dollars (\$12,250,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.
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 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 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: /s/ Barry Lefkowitz

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. 706 108 236 and 706 108 266

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. 706 108 236 and 706 108 266

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (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 Twelve Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$12,533,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Nine Hundred Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$10,966,666.66), each made by Borrower of even date herewith, in the aggregate original principal amount of Twenty Three Million Five Hundred Thousand and No/100 Dollars (\$23,500,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.
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 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 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: /s/ Barry Lefkowitz

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. 706 108 237 and 706 108 267

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. 706 108 237 and 706 108 267

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66), each made by Borrower of even date herewith, in the aggregate original principal amount of Twelve Million Two Hundred Fifty Thousand and No/100 Dollars (\$12,250,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.
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 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 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: /s/ Barry Lefkowitz

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. 706 108 238 and 706 108 268

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. 706 108 238 and 706 108 268

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (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 Twelve Million Two Hundred Sixty Six Thousand Six Hundred Sixty Six and 64/100 Dollars (\$12,266,666.64) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Seven Hundred Thirty Three Thousand Three Hundred Thirty Three and 36/100 Dollars (\$10,733,333.36), each made by Borrower of even date herewith, in the aggregate original principal amount of Twenty Three Million and No/100 Dollars (\$23,000,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" 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 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 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: /s/ Barry Lefkowitz

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. 706 108 239 and 706 108 269

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. 706 108 239 and 706 108 269

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,933,333.34

January 15, 2010

Loan No. 706 108 240

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Lender (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 \$6,066,666.66 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,066,666.66, 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 \$6,066,666.66.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 THIRTY SIX THOUSAND ONE HUNDRED ELEVEN AND 11/100 DOLLARS (\$36,111.11) 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 FORTY TWO THOUSAND SIX HUNDRED EIGHTY NINE AND 73/100 DOLLARS (\$42,689.73) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,066,666.66

January 15, 2010

Loan No. 706 108 270

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of The Prudential Insurance Company of America, a New Jersey corporation ("Prudential") (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 \$6,933,333.34 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,933,333.34, 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 \$6,933,333.34.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 THIRTY ONE THOUSAND FIVE HUNDRED NINETY SEVEN AND 22/100 DOLLARS (\$31,597.22) 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 THIRTY SEVEN THOUSAND THREE HUNDRED FIFTY THREE AND 51/100 DOLLARS (\$37,353.51) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

PREPARED BY:

Albert E. Bender, Jr.

MACK-CALIF PROPERTIES, L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, as mortgagor
(Borrower)

to

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

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre VII, Bergen County, New Jersey

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. 706 108 240 and 706 108 270

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Section 10.02	<u>Environmental Law</u>	39
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ATTACHMENTS:

- Exhibit A - Legal Description of Land
- Exhibit B - Description of Personal Property
- Exhibit C - Permitted Encumbrances
- Exhibit D - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
Additional Funds	Section 3.07 (c)
Affecting the Property	Section 3.12 (a)
Affiliate	Section 3.22
All	Section 9.05 (m)
Anti-Terrorism Regulations	Section 3.20(b)
Any	Section 9.05 (m)
Assessments	Section 3.03 (a)
Assignment	Recitals, Section 2 (B)
Award	Section 3.08 (b)
Bankruptcy Code	Recitals, Section 2 (A) (ix)
Borrower	Preamble
Costs	Section 4.01
Damage	Section 3.07 (a)
Default Rate	Section 1.01 (a)
Demand	Section 9.12 (n)
Deposits	Section 3.10
Documents	Section 1.02
Environmental Indemnity	Section 8.05
Environmental Law	Section 3.12 (a)
Environmental Liens	Section 3.12 (b)
Environmental Report	Section 3.12 (a)
ERISA	Section 3.11
Event of Default	Section 6.01
Executive Order 13224	Section 2.09
First Notice	Section 3.15 (b)
Flood Acts	Section 2.04 (a)
Foreign Person	Section 2.05
Grace Period	Section 6.01(c)
Hazardous Materials	Section 3.12 (a)
Impositions	Section 3.10
Improvements	Recitals, Section 2 (A) (ii)
Include, Including	Section 9.05 (f)
Indemnified Parties	Section 8.02
Indemnify	Section 8.02
Individual Beneficiaries	Section 2.09
Individual Shareholders	Section 2.09
Instrument	Preamble
Insurance Premiums	Section 3.10
Investors	Section 9.06
Land	Recitals, Section 2 (A) (i)
Laws	Section 3.05(c)
Lease	Section 9.05 (k)
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Lender	Preamble
Lessee	Section 9.05 (k)

Lessor	Section 9.05 (k)
Loan	Recitals, Section 1
Losses	Section 8.02
Major Tenants	Section 3.08 (d)
Microbial Matter	Section 3.12(a)
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Note	Recitals, Section 1
Notice	Section 9.02
O&M Plan	Section 3.12(b)
Obligations	Section 1.01
OFAC	Section 2.09
OFAC Lists	Section 2.09
OFAC Violation	Section 3.20(c)
On Demand	Section 9.05 (n)
Organization State	Section 2.01
Owned	Section 9.05 (l)
Permitted Encumbrances	Recitals, Section 2 (B)
Person	Section 9.05 (i)
Personal Property	Section 6.02 (j)
Prepayment Premium	Section 1.01(a)
Property	Recitals, Section 2 (A)
Property Payables	Section 3.09
Property State	Section 2.01
Provisions	Section 9.05 (j)
Rating Agency	Section 9.06
Release	Section 3.12 (a)
Rent Loss Proceeds	Section 3.07 (c)
Rents	Recitals, Section 2 (A) (x)
Restoration	Section 3.07 (a)
Revenue Code	Section 2.05
Second Notice	Section 3.15 (b)
Securities	Section 9.06
Security Agreement	Section 7.01
Taking	Section 3.08 (a)
Tenant	Recitals, Section 2 (A) (vi)
Tenants	Section 9.05 (k)
Transaction Taxes	Section 3.03 (c)
U.C.C.	Section 2.02
Upon Demand	Section 9.05 (n)
Violation	Section 3.11

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 F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said 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. 706 108 240 and 706 108 270, as mortgagee (collectively, “**Lender**”).

WITNESSETH:

WHEREAS, Borrower is the owner of certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “**Property**”) and known as Mack-Cali Centre VII; 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Prudential (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 9691, Page 245, in the real estate records of Bergen County, New Jersey, 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 1014, Page 678 (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 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 1014, Page 692, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note which reflects the reduction of the amount of the indebtedness to Borrower by the principal amount of \$7,600,000.00, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, but a corresponding increase in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), 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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00).

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 Bergen County, New Jersey 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 seised 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 New Jersey 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 further represents and warrants to Lender that Borrower is a disregarded entity as defined in Section 1.1445-2(b)(2) (iii) of the Income Tax Regulations issued under the Internal Revenue Code, and that Borrower has disclosed to Lender all information regarding the owner of Borrower required under 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 (i) Borrower's only asset is the Property, and (ii) the Property generates substantially all of the gross income of Borrower and there is no substantial business being conducted by Borrower other than the business of owning and operating the Property and the activities incidental thereto.

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 \$130,000.00 (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 (1/12th) 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 for 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 F Properties, L.P.
c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh

And To:
Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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(l). 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(l) 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 F PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: New Cingular Wireless PCS, LLC.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

AMENDED AND RESTATED ASSIGNMENT OF LEASES AND RENTS

This Amended and Restated Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (“**Instrument**”) dated as of the date of this Assignment (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and

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.

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the "Cross-Collateral Guaranty"); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

(a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:

- (1) amend or modify any Major Tenant Lease;
- (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
- (3) terminate or accept the surrender of any Major Tenant Lease;
- (4) enter into any new Major Tenant Lease; or
- (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.

(b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:

- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
- (2) terminate any Lease which is in default; or
- (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and
- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

(c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

(d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8. Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. 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.

12. Amended and Restated Assignment. This Assignment is made and granted in favor of Lender in amendment, renewal and replacement of that certain Assignment of Leases and Rents (the "Existing Assignment") dated April 30, 1998 from Mack F Properties to The Prudential Insurance Company of America, recorded in Mortgage Book 9691, Page 356, in the real estate records of Bergen County, New Jersey, covering the leases and rents of 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 Lender, recorded in Mortgage Release Book 1014, Page 678. The Existing Assignment has been assigned by The Prudential Insurance Company of America to The Prudential Insurance Company of America and VPCM, LLC, and is hereby amended, replaced and restated in its entirety by this Assignment.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

**SECOND PRIORITY ASSIGNMENT OF LEASES AND RENTS
(Subordinate Assignment to Secure Cross Collateral Guaranty)**

This Second Priority Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Assignment and the Documents; and

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the “**Cross-Collateral Guaranty**”), which Cross-Collateral Guaranty is secured by that certain Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) (the “**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

- (a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:
- (1) amend or modify any Major Tenant Lease;
 - (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
 - (3) terminate or accept the surrender of any Major Tenant Lease;
 - (4) enter into any new Major Tenant Lease; or
 - (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.
- (b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:
- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
 - (2) terminate any Lease which is in default; or
 - (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and

- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

- (c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

- (d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8. Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. **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, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALI F PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

INSERTS TO BE TYPED ON THE FACE OF:

UCC FINANCING STATEMENT BETWEEN

MACK-CALI F PROPERTIES, L.P. (DEBTOR ID NO.: 0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

1. The mailing address of Debtor is:

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

2. The mailing address of Secured Party 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. 706 108 240 and 706 108 270

3. This Financing Statement covers the following types or items of property:

The collateral, which relates to the real property described on Exhibit A attached hereto and by this reference made a part hereof, includes fixtures, chattel paper, accounts, general intangibles, goods, equipment, inventory, documents, instruments, and all of the proceeds of the foregoing as more particularly described on Exhibit B attached hereto and by this reference made a part hereof.

4. **FIXTURE FILINGS ONLY:**

THIS FINANCING STATEMENT IS FILED AS A FIXTURE FILING.

THE RECORD OWNER OF THE REAL PROPERTY IS: Mack-Cali F Properties, L.P.

The Real Property is described on Exhibit A attached hereto and by this reference made a part hereof.

EXHIBIT A

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

THE RECORD OWNER OF THE REAL PROPERTY IS:

Mack-Cali F Properties, L.P., f/k/a Mack F Properties

EXHIBIT B

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

The following described land, interests in land, estates, easements, rights, appurtenances, buildings, improvements, fixtures, furniture and appliances and other personal property (hereinafter all of the foregoing are sometimes collectively referred to as the "Premises"; as used herein, the term "Borrower" shall mean "Debtor" and the term "Lender" shall mean "Secured Party", and any other terms not herein defined shall have the definitions set forth in that certain Amended, Restated and Consolidated Mortgage and Security Agreement from Debtor to or for the benefit of Secured Party conveying the Premises):

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "Land") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "Improvements") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.

6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.

7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THE DEBTOR IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THIS FINANCING STATEMENT IS TO BE INDEXED IN THE REAL ESTATE RECORDS OF BERGEN COUNTY, NEW JERSEY

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

CLOSING CERTIFICATION

MACK-CALI F PROPERTIES, L.P., a New Jersey limited partnership ("**Borrower**") does hereby represent, warrant and certify to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("**Prudential**"), and **VPCM, LLC**, a Virginia limited liability company ("**VPCM**") (collectively, "**Lender**"), its successors and assigns, in consideration of the making of that certain loan (the "**Loan**") from Lender to Borrower, as evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the "**Note**") of even date herewith in the aggregate face principal amount of \$13,000,000.00 and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (the "**Instrument**") from Borrower of even date herewith securing the Loan with respect to real property known as Mack-Cali Centre VII, located in Bergen County, New Jersey, and covenants and agrees with Lender, as follows:

1. Borrower is the owner of the land (the "**Land**") described on Exhibit A attached to the Instrument, which description is incorporated herein by this reference, together with all Improvements (as hereinafter defined), fixtures, easements and appurtenances related thereto and all equipment, appliances and other personal property located thereon or related thereto, which personal property is more particularly described on Exhibit B thereto and incorporated herein by this reference (hereinafter all said items are collectively referred to as the "**Related Property**"). No security interest under the Uniform Commercial Code ("**UCC**") has been perfected against the Related Property other than those in favor of Lender.
 2. The improvements and buildings (together, the "**Improvements**") constructed on the Land and the Property (as defined in the Instrument), and the proposed and actual use and occupancy thereof, are in material compliance with and do not violate any applicable laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations or other requirements of any Governmental Authority (as hereinafter defined) having jurisdiction over the Property and Improvements (including, but not limited to, environmental laws and regulations, except as disclosed in the Environmental Report (as defined in the Security Instrument)), or any restrictive covenants, or building, fire, subdivision or zoning regulations (hereinafter all said items are collectively referred to as "**Rules and Regulations**"). The term "**Governmental Authority**" shall mean all federal, state, county, municipal and other governments and all agencies, authorities, departments, subdivisions, courts, commissions, boards, bureaus or instrumentalities of any of them having jurisdiction over the Security (as hereinafter defined). The Improvements and their use and occupancy shall at all times be in compliance with all Rules and Regulations. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Report, Borrower has not received notice of any violation of any Rules and Regulations. There is no action or proceeding pending before any court, quasi-judicial body or administrative agency relating to the title of or to the Property or Improvements or to the proposed or actual use of the Property and Improvements or the occupancy thereof or relating to the validity of the Loan from Lender to Borrower.
 3. Borrower has full authority to borrow the Loan, to perform the Obligations (as defined in the Instrument), and to convey the Property, the Improvements and the other Related Property (the Property, Improvements and the other Related Property are hereinafter referred to collectively as the "**Security**") as security therefor. In connection therewith, Borrower has done nothing to impair or impede its ability to borrow the Loan and/or convey the Security as aforesaid. The person or persons signing on behalf of Borrower have full power and authority to bind Borrower and have full legal capacity to sign all documents which will evidence, secure or otherwise be executed on behalf of Borrower in connection with the Loan (the "**Loan Documents**").
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4. The rent roll attached hereto as **Exhibit A** and by this reference incorporated herein is true and complete as of the date hereof. True and complete copies of all leases listed on the rent roll and all amendments thereto have been provided to Lender, and all leasing commissions have been paid in full. No tenant, sub-tenant or occupant, if any, of the rental space in the Improvements has any option to purchase, or any right, title or interest in or to the Property and/or Improvements, except as tenant under and by virtue of the provisions of its lease. Each such lease is in full force and effect in accordance with the terms thereof, with no rental offsets, defenses or claims. There exist no events of default under any such lease.
5. None of the Improvements or other Related Property owned by Borrower and described on Exhibit B attached to the Instrument and by this reference incorporated herein which are a portion of the Security (excluding equipment identified to Lender as having been leased by Borrower) was purchased under any conditional sales agreement, title retention agreement, or by deferred payment secured by chattel mortgage, security agreement or otherwise, or by any other transaction where the beneficial interest therein shall be held by any other person or entity other than Borrower, all such fixtures, equipment, machinery, appliances or other items of personal property being owned by Borrower and being fully paid for.
6. No notice of any mechanics' or materialmen's lien or of any claim or right to any such lien has been received, or to Borrower's best knowledge asserted and/or threatened against Borrower or the Security in connection with the Property and/or Improvements. All mechanics, laborers, materialmen, engineers, architects and surveyors who have worked on or provided services in connection with the Security or have furnished materials therefor have been paid in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein. With respect to unfiled liens, no improvements or repairs have been made to the Property and/or Improvements by or at the request of Borrower during the one hundred thirty (130) days immediately preceding the date hereof, and there are no outstanding bills for labor or materials used in making improvements or repairs on the Property and/or Improvements or for services of architects, surveyors, engineers or others having lien rights; or if any such work, improvements or repairs have been made or if any such services have been provided within the last one hundred (100) days, the work, improvements, repairs and services are complete and have been paid for in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein.
7. Borrower has no knowledge of and has received no notice of the institution, or the proposed institution, of any condemnation proceedings against the Property and/or Improvements, and/or any portion thereof or interest or estate therein.
8. Borrower has full and unqualified right and authority to convey and encumber the Security pursuant to and in accordance with the Instrument. The Instrument, after execution, acknowledgment, delivery and recordation, will constitute a first priority Amended, Restated and Consolidated Mortgage and Security Agreement on, and security interest in, the Security.
9. Borrower has no offsets, defenses or counterclaims against or with respect to either the Note or the Instrument or with respect to the enforceability thereof by Lender.

10. Since the date of the First Mortgage Loan Application No. 706 108 240 and 706 108 270, dated January 13, 2010 (the “**Application**”), made by Borrower, (a) the Property and Improvements have not suffered any material damage or destruction, (b) no other material adverse change has taken place in or on the Security or in Borrower’s business or financial condition including, without limitation, Borrower’s default on any other obligation Borrower may have to Lender unrelated to this Loan, (c) the representations made in the Application which resulted in the Commitment (as hereinafter defined), including, but not limited to, representations regarding the type of development, income and expenses of the Property and Improvements and occupancy leases, are, as of the date hereof, as represented in the Application, without material change, except such changes that have been acknowledged and approved in writing by Lender, and (d) there has not been filed by or against Borrower, any petition in bankruptcy or any petition or answer seeking assignment for the benefit of creditors, the appointment of a receiver, trustee or liquidator with respect to Borrower or any substantial portion of Borrower’s property, or any reorganization, arrangement, liquidation, winding up or dissolution or similar relief under the Federal Bankruptcy laws or any State law.
11. Except as otherwise agreed by Lender, Borrower has complied with all terms, covenants and conditions of the Loan Commitment No. 706 108 240 and 706 108 270 (the “**Commitment**”) dated January 13, 2010 and of the Application.
12. All installments of special taxes or assessments, service charges, water and sewer charges, private maintenance charges, and other prior lien charges by whatever name called and all installments of general real estate taxes, which are now due and payable, have been paid in full on or before the date hereof.
13. Borrower has paid in full any loan commission due and payable in connection with the Application for, issuance of the Commitment regarding closing of, and the disbursement of, the Loan.
14. 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, 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 similar list issued by or any other department or agency of the United States of America provided, however, that 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.
15. All warranties and representations made in the Instrument or in any other Loan Document are true and do not omit to state any facts necessary to prevent the same from being misleading as of the date hereof.
16. The zoning classification of the Security, as modified or supplemented by all applicable variances, conditions, special use permits, site plans and other matters, permits the use of the Security as intended.
17. All permits, licenses, certificates and approvals required for the development, construction and use of the Security have been validly issued by the appropriate Governmental Authority and are in full force and in effect, including, without limitation, building permits, certificates of occupancy, curb-cut permits, permits relating to the use of utilities and permits under any environmental laws.

18. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, the Property and Improvements as built comply with all applicable Laws (hereinafter defined), including, without limitation, zoning, building, fire, subdivision and environmental Laws. The term "**Laws**" shall mean all laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations and other requirements of Governmental Authorities.
19. All facilities for the provision of utilities services for the Security (water, sanitary sewer, electricity, telephone, natural gas, cable TV, etc.) are complete, connected to the Security through dedicated public lines or valid private easements, and in service. The capacities are adequate for the reasonable needs of the Security.
20. The Security has access to dedicated public streets and has all necessary curb-cut permits.
21. The detention and other facilities for the control of surface water at the Security are adequate and in compliance with all applicable Laws. No easements over the lands of others are required for drainage or discharge of surface water.
22. The Property and Improvements are either (i) in compliance with the provisions of the Fair Housing Amendments Act of 1988, as amended, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in effect as of the date hereof (collectively, the "**FHA Act**"), or (ii) exempt from the FHA Act.
23. The Security is in compliance with the provisions of the Americans with Disabilities Act of 1990, and any amendments in effect as of the date hereof, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in force as of the date hereof.
24. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, there are no wetlands (as such term is defined in the Code of Federal Regulations or the Federal Manual for Identifying and Delineating Jurisdictional Wetlands) located on the Property, and no portion of the Property is subject to the jurisdiction of the United States Environmental Protection Agency, the United States Corps of Engineers or any other federal, or state or local agency having jurisdiction of wetlands.
25. Borrower is validly formed and existing under the laws of the state of its organization and is in good standing in the state of its organization and the state in which the Property is located. There is no proceeding is pending for Borrower's dissolution.
26. Copies of the organizational and authority documents relating to Borrower, and the constituent members or partners of Borrower who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, and the constituent members or partners thereof who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, have been delivered to Lender as of the date hereof and are attached to those certain Certificates Regarding Partnership Agreement and Partnership Authority, Certificates Regarding Corporate Status, Corporate Authority And Incumbency and/or Certificates Regarding Limited Liability Company Status and Authority, as applicable, delivered in connection with the Loan. Such copies are true and complete, and the documents copied have not been modified or amended except as expressly indicated in such deliveries.

27. There are no brokers or other persons under any listing agreement or other agreement with Borrower for the management, sale or lease of all or any portion of the Security which would entitle such broker or other person to a lien or claim of lien, except as set forth in the leases provided to Lender.

28. This Closing Certification is made to induce Lender to make a loan to Borrower in the amount of \$13,000,000.00 secured by the Security. Borrower hereby represents, warrants and certifies that the statements contained herein are true, correct, complete and without material omission.

29. All warranties and representations herein are made for the purpose of inducing Lender to make the Loan and shall survive the closing of the Loan and shall inure to the benefit of Lender, its successors and assigns. Borrower is fully aware that Lender is relying on this Closing Certification in making the Loan and hereby agrees to indemnify and hold Lender harmless against any claims, losses or expenses that Lender suffers or incurs, including, but not limited to, reasonable attorneys' fees, as a result of any inaccuracy in the representations and statements herein made.

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has duly executed this Closing Certification under seal, as of January 15, 2010.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

EXHIBIT A
RENT ROLL

EXHIBIT B
INCOMPLETE WORK

None

EXHIBIT C

TITLE MATTERS

None, other than as set forth in that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan

AFFIDAVIT OF TITLE

The undersigned deponent, Barry Lefkowitz (the "Deponent"), having personally appeared before the undersigned notary public and first having been duly sworn according to law, deposes and says under oath as follows:

1. Deponent is presently the Executive Vice President and Chief Financial Officer of MACK-CALI SUB I, INC., a Delaware corporation, General Partner, which is the sole member of **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (the "Owner"), and in such capacity, the Deponent has personal knowledge of the facts sworn to in this Affidavit and such facts are true and correct in all material respects.
 2. To Deponent's knowledge, based on First American Title Insurance Company, Commitment No. TS-19605F-FA (the "Title Commitment") and similar title reports to Owner, the Owner is the owner of a fee estate in certain real estate, a description of which is set forth in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement with respect to the property known as Mack-Cali Centre VII and made a part hereof by this reference (the "Mortgage"), together with all fixtures, improvements, easements and appurtenances related thereto, and all equipment, appliances and other personal property located thereon or related thereto (the "Property"), but excluding all personal property and fixtures owned by any tenant of the Property, or owned by any service contract party or vendor, or leased by Owner.
 3. To Deponent's knowledge, the Owner is in open, exclusive, notorious, continuous, adverse and peaceable possession of the Property, and has been continuously since the date of its acquisition of the Property, and there are no leases, tenancies, parties in possession, rights of occupancy of any kind or licenses affecting the Property except as set forth on the rent roll attached as Exhibit A to that certain Closing Certification of even date, executed by Owner, and by this reference made a part hereof; and except for any such leases, parties in possession, rights of occupancy, tenancies or licenses, Deponent knows of no one claiming any adverse interest in the Property whatsoever, except as may be set forth in the Title Commitment.
 4. To the best knowledge of Deponent, title to the Property has never been disputed, questioned or rejected and title insurance thereon has never been refused.
 5. No proceeding is pending for the dissolution or annulment of Owner..
 6. To the best knowledge of Deponent, there are no disputes concerning the location of the Property lines and corners.
 7. To Deponent's knowledge, there are no pending or existing suits, lis pendens, judgments, bankruptcies, executions, liens for past due taxes, assessments, encumbrances, easements, deeds to secure debt, deeds of trust, mortgages, security interests, UCC financing statements, other liens securing monetary obligations of any kind, or other title exceptions or matters that could in any way affect the title to the Property or constitute a lien thereon, except as may be set forth in the Title Commitment, with respect to any that appear in the public records of the state or county in which the Property is located (to Deponent's knowledge, there are none other), and the Owner is not surety on the bond of any county official or any other bond that through default of the principal thereon a lien would be created superior to any conveyance executed by the Owner.
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8. To Deponent's knowledge, with respect to unfilled liens, no work, improvements or repairs have been made to the Property by or on behalf of or at the request of the Owner during the one hundred twenty three (123) days immediately preceding the date hereof (or such longer period as is permitted prior to the filing of a lien or notice of lien), or, if any work, improvements or repairs have been made by or at the instance of the Owner, all bills incurred for labor, services and materials used in making improvements or repairs on the Property or for the services of architects, surveyors or engineers with respect thereto are being paid in the ordinary course of business.

9. Deponent understands that Section 1445 of the United States Internal Revenue Code of 1986 (as amended, the "Revenue Code"), provides that a transferee of a United States real property interest must withhold tax if the transferor is a "foreign person" (as defined in the Revenue Code"). For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the hereinbelow described lender (the "Transferee") that withholding of tax is not required upon the disposition of a United States real property interest by the Owner and to inform the Transferee, the Internal Revenue Service and the party completing the informational return of the items required to be reported, Deponent hereby certifies the following:

- (a) The Owner is not a "non-resident alien" for purposes of United States income taxation or otherwise a "foreign person," as defined in Section 1445 of the Revenue Code, or a "foreign corporation", "foreign partnership", "foreign trust" or "foreign estate", as those terms are defined in the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").
- (b) The Owner 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.
- (c) The Owner's United States taxpayer identification number is 22-3558003.
- (d) The address (and, if different, the mailing address) of the Owner is c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837.
- (e) Deponent is making this Affidavit pursuant to the provisions of Section 1445 of the Revenue Code in connection with the conveyance of the Property, attached hereto and incorporated herein by reference, by the Owner to Transferee, which conveyance constitutes the disposition of the Owner of the United States real property interest, for the purposes of establishing that Transferee is not required to withhold tax pursuant to Section 1445 of the Revenue Code in connection with such disposition.
- (f) Deponent acknowledges that this Affidavit may be disclosed to the Internal Revenue Service by Transferee, that this Affidavit is made under penalty of perjury, and that any false statement made herein could be punished by fine, imprisonment or both.

10. This Affidavit is made to induce The Prudential Insurance Company of America and VPCM, LLC ("Lender") to make a loan to the Owner in the amount of \$13,000,000.00 (the "Loan") secured by the Property; and to induce the title insurance company to issue its mortgagee's policy insuring Lender for said loan amount. Owner guarantees and warrants the statements of fact herein, which shall be construed as a continual contractual obligation in favor of Lender and said title insurance company.

11. That in consideration of the issuance of said title insurance policy and the making of said loan by Lender as aforesaid, Owner shall indemnify and hold harmless Lender and said title insurance company against all claims, losses or expenses (including reasonable attorneys' fees) on account of any inaccuracy in the foregoing representations and statements made herein, including expense of enforcing this agreement.

12. Under penalty of perjury, Deponent declares that Deponent has examined the foregoing Affidavit and hereby certifies that it is true, correct and complete and Deponent further declares that Deponent has the authority to make this Affidavit and the certifications contained herein on behalf of the Owner.

Dated as of January 15, 2010.

Sworn to and subscribed before me this the ____ day of January, 2010.

Notary Public

(NOTARY SEAL)

My Commission Expires:

_____(SEAL)
Name: Barry Lefkowitz

JOINDER

Owner has executed this Joinder to the foregoing Affidavit of Title to certify as to the accuracy of the statements set forth above concerning Owner and to evidence its agreement to be bound by the obligations imposed on Owner pursuant to this Affidavit of Title, and hereby agrees to indemnify and hold harmless Lender and said title insurance company for all loss or damage arising out of any reliance upon the statements made in this Affidavit of Title.

IN WITNESS WHEREOF, Owner, intending to be legally bound hereby, has caused this Affidavit of Title to be duly executed under seal, as of January 15, 2010.

OWNER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT

THIS ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT (this “**Agreement**”) is made as of January 15, 2010 by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, having its principal office and place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**Borrower**”), and **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**Principal**”) (Borrower and Principal, individually and collectively, as the context requires, shall be referred to as “**Indemnitor**”), 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**”).

RECITALS:

- A. Borrower is the sole owner of the premises described in Exhibit A attached to the Security Instrument (as hereinafter defined) and incorporated herein by reference thereto (“**Property**”);
- B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each dated as of the date of this Agreement (collectively, the “**Note**”) and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Agreement (“**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and
- C. Lender was willing to make the Loan to Borrower only if Indemnitor entered into this Agreement; and
- D. Principal is an owner of a legal and/or beneficial interest in Borrower and thus will derive substantial benefit from the Loan. Each Indemnitor enters into this Agreement to induce Lender to make the Loan.

AGREEMENT

IN CONSIDERATION of the principal sum of the Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitor, jointly and severally, agrees as follows:

1. Instrument Incorporated. The terms and conditions of the Instrument are incorporated into this Agreement as if fully set forth in this Agreement. Principal acknowledges that it has received and reviewed the Instrument. All terms and phrases with initial capital letters not otherwise defined herein, shall have the meanings ascribed to such words and phrases in the Instrument.
 2. Representations and Warranties. Principal makes and Borrower makes and reaffirms the representations and warranties set forth in Sections 2.01(iii), 2.01(iv), 2.02, 2.03, 2.06, 2.07, 2.09, 3.11 and 3.12(a) of the Instrument, and the representations and warranties set forth in Section 4 of this Agreement.
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3. Environmental Covenants. Indemnitor covenants and agrees to comply with Section 3.12(b) and (d) of the Instrument, and, for the purpose of this covenant, all references in Section 3.12(b) and (d) to “Borrower” shall be deemed to refer to “Indemnitor.” In addition, for the purposes of determining whether an Event of Default has occurred for violation of this covenant, this covenant and the obligations of Indemnitor shall be subject to any Grace Period (as defined in the Instrument) applicable to such corresponding provisions of the Instrument.
4. ERISA Covenants. Borrower covenants and agrees to comply with Section 3.11 of the Instrument. In addition, Principal covenants and agrees as follows:
- (a) Principal 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 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 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) Principal represents and warrants to Lender that (i) Principal 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) Principal 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 4(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) Principal 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 the Principal 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 Principal 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 Principal are held by “benefit plan investors” within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or (3) Principal 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) Principal 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 4(b) above. Failure to deliver these certifications or evidence, breach of these representations and warranties, or consummation of any transaction which would cause this Agreement or the Documents or any exercise of Lender’s rights under this Agreement or under the Documents to (i) constitute a non-exempt prohibited transaction under ERISA or (ii) constitute a violation, shall be an Event of Default under the Documents. Notwithstanding anything in the Documents to the contrary, no sale, assignment, or transfer of any direct or indirect right, title, or interest in Principal or the Property (including creation of a junior lien, encumbrance or leasehold interest) shall be permitted which would, in Lender’s opinion, negate Principal’s representations in this Agreement or cause a Violation. At least fifteen (15) days before consummation of any of the foregoing, Principal shall obtain from the proposed transferee or lienholder (i) a certification to Lender that the representations and warranties contained in this Agreement will be true after consummation and (ii) an agreement to comply with the terms and conditions of this Agreement.

5. Lender's Rights, Cooperation and Access. Lender and any other person ("**person**" in this Agreement shall have the same meaning as in the Instrument) designated by Lender shall have the same rights hereunder as are set forth in Sections 3.11 and 3.12(c) of the Instrument.

6. Indemnification. Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses (as defined in the Instrument, but excluding any claim arising solely from Lender and not also made or threatened by any governmental entity or other third party against Indemnitor, Indemnified Parties or the Property where neither Borrower or the Property has been in violation of any Environmental Laws) imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the following: (a) the presence of any Hazardous Materials affecting the Property ("**affecting the Property**" in this Agreement shall have the same meaning as in the Instrument); (b) any past, present, future or threatened Release of Hazardous Materials affecting the Property; (c) any activity by any Indemnitor, any person affiliated with any Indemnitor ("**Affiliate**"), or any Tenant or other user of the Property in connection with any O&M Plan or any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, handling, transfer or transportation to or from the Property, or removal of any Hazardous Materials at any time affecting the Property; (d) any activity by any Indemnitor, Affiliate, Tenant or other user of the Property in connection with any actual or proposed remediation of any Hazardous Materials at any time affecting the Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including ("**including**" in this Agreement shall have the same meaning as in the Instrument) any removal, remedial or corrective action, penalties or fines; (e) any past, present, future or threatened non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including any failure by any Indemnitor, Affiliate, Tenant or other user of the Property to comply with any order of any governmental authority in connection with any Environmental Laws; (f) the actual or threatened imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any Hazardous Materials affecting the Property; (h) any past, present, future or threatened injury to, destruction of, or loss of natural resources in any way connected with the Property, including costs to investigate and assess such injury, destruction or loss; (i) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in arranging for disposal or treatment of Hazardous Materials affecting the Property at any facility or incineration vessel containing such or similar Hazardous Materials, including arrangements with any transporter; (j) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Material affecting the Property which causes the incurrence of costs for remediation; (k) any personal injury, wrongful death, property or other damage arising under any statutory, common law or tort law theory, including damages assessed for trespass or for private or public nuisance or for operation of an abnormally dangerous activity on or near the Property, with respect to Hazardous Materials affecting the Property or violations of Environmental Laws; and (l) any material misrepresentation, materially inaccurate representation or warranty, material breach or failure to perform under the provisions of this Agreement. Notwithstanding the foregoing, Indemnitor shall not be obligated to indemnify the Indemnified Parties if Indemnitor can conclusively prove that both (1) the contamination of the Property was caused solely by actions, conditions, or events that occurred after the date Lender (or any purchaser at a foreclosure sale) actually acquired title to the Property and (2) the contamination of the Property was not caused, contributed to, enhanced, or exacerbated by the direct or indirect actions or inactions of any Indemnitor or any partners, officers, members, shareholders, employees, or agents of any Indemnitor. Further, Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the matters set forth in Section 8.04 of the Instrument, and including the inaccuracy of any of the representations or warranties set forth in Section 4 of this Agreement or any violation of the covenants set forth in Section 3.11 of the Instrument and/or the covenants set forth in Section 4 of this Agreement. For the purpose of this covenant, all references in Section 8.04 to "Borrower" shall be deemed to refer to "Indemnitor." In addition, as set forth in the defined term "indemnify", the foregoing indemnities shall not apply to any Losses caused by the gross negligence or willful misconduct of the Indemnified Parties.

7. Duty to Defend, Attorneys and Other Fees and Expenses. Indemnitor agrees that the provisions of (a) Section 8.06 of the Instrument shall apply to this Agreement except all references to "Article VIII" or "this Section" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.06 to "Borrower" shall be deemed to refer to "Indemnitor," and (b) Section 6.03 of the Instrument shall apply to all Costs, expenses or other amounts paid or incurred by the Indemnified Parties under this Agreement. The term "**on demand**" shall have the same meaning as in the Instrument.
8. Recourse Obligations and Survivability. Indemnitor agrees that the provisions of Section 8.07 of the Instrument shall apply to this Agreement except all references to "Section 8.05" and "Article VIII" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor acknowledges and agrees that each Indemnitor, jointly and severally (if applicable), is fully and personally liable for the obligations under this Agreement, and such liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.
9. Unimpaired Liability. The liability of Indemnitor under this Agreement shall in no way be limited or impaired by, and Indemnitor consents to and agrees to be bound by, any amendment or modification of the provisions of the Documents (other than this Agreement) by any Indemnitor or successor-in-interest to any Indemnitor. In addition, the liability of Indemnitor shall in no way be limited or impaired by (a) any extension(s) of time for performance required under the Documents, (b) any sale or transfer of all or part of the Property, (c) except as provided in this Agreement, any exculpatory provision in the Documents limiting Lender's recourse to the Property or to any other security for the Note, or limiting Lender's rights to a deficiency judgment against any Indemnitor, (d) the accuracy or inaccuracy of the representations and warranties made by any Indemnitor under the Documents, (e) the release of any Indemnitor or person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Documents by operation of law, Lender's voluntary act, or otherwise, (f) the release or substitution in whole or in part of any security for the Note, or (g) Lender's failure to record or file (or improper filing or recording of) any of the Documents or Lender's failure to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note; and, in all of the foregoing cases, whether with or without notice to Indemnitor and with or without consideration.
10. Enforcement. Lender may enforce the obligations of Indemnitor under this Agreement without first resorting to or exhausting any security or collateral or without first having recourse to the Documents or any of the Property, through foreclosure proceedings or otherwise; provided, however, that nothing herein shall inhibit or prevent Lender from suing on the Note or exercising any other rights or remedies in the Documents. This Agreement is not collateral or security for the debt of Borrower pursuant to the Loan, unless Lender expressly elects in writing to make this Agreement additional collateral or security for the debt of Borrower pursuant to the Loan. It is not necessary for an Event of Default to have occurred under the Documents for Lender to exercise its rights under this Agreement.

11. Waivers and Delays. To the fullest extent Indemnitor may do so under Laws, Indemnitor makes the waivers and agrees to be bound by the provisions of Section 6.06 and Section 6.07 of the Instrument, and, for the purpose of this covenant, all references in Section 6.06 and Section 6.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor waives and relinquishes all rights and remedies under Laws for the benefit of Indemnitor or guarantors except any rights of subrogation which any Indemnitor may have; provided, however, that the indemnity in this Agreement is not (a) contingent upon the existence of any such rights of subrogation or (b) subject to any claims or defenses which may be asserted in connection with the enforcement of such subrogation rights including any claim that such rights were abrogated by any acts of Lender. Notwithstanding the foregoing, Indemnitor agrees to postpone the exercise of any rights of subrogation with respect to the Property and any other collateral securing the Loan until the Loan shall have been paid in full. No delay by Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

12. Intentionally Omitted.

13. Subrogation. Indemnitor shall take all reasonable actions, including institution of legal action against third parties (to the extent commercially reasonable and appropriate under the circumstances), necessary or appropriate to obtain reimbursement, payment or compensation from persons responsible for the presence of any Hazardous Materials affecting the Property or otherwise obligated by Laws to bear the cost thereof; provided, however, so long as there is no occurrence and continuance of an Event of Default, Indemnitor shall be entitled to use its reasonable business judgment to determine whether it is appropriate to undertake any legal action with respect thereto. If an Event of Default occurs and is not cured, Lender shall be subrogated to all of Indemnitor's present and future rights in such claims.

14. Notice of Legal Actions. Indemnitor shall give prompt written notice to Lender of (a) any notice, advice, demand, claim or other communication from any governmental entity or any source with respect to Hazardous Materials affecting the Property in violation (or alleged violation) of Environmental Laws and (b) any legal action brought against such party or related to the Property, with respect to which any Indemnitor may have liability under this Agreement.

15. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02, and notices to Principal shall be addressed as follows:

If to Principal:

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

With a copy of notices sent to Principal to:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attn: Barry Lefkowitz

With a copy of notices sent to Principal to:

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

16. Applicable Law and Submission to Jurisdiction. Indemnitor agrees that the provisions of Section 9.04 of the Instrument shall apply to this Agreement, and, for the purpose of this covenant, all references in Section 9.04 to “Borrower” shall be deemed to refer to “Indemnitor.”

17. No Third Party Beneficiary. The terms of this Agreement are for the sole and exclusive protection and use of the Indemnified Parties. No other party shall be a third party beneficiary under this Agreement, and no provision of this Agreement shall operate or inure to the use and benefit of any such third party. It is agreed that those persons included in the definition of Indemnified Parties are not excluded third party beneficiaries.

18. Joint and Several Liability. If Indemnitor consist of more than one person or entity, the obligations and liabilities of each such person hereunder are joint and several.

19. **WAIVER OF TRIAL BY JURY.** EACH OF INDEMNITOR 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 INDEMNITOR IN CONNECTION THEREWITH.

IN WITNESS WHEREOF, Indemnitor has duly executed this Agreement as of the date first above written.

INDEMNITOR:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

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: _____

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

ASSIGNMENT OF PERMITS AND DEVELOPER'S RIGHTS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as additional security for the obligations incurred pursuant to certain Loan Documents, hereinafter described, **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (hereinafter referred to as "Borrower") having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837, hereby assigns and sets over unto **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM") (collectively, "Lender"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270, all permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale or use of the real estate and improvements, now or hereafter located thereon, in Bergen County, New Jersey (the "Real Estate"), legally described in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement executed by Borrower of even date in favor of Lender, including all of Borrower's rights and privileges heretofore or hereafter otherwise arising in connection with or pertaining to the Real Estate, 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 Real Estate (all of the foregoing being collectively referred to as the "Permits and Rights"). In the event any governmental regulation or requirement prohibits assignment of any of the Permits and Rights, the prohibited assignment shall not be effective until the governmental agency or body with jurisdiction gives its written consent to the same, but Borrower shall use reasonable diligence in obtaining such consent and the Real Estate shall still have the full use and benefit of any such Permit and Right regardless of the name of the registered holder of same.

This Agreement is given as additional security for the obligations of Borrower incurred and to be incurred under that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith by Borrower to Lender, in the aggregate amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), along with all other documents evidencing or securing said Note (collectively, the "Loan Documents"), including, without limitation, the Amended, Restated and Consolidated Mortgage and Security Agreement, the Amended and Restated Assignment of Leases and Rents and the Financing Statements executed by Borrower to Lender of even date herewith, and Borrower may continue to receive and exercise all of the rights, benefits and privileges under the Permits and Rights so long as no Event of Default (as defined in the Loan Documents) has occurred under the Loan Documents.

This Assignment shall constitute a direction to and full authority to any issuer of any of said Permits and Rights and to any party to any of said Permits and Rights to act at Lender's written direction and otherwise perform on Lender's behalf, subject to the terms and conditions of said Permits and Rights, after receiving Lender's written notice that an Event of Default has occurred under the Loan Documents, but the recipient of such notice may so act without any other evidence of an Event of Default. Borrower hereby acknowledges and agrees that all such parties are hereby irrevocably authorized and directed to rely upon and comply with (and shall be fully protected by Borrower in so doing) any written request, notice or demand made by Lender with respect to any of the Permits and Rights, or for performance of any undertaking thereunder, and such parties shall have no right or duty to inquire as to whether any Event of Default under the Loan Documents has actually occurred or is then existing.

Lender does not hereby assume any of Borrower's obligations or duties under or in connection with any of said Permits and Rights, until and unless Lender or Lender's successor, nominee or assignee shall exercise its rights hereunder as to same.

Borrower shall pay all Lender's costs, charges, and expenses, including reasonable attorneys' fees (whether before trial, at trial or on appeal) in connection with any enforcement of this Assignment and/or Lender's rights under this Assignment.

This Assignment shall be governed by the laws of the State of New Jersey and shall be binding on and inure to the benefit of Borrower and Lender and their respective successors and assigns.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment under seal as of January 15, 2010.

BORROWER:

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

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

**CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT
AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES**

THIS CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES (this "Assignment") is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 ("Borrower"), to and for **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. 706 108 240 and 706 108 270 (collectively, "Lender"), and is acknowledged and consented to by **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (collectively, "Mack-Cali").

RECITALS:

- A. Borrower by its Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and by its Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith (the notes together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to collectively as the "Note") is indebted to Lender in the aggregate principal sum of \$13,000,000.00 in lawful money of the United States of America, with interest from the date thereof at the rates set forth in the Note (the indebtedness evidenced by the Note, together with such interest accrued thereon, shall collectively be referred to as the "Loan"), principal and interest to be payable in accordance with the terms and conditions provided in the Note.
- B. The Loan is secured by, among other things, a Amended, Restated and Consolidated Mortgage and Security Agreement (the "Security Instrument") dated of even date herewith, which grants Lender a first lien on the property encumbered thereby (the "Property"). All and any of the documents other than the Note, the Security Instrument and this Assignment now or hereafter executed by Borrower and/or others and by or in favor of Lender, which wholly or partially secure or guarantee payment of the Note are referred to as the "Other Security Documents."
- C. With the exception of those services performed by Mack-Cali, Borrower has not employed any management agent to rent, lease, operate or manage the Property (any such agreement, and any and all other management agreements, agency agreements or similar agreements for the management and operation of the Property, now or hereafter existing, including, but not limited to, that certain Amended and Restated Leasing, Management and Construction Management Agreement dated as of January 1, 1999 between Borrower and Mack-Cali Realty, L.P., as the same may be amended, extended, modified or renewed, are herein referred to as the "Management Agreement"), and Borrower is currently performing all such responsibilities that would otherwise be the responsibility of an Agent under a Management Agreement (Borrower, in such capacity, and Mack-Cali, performing such services, and any management agent successor of Borrower hereunder, is herein referred to as "Agent").
- D. Lender requires as a condition to the making of the Loan that Borrower assign any Management Agreement, and that Borrower and Agent subordinate the Management Agreement and their respective interests in the Management Fees in lien and payment to the Security Instrument as set forth below.
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AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Assignment of Management Agreement. As additional collateral security for the Loan, Borrower hereby conditionally transfers, sets over and assigns to Lender all of Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at Lender's option, in the event of a default by Borrower under the Note, the Security Instrument or any of the Other Security Documents, including but not limited to escrow agreements, and the failure of Borrower to cure such default within any applicable grace period. In the event Lender or any other purchaser at a foreclosure sale or sale under private power contained in the Security Instrument succeeds to the interest of Borrower as the owner of the Property by reason of any foreclosure, or by any other manner (a "Succession"), it is agreed that, AT THE OPTION OF LENDER OR SUCH OTHER PURCHASER, which option shall be exercisable by written notice to Agent prior to or upon the effective date of such Succession, Agent shall be bound to Lender or such other purchaser and upon exercise of such option Lender and such other purchaser shall be bound to Agent under the terms, covenants and conditions of the Management Agreement as provided herein for the remaining balance of the term thereof, with the same force and effect as if Lender or such other purchaser were the owner and landlord of the Property under such Management Agreement, and Agent does hereby agree to attorn to Lender or such other purchaser as the owner and landlord of the Property, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties to this Agreement, immediately upon Lender or such other purchaser's succeeding to the interest of Borrower under the Management Agreement. Upon any Succession, the liability of Lender (or any other party taking under a Succession) shall be limited to its interest in the Property.
2. Termination. At such time as the Loan is paid in full and the Security Instrument is released or assigned of record, this Assignment and all of Lender's right, title and interest hereunder with respect to the Management Agreement shall terminate.
3. Borrower's Covenants. Borrower hereby covenants with Lender that during the term of this Assignment, that if a Management Agreement is hereafter entered into by Borrower and a separate entity as Agent, Borrower shall obtain the prior written approval of Lender as to the identity of such Agent (if such party is not affiliated with Borrower), and, in such event: (a) Borrower shall not transfer the responsibility for the management of the Property from Agent to any other person or entity without prior written notification to Lender and the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; and (c) Borrower shall, in the manner provided for in this Assignment, give notice to Lender of any notice or information that Borrower receives that indicates that Agent is terminating the Management Agreement or that Agent is otherwise discontinuing its management of the Property.
4. Agreement by Borrower and Agent. Borrower and Agent hereby agree that in the event of a default by Borrower (beyond any applicable grace period) under the Note, the Security Instrument or any of the Other Security Documents during the term of this Assignment, at the option of Lender exercised by written notice to Borrower and Agent: (a) all rents, security deposits, issues, proceeds and profits of the Property collected by Agent, after payment of all costs and expenses of operating the Property (including, without limitation, operating expenses, real estate taxes, insurance premiums, repairs and maintenance, but excluding the fees and commissions payable under the Management Agreement), shall be applied in accordance with Lender's written directions to Agent; and (b) Lender may exercise its rights under this Assignment and may immediately terminate the Management Agreement and require Agent to transfer its responsibility for the management of the Property to a management company selected by Lender in Lender's sole and absolute discretion.

5. **Lender's Right to Replace Agent.** In the event that Lender, in Lender's reasonable discretion, at any time during the term of this Assignment, determines that the Property is not being managed in accordance with generally accepted management practices for properties similar to the Property, Lender shall deliver written notice thereof to Borrower and Agent, which notice shall specify with particularity the grounds for Lender's determination. If Lender reasonably determines that the conditions specified in Lender's notice are not remedied to Lender's reasonable satisfaction by Borrower or Agent within thirty (30) days from receipt of such notice or that Borrower or Agent have failed to diligently undertake correcting such conditions within such thirty (30) day period, Lender may direct Borrower to terminate the Management Agreement and to replace Agent with a management company acceptable to Lender in Lender's sole discretion. Upon such termination, Agent shall be entitled only to the payment of any fees actually earned for management services performed pursuant to the Management Agreement prior to the termination of the Management Agreement and, notwithstanding any provision to the contrary in the Management Agreement, no monetary penalties or termination fees shall be paid to Manager. In the event of Lender's termination of the Management Agreement, Agent agrees that it shall look solely to Borrower, and not to Lender, for the payment of any sums due to Agent under the terms of the Management Agreement or any obligations on the part of Borrower under the Management Agreement and, to the extent permitted by law, Agent hereby waives any and all rights to file any lien or encumbrance against the Property relating thereto.
6. **Subordination.** Borrower and Agent hereby agree that the Management Agreement and the interests and estates created thereby and the rights, privileges and powers of the Agent and Borrower thereunder, including, without limitation, all rights of first refusal, purchase options and all other rights and interests of the Agent under the Management Agreement, shall be and the same are hereby, unconditionally made and shall at all times remain subject, subordinate and inferior in all respects in lien and payment to the lien and payment of the Security Instrument, the Note, the Other Security Documents, and all the rights, privileges and powers of Lender thereunder and to any and all renewals, modifications, consolidations, replacements and extensions thereof. Agent does hereby waive, relinquish and release any and all rights, claims and liens which Agent may now or hereafter have in and to the Property, including, without limitation, any rights, claims and liens of Agent, or rights to file or have filed any liens, claims of lien, pursuant to applicable law on or against said Property on account of brokerage services, management services, leasing services or other services furnished by Agent pursuant to the Management Agreement.
7. **Consent and Agreement by Agent.** Agent hereby acknowledges and consents to this Assignment and agrees that Agent will act in conformity with the provisions of this Assignment and Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Agent in accordance with the provisions hereof, Agent shall, and hereby agrees to, fully cooperate in transferring its responsibility to a new management company and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Agent hereby agrees (a) not to contest or impede the exercise by Lender of any right it has under or in connection with this Assignment; and (b) that it shall, in the manner provided for in this Assignment, give at least thirty (30) days prior written notice to Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property.
8. **Estoppel.** Agent represents and warrants that (a) the Management Agreement is an unwritten agreement pursuant to which Mack-Cali performs certain services for Borrower, and that such arrangement has not been modified, amended or assigned, (b) neither Agent nor Borrower is in default under any of the terms, covenants or provisions of the Management Agreement and Agent knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Management Agreement, (c) neither Agent nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Management Agreement, and (d) the Management Fees and all other sums due and payable to the Agent under the Management Agreement, if any, have been paid in full.

9. Receipt of Management Fees. Borrower and Agent hereby agree that Agent shall not be entitled to receive any Management Fees or other fee, commission or other amount payable to Agent under the Management Agreement for and during any period of time that any Event of Default has occurred and is continuing; provided, however, that Agent shall not be obligated to return or refund to Lender any Management Fee or other fee, commission or other amount already received by Agent prior to the occurrence of the Event of Default, and to which Agent was entitled under this Assignment, and provided further that Agent shall be entitled to its normal payments under the Management Agreement so long as it complies with all of its obligations under such under the Management Agreement and so long as it complies with any reasonable written request from Lender to Agent to deliver leasing reports, financial information (to the extent such information is in the possession or control of Agent or reasonably available to Agent) and rents, issues and profits of the Property in accordance with the terms of the Loan Documents.
10. Lender's Agreement. So long as Borrower is not in default (beyond any applicable grace period) under this Assignment, the Note, the Security Instrument or the Other Security Documents, Lender agrees to permit any sums due to Borrower under the Management Agreement to be paid directly to Borrower.
11. Governing Law. This Assignment shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.
12. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Security Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02. Notices to Agent shall be sent to the address of Borrower in said Section 9.02.
13. No Oral Change. This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.
14. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Assignment shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.
15. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

16. Headings, etc. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. Duplicate Originals; Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. Secondary Market. Lender may sell, transfer and deliver the Note and assign the Security Instrument, this Assignment and the Other Security Documents to one or more Investors (as defined in the Security Instrument) in the secondary mortgage market. In connection with such sale, Lender may retain or assign responsibility for servicing the Loan, including the Note, the Security Instrument, this Assignment and the Other Security Documents, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

20. Miscellaneous.

(a) Wherever pursuant to this Assignment (i) Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Assignment it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Lender, whether with respect to retained firms, the reimbursement for the expenses of in-house staff or otherwise.

IN WITNESS WHEREOF the undersigned have executed this Assignment as of the date and year first written above.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Witnessed or Acknowledged by:

Printed Name: _____

AGENT:

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: _____

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: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

- (a) this person is the attesting witness to the signing of this Agreement by Barry Lefkowitz, as Executive Vice President and Chief Financial Officer of Mack-Cali Realty Corporation, a Maryland corporation;
- (b) this Agreement was signed and delivered by Mack-Cali Realty Corporation, a Maryland corporation, as its voluntary act duly authorized, if applicable; and
- (c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____

My Commission Expires:

(NOTARY SEAL)

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI REALTY CORPORATION, a Maryland corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

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 **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each made by Borrower of even date herewith, in the aggregate original principal amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.
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 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 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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

W I T N E S S E T H:

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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) 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. 706 108 235 - 706 108 241, 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 \$13,000,000.00 (the "Mack-Cali Centre VII Loan") to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre VII (the "Mack-Cali Centre VII Property") and which Loan is known as Loan No. 706 108 240 and 706 108 270, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66); 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 Mack-Cali Centre VII 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “Mack-Cali Centre VII 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 “Mack-Cali Centre VII Mortgage”), encumbering the Mack-Cali Centre VII Property and securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Loan entered into with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Centre VII Property and the other Collateral (as defined in the Mack-Cali Centre VII Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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:

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

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

The address of Guarantor is:

Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

TRANSFER AND ASSIGNMENT OF MORTGAGES AND SECURITY AGREEMENTS AND LOAN DOCUMENTS

STATE OF NEW JERSEY

COUNTY OF BERGEN

FOR AND IN CONSIDERATION of the sum of Ten and No/Dollars (\$10.00) and other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation (hereinafter called "Assignor"), the "Mortgagee" in (a) that certain Mortgage and Security Agreement, made between Mack-Cali F Properties, L.P., formerly known as Mack F Properties, A New Jersey Limited Partnership ("Borrower"), as "Mortgagor", in favor of Assignor as "Mortgagee", dated as of April 30, 1998, recorded in Mortgage Book 9691, Page 245, in the Real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 678 (such original Assignment of Leases and Rents having been recorded in Mortgage Book 9691, Page 356), and (b) that certain Second Priority Mortgage and Security Agreement dated as of April 30, 1998 from Borrower, as "Mortgagor", in favor of Assignor as "Mortgagee", recorded in Mortgage Book 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 692 (collectively, the "Mortgage"), does hereby transfer, set-over, assign and convey the Mortgage, together with all of the rights, powers and privileges conferred by the Mortgage upon the Assignor as "Mortgagee", without recourse, to, collectively, jointly and severally, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270 ("Assignee") and does authorize the Assignee to exercise said rights, powers and privileges in as full a manner as the Assignor as "Mortgagee" is authorized to exercise the same.

TOGETHER WITH all of Assignor's right, title and interest in and to (a) the note described in said Mortgage and any and all other indebtedness secured thereby, (b) all monies due and to become due thereon with all interest thereon, (c) the property and other collateral conveyed and encumbered by the Mortgage, (d) all other documents evidencing or securing said note or other indebtedness secured by the Mortgage, including, but not limited to, any assignment of leases or rents executed in connection

therewith, and (e) all of the rights, powers and interests of the beneficiary under or by virtue of the Mortgage, said note or notes or any such other documents executed in connection therewith.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever.

This Transfer and Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, legal representatives and assigns.

IN WITNESS WHEREOF, the duly elected and authorized officer of the Assignor has hereunder set his hand and affixed the corporate seal, as of the date and year first above written.

Witnessed or Acknowledged by:

LENDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey Corporation

By: _____
Name: Melissa Farrell
Title: Vice President

(ATTACH ACKNOWLEDGMENT)

ACKNOWLEDGMENT

STATE OF NEW YORK

COUNTY OF NEW YORK

I CERTIFY that on January ____, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

- (a) this person is the attesting witness to the signing of this Agreement by Melissa Farrell, as Vice President of **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation;
- (b) this Agreement was signed and delivered by **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation, as its voluntary act duly authorized, if applicable; and
- (c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____

My Commission Expires:

(NOTARY SEAL)

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 **MACK-CALI CHESTNUT RIDGE L.L.C.**, a New Jersey limited liability company (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 Twelve Million Eight Hundred Thousand and No/100 Dollars (\$12,800,000.00) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Eleven Million Two Hundred Thousand and No/100 Dollars (\$11,200,000.00), each made by Borrower of even date herewith, in the aggregate original principal amount of Twenty Four Million and No/100 Dollars (\$24,000,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.

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 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 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: /s/ Barry Lefkowitz

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. 706 108 241 and 706 108 271

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. 706 108 241 and 706 108 271

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (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 Twenty Two Million Four Hundred Thousand and No/100 Dollars (\$22,400,000.00) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Nineteen Million Six Hundred Thousand and No/100 Dollars (\$19,600,000.00), each made by Borrower of even date herewith, in the aggregate original principal amount of Forty Two Million and No/100 Dollars (\$42,000,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.

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 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 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: /s/ Barry Lefkowitz

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: /s/ Barry Lefkowitz

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. 706 108 235 and 706 108 265

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. 706 108 235 and 706 108 265

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**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 Seven Million Four Hundred Sixty Eight Thousand and No/100 Dollars (\$7,468,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Four Million Seven Hundred Eighty Two Thousand and No/100 Dollars (\$4,782,000.00) and payable to the order of Lender (collectively, 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. 706 108 235 - 706 108 241, 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 \$12,250,000.00 (the “Mack-Cali Centre I Loan”) to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre I (the “Mack-Cali Centre I Property”) and which Loan is known as Loan No. 706 108 236 and 706 108 266, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66); 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 Mack-Cali Centre I 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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66) (collectively, the “Mack-Cali Centre I 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 “Mack-Cali Centre I Mortgage”), encumbering the Mack-Cali Centre I Property and securing the Mack-Cali Centre I 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 Mack-Cali Centre I Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre I 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 Mack-Cali Centre I Loan entered into with respect to the Mack-Cali Centre I 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 Mack-Cali Centre I 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 Mack-Cali Centre I 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 Mack-Cali Centre I 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 Mack-Cali Centre I 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 Mack-Cali Centre I 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 Mack-Cali Centre I 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 Mack-Cali Centre I Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Centre I Property and the other Collateral (as defined in the Mack-Cali Centre I Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre I 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 Mack-Cali Centre I 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:

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, 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 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

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**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 Twenty Three Million Three Hundred Sixteen Thousand and No/100 Dollars (\$23,316,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Two Million Two Hundred Eighty Four Thousand and No/100 Dollars (\$2,284,000.00) and payable to the order of Lender (collectively, 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. 706 108 235 - 706 108 241, 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 \$23,500,000.00 (the “Mack-Cali Centre II Loan”) to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre II (the “Mack-Cali Centre II Property”) and which Loan is known as Loan No. 706 108 237 and 706 108 267, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Twelve Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$12,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Nine Hundred Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$10,966,666.66); 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 Mack-Cali Centre II 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 Twelve Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$12,533,333.34) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Nine Hundred Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$10,966,666.66) (collectively, the “Mack-Cali Centre II 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 “Mack-Cali Centre II Mortgage”), encumbering the Mack-Cali Centre II Property and securing the Mack-Cali Centre II 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 Mack-Cali Centre II Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre II 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 Mack-Cali Centre II Loan entered into with respect to the Mack-Cali Centre II 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 Mack-Cali Centre II 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 Mack-Cali Centre II 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 Mack-Cali Centre II 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 Mack-Cali Centre II 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 Mack-Cali Centre II 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 Mack-Cali Centre II 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 Mack-Cali Centre II Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Centre II Property and the other Collateral (as defined in the Mack-Cali Centre II Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre II 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 Mack-Cali Centre II 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:

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, Inc.
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department; Reference Loan No. 706 108 237 and 706 108 267

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. 706 108 237 and 706 108 267

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**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 Fifteen Million Three Hundred Ninety Two Thousand and No/100 Dollars (\$15,392,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Seven Hundred Eight Thousand and No/100 Dollars (\$708,000.00) and payable to the order of Lender (collectively, 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. 706 108 235 - 706 108 241, 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 \$12,250,000.00 (the “Mack-Cali Centre III Loan”) to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre III (the “Mack-Cali Centre III Property”) and which Loan is known as Loan No. 706 108 238 and 706 108 268, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66); 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 Mack-Cali Centre III 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 Six Million Five Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,533,333.34) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Five Million Seven Hundred Sixteen Thousand Six Hundred Sixty Six and 66/100 Dollars (\$5,716,666.66) (collectively, the “Mack-Cali Centre III 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 “Mack-Cali Centre III Mortgage”), encumbering the Mack-Cali Centre III Property and securing the Mack-Cali Centre III 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 Mack-Cali Centre III Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre III 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 Mack-Cali Centre III Loan entered into with respect to the Mack-Cali Centre III 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 Mack-Cali Centre III 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 Mack-Cali Centre III 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 Mack-Cali Centre III 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 Mack-Cali Centre III 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 Mack-Cali Centre III 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 Mack-Cali Centre III 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 Mack-Cali Centre III Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Centre III Property and the other Collateral (as defined in the Mack-Cali Centre III Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre III 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 Mack-Cali Centre III 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:

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, Inc.
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department; Reference Loan No. 706 108 238 and 706 108 268

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. 706 108 238 and 706 108 268

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**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 Fifteen Million Seven Hundred Seventy Six Thousand and No/100 Dollars (\$15,776,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Five Million Twenty Four Thousand and No/100 Dollars (\$5,024,000.00) and payable to the order of Lender (collectively, 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. 706 108 235 - 706 108 241, 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 \$23,000,000.00 (the “Mack-Cali Centre IV Loan”) to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre IV (the “Mack-Cali Centre IV Property”) and which Loan is known as Loan No. 706 108 239 and 706 108 269, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Twelve Million Two Hundred Sixty Six Thousand Six Hundred Sixty Six and 64/100 Dollars (\$12,266,666.64) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Seven Hundred Thirty Three Thousand Three Hundred Thirty Three and 36/100 Dollars (\$10,733,333.36); 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 Mack-Cali Centre IV 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 Twelve Million Two Hundred Sixty Six Thousand Six Hundred Sixty Six and 64/100 Dollars (\$12,266,666.64) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Ten Million Seven Hundred Thirty Three Thousand Three Hundred Thirty Three and 36/100 Dollars (\$10,733,333.36) (collectively, the “Mack-Cali Centre IV 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 “Mack-Cali Centre IV Mortgage”), encumbering the Mack-Cali Centre IV Property and securing the Mack-Cali Centre IV 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 Mack-Cali Centre IV Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre IV 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 Mack-Cali Centre IV Loan entered into with respect to the Mack-Cali Centre IV 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 Mack-Cali Centre IV 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 Mack-Cali Centre IV 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 Mack-Cali Centre IV 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 Mack-Cali Centre IV 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 Mack-Cali Centre IV 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 Mack-Cali Centre IV 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 Mack-Cali Centre IV Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Centre IV Property and the other Collateral (as defined in the Mack-Cali Centre IV Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre IV 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 Mack-Cali Centre IV 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:

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, Inc.
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department; Reference Loan No. 706 108 239 and 706 108 269

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. 706 108 239 and 706 108 269

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,933,333.34

January 15, 2010

Loan No. 706 108 240

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Lender (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 \$6,066,666.66 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,066,666.66, 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 \$6,066,666.66.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION NINE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE AND 34/100 DOLLARS (\$6,933,333.34), 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 THIRTY SIX THOUSAND ONE HUNDRED ELEVEN AND 11/100 DOLLARS (\$36,111.11) 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 FORTY TWO THOUSAND SIX HUNDRED EIGHTY NINE AND 73/100 DOLLARS (\$42,689.73) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE

\$6,066,666.66

January 15, 2010

Loan No. 706 108 270

THIS AMENDED, RESTATED AND CONSOLIDATED PROMISSORY NOTE is made by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of The Prudential Insurance Company of America, a New Jersey corporation ("Prudential") (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 \$6,933,333.34 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 \$7,600,000.00 under the loan now evidenced by this Note and under the loan now evidenced by the Companion Note in the amount of \$6,933,333.34, 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00), 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 SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 \$6,933,333.34.

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. 706 108 240 and 706 108 270, the principal sum of SIX MILLION SIXTY SIX THOUSAND SIX HUNDRED SIXTY SIX AND 66/100 DOLLARS (\$6,066,666.66), 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 THIRTY ONE THOUSAND FIVE HUNDRED NINETY SEVEN AND 22/100 DOLLARS (\$31,597.22) 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 THIRTY SEVEN THOUSAND THREE HUNDRED FIFTY THREE AND 51/100 DOLLARS (\$37,353.51) 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.

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-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

PREPARED BY:

Albert E. Bender, Jr.

MACK-CALIF PROPERTIES, L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, as mortgagor
(Borrower)

to

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

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT

Dated: As of January 15, 2010

Location: Mack-Cali Centre VII, Bergen County, New Jersey

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. 706 108 240 and 706 108 270

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ATTACHMENTS:

- Exhibit A** - Legal Description of Land
Exhibit B - Description of Personal Property
Exhibit C - Permitted Encumbrances
Exhibit D - List of Major Tenants

DEFINITIONS

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

Action	Section 9.04
Additional Funds	Section 3.07 (c)
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Costs	Section 4.01
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Revenue Code	Section 2.05
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Securities	Section 9.06
Security Agreement	Section 7.01
Taking	Section 3.08 (a)
Tenant	Recitals, Section 2 (A) (vi)
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 F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said 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. 706 108 240 and 706 108 270, as mortgagee (collectively, “**Lender**”).

WITNESSETH:

WHEREAS, Borrower is the owner of certain property lying and being in Bergen County, New Jersey, and being more particularly described on **Exhibit A** attached hereto (the “Property”) and known as Mack-Cali Centre VII; 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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) and payable to the order of Prudential (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 9691, Page 245, in the real estate records of Bergen County, New Jersey, 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 1014, Page 678 (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 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 1014, Page 692, which Cross-Collateral Mortgage is incorporated herein by this reference; and

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 refinance 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00); the Amended Note constitutes a modification, extension and renewal of the Existing Note which reflects the reduction of the amount of the indebtedness to Borrower by the principal amount of \$7,600,000.00, which amount reflects a reallocation of the loan amounts from the Existing Loan to Borrower to certain of the other six (6) cross-collateralized and cross-defaulted loans governed by the Existing Loan Agreement and represents a repayment by Borrower to effect such reduction, but a corresponding increase in the liability of Borrower under the Cross-Collateral Mortgage, as amended and restated of even date herewith; 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 Ten and No/100 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), 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 THIRTEEN MILLION AND NO/100 DOLLARS (\$13,000,000.00).

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 Bergen County, New Jersey 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 seised 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 New Jersey 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 further represents and warrants to Lender that Borrower is a disregarded entity as defined in Section 1.1445-2(b)(2) (iii) of the Income Tax Regulations issued under the Internal Revenue Code, and that Borrower has disclosed to Lender all information regarding the owner of Borrower required under 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 (i) Borrower's only asset is the Property, and (ii) the Property generates substantially all of the gross income of Borrower and there is no substantial business being conducted by Borrower other than the business of owning and operating the Property and the activities incidental thereto.

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 \$130,000.00 (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 (1/12th) 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 for 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 F Properties, L.P.
c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attention: Mitchell E. Hersh

And To:
Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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(l). 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(l) 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 F PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Exhibit A

LEGAL DESCRIPTION OF LAND

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

All of Borrower's right, title and interest in, to and under the following:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "**Land**") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "**Improvements**") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

BORROWER IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT B IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

Exhibit C

PERMITTED ENCUMBRANCES

Those items set forth in Schedule B, Section 2, of that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan evidenced by the Note and the recording of this Instrument.

Exhibit D

LIST OF MAJOR TENANTS

- I. Any Tenant whose premises are larger than 50,000 rentable square feet; and
- II. The following Tenants, their successors, assigns and replacements: New Cingular Wireless PCS, LLC.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

AMENDED AND RESTATED ASSIGNMENT OF LEASES AND RENTS

This Amended and Restated Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (“**Instrument**”) dated as of the date of this Assignment (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and

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.

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the "Cross-Collateral Guaranty"); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

(a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:

- (1) amend or modify any Major Tenant Lease;
- (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
- (3) terminate or accept the surrender of any Major Tenant Lease;
- (4) enter into any new Major Tenant Lease; or
- (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.

(b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:

- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
- (2) terminate any Lease which is in default; or
- (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and
- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

(c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

(d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8. Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. 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.

12. Amended and Restated Assignment. This Assignment is made and granted in favor of Lender in amendment, renewal and replacement of that certain Assignment of Leases and Rents (the "Existing Assignment") dated April 30, 1998 from Mack F Properties to The Prudential Insurance Company of America, recorded in Mortgage Book 9691, Page 356, in the real estate records of Bergen County, New Jersey, covering the leases and rents of 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 Lender, recorded in Mortgage Release Book 1014, Page 678. The Existing Assignment has been assigned by The Prudential Insurance Company of America to The Prudential Insurance Company of America and VPCM, LLC, and is hereby amended, replaced and restated in its entirety by this Assignment.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

**SECOND PRIORITY ASSIGNMENT OF LEASES AND RENTS
(Subordinate Assignment to Secure Cross Collateral Guaranty)**

This Second Priority Assignment of Leases and Rents (this “**Assignment**”) is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership, having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**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. 706 108 240 and 706 108 270 (collectively, “**Lender**”).

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein (“**Property**”) and (b) the landlord’s interest under the Leases, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“**Specific Leases**”);

B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “**Note**”) dated as of the date of this Assignment and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Assignment and the Documents; and

C. 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 Irrevocable Cross-Collateral Guaranty of Payment and Performance of even date herewith made by Borrower in favor of Lender (the “**Cross-Collateral Guaranty**”), which Cross-Collateral Guaranty is secured by that certain Amended, Restated and Consolidated Second Priority Mortgage and Security Agreement (Subordinate Mortgage to Secure Cross Collateral Guaranty) (the “**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument); and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

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

1. Assignment. Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Termination Fee (as defined in the Note); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases ("Lease Provisions"). This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. Borrower's License. Until an Event of Default occurs, Borrower shall have a revocable license ("**License**") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and, in such event, so long as there is then 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), Lender shall advise Borrower of such filing promptly after making such filing, and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents, provided, however, that so long as there is then 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, then such monies shall be held by 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 as the space is re-let. If a petition is filed under the Bankruptcy Code by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4 . Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a “**Rent Direction Letter**”), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of Lender’s willful misconduct or gross negligence. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and complete control of all operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender’s request, be reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6 . Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the lessor’s or landlord’s interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person (other than the respective Tenants) has any right, title or interest therein, (c) except as disclosed to Lender in writing, the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) except as disclosed to Lender in writing, there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the “**Rent Roll**”), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all respects.

7. Leasing Restrictions.

- (a) With respect to any Lease with a Major Tenant (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent:
- (1) amend or modify any Major Tenant Lease;
 - (2) extend or renew (except in accordance with mandatory actions by the lessor under the existing Major Tenant Lease provisions, if any, including the exercise by either Prentice Hall or New Cingular Wireless of the renewal options set for in their respective leases that require mandatory actions by the lessor) any Major Tenant Lease;
 - (3) terminate or accept the surrender of any Major Tenant Lease;
 - (4) enter into any new Major Tenant Lease; or
 - (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee, or (iii) similar payment.
- (b) With respect to any Lease that is not a Major Tenant Lease, Borrower may:
- (1) enter into a new Lease on Borrower's standard form lease as approved by Lender (if such new Lease does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);
 - (2) terminate any Lease which is in default; or
 - (3) amend any Lease (if such amendment does not give the tenant any rights, whether in the form of expansion rights, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such tenant any purchase rights with respect to any portion of the Property);

provided, however, that all decisions made by and all actions taken by Borrower pursuant to Subsection 7(b)(1), (2) and (3) above:

- (x) must represent prudent business practices for the benefit of the Property;
- (y) must be on market terms and rents (based on the type, quality and location of the Property); and

- (z) must be bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower, any Recourse Party or any of their affiliates.

Without the prior written consent of Lender, all free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no increase in the landlord's obligations to pay operating expenses, taxes or insurance or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Without the prior written consent of Lender, any allowance for tenant improvements shall only be given at the beginning of the term of the Lease. Notwithstanding the foregoing, if, and only to the extent that, market terms and rents (based on the type, quality and location of the Property) for a Lease include any of the foregoing concessions that are set forth in the preceding two sentences, then, provided that at the time of entry into such Lease (and after giving effect to such Lease), the Debt Service Coverage, calculated with respect to all of Properties secured by the Loan referenced in the Loan Agreement shall be equal to or greater than 1.50 to 1.00 and provided that Borrower provides written notice to Lender advising Lender of the deviation from the foregoing standard (such notice to be delivered within a reasonable period after execution of such Lease, but no later than the next succeeding required delivery of a rent roll under the Documents), then, with respect to Leases to parties other than Major Tenants, Borrower may incorporate such market terms into such Leases.

- (c) Upon Lender's request and at Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

- (d) Each request by Borrower for approval of any Lease, or any modification or amendment of any Lease, shall be made by written notice to Lender in such fashion as Lender may require to ensure prompt attention to such request and shall include:

- (w) a copy of the applicable Lease or Lease amendment and all related documents such as (but not limited to) work letters, floor layouts and lease guaranties;
- (x) a lease summary in the form then used by Borrower's management agent, setting forth the basic terms of such Lease;
- (y) a marked copy of the Lease or Lease amendment highlighting all changes from the standard form lease for the Property (if applicable, if the lease is on the Borrower's form); and
- (z) three (3) years of historical operating statements (except that if and to the extent that such tenant has less than 3 years of operations, such requirement shall be limited to the years of such operations) and the most recent balance sheet of the proposed tenant and any guarantor;

and such other information regarding the Lessee and any guarantor thereunder and its operations as Lender shall reasonably require (such notice and all such documentation with respect to any proposed Lease or Lease amendment being referred to collectively as a "Lease Approval Request"). Failure of Lender to have either approved or disapproved any proposed Lease, or any proposed modification or amendment of any Lease, within ten (10) business days after Lender shall have received the complete applicable Lease Approval Request therefor shall be deemed an approval by Lender of such Lease or Lease amendment (but no such deemed approval shall obligate Lender to execute any non-disturbance agreement). In addition, any Lease Approval Request must, to be entitled to deemed approval by Lender in accordance with the preceding sentence, be delivered not only in accordance with the notice requirements of the Instrument, but must include a cover sheet on top of the documents therein delivered which shall state in all capital letters and 15 point bold font, the following:

**Lease Approval Request under Loan No. 706 108 240 and 706 108 270;
response due within ten (10) business days.**

8. Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; (g) lease any portion of the Property to any party or entity that uses dry cleaning solvents on the Property, or (h) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Lease with a Major Tenant it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.

11. **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, Borrower has duly executed this Assignment as of the date first above written.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

EXHIBIT A

(Legal Description of the Property)

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Paramus, County of Bergen and State of New Jersey being more particularly described as follows:

BEGINNING at a point on the northerly line of East Midland Avenue (16.5 feet off centerline) said point being distant westerly the following courses and distances, measured along said northerly line from its intersection with the westerly line of From Road (50.00 foot R.O.W.) and running; thence

1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
3. North 53° 17' 55" West, 46.28 feet; thence
4. South 37° 40' 25" West, 13.50 feet to a point in the northerly line of East Midland Avenue (16.50 feet off centerline); thence
5. North 53° 17' 55" West, 249.92 feet to the point of BEGINNING; thence
6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
9. along a curve to the right having a radius of 190.00 feet an arc length of 130.08 feet to a point of tangency in the easterly line of New Jersey State Highway Route 17; thence
10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
14. South 37° 40' 25" West, 460.305 feet; thence
15. South 52° 19' 35" East, 345.00 feet; thence
16. North 37° 40' 25" East, 30.00 feet; thence
17. South 52° 19' 35" East, 366.00 feet to a point in the northwesterly line of Lot 4, Block 5304, lands now or formerly of Midland Ave. Realty, LLC; thence
18. along said northwesterly line, and along the northwesterly line of Lot 5, Block 5304, lands now or formerly of Midland Ave. Realty, LLC, and the U.S. Postal Service, South 37° 40' 25" West, 578.00 feet to the point or place of Beginning.

Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

Exhibit B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants: New Cingular Wireless PCS, LLC, and all other leases of the Property as set forth on the rent roll delivered by Borrower to Lender in connection herewith.

INSERTS TO BE TYPED ON THE FACE OF:

UCC FINANCING STATEMENT BETWEEN

MACK-CALI F PROPERTIES, L.P. (DEBTOR ID NO.: 0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

1. The mailing address of Debtor is:

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

2. The mailing address of Secured Party 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. 706 108 240 and 706 108 270

3. This Financing Statement covers the following types or items of property:

The collateral, which relates to the real property described on Exhibit A attached hereto and by this reference made a part hereof, includes fixtures, chattel paper, accounts, general intangibles, goods, equipment, inventory, documents, instruments, and all of the proceeds of the foregoing as more particularly described on Exhibit B attached hereto and by this reference made a part hereof.

4. **FIXTURE FILINGS ONLY:**

THIS FINANCING STATEMENT IS FILED AS A FIXTURE FILING.

THE RECORD OWNER OF THE REAL PROPERTY IS:

Mack-Cali F Properties, L.P.

The Real Property is described on Exhibit A attached hereto and by this reference made a part hereof.

EXHIBIT A

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

(Legal Description of the Property)

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1. along the northerly line of East Midland Avenue (30 feet off centerline) North 85° 52' 45" West, 421.71 feet to a point of curve; thence
2. along a curve to the right having a radius of 185.00 feet an arc length of 105.20 feet to a point of tangency; thence
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6. still along said line of East Midland Avenue, North 53° 17' 55" West, 577.95 feet; thence
7. North 36° 42' 05" East, 8.50 feet; thence
8. North 53° 17' 55" West, 6.25 feet to a point of curve; thence
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10. along said easterly line, North 14° 04' 18" West, 18.41 feet to a point of curve; thence
11. still along said easterly line, along a curve to the right having a radius of 3422.87 feet an arc length of 37.57 feet to a monument at the intersection of said easterly line with the southeasterly line of Lot 1, Block 5303, now or formerly Roller Skating Arena, Inc.; thence
12. along said southeasterly line, and along the southeasterly line of Lots 1 and 2, Block 5303, lands now or formerly of FLW 17 Associates., North 22° 59' 12" East, 787.61 feet; thence
13. along the southerly line of Lot 4, Block 5303, lands now or formerly of Paramus Park, Inc., et als, South 88° 15' 48" East, 293.50 feet; thence along the division line between Lots 6 and 3, as shown on the aforesaid Minor Subdivision Map filed as Map No. 5552, the following four courses and distances
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Subject to and together with a Reciprocal Easement Agreement recorded in Deed Book 7066, page 726; and together with and subject to a 50 foot right of way as contained in Deed Book 6890, page 460.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 6 in Block 5303 on the Borough of Paramus Tax Map.

The above description is drawn in accordance with a survey made by Dresdner Robin, Hanson Engineering Division, dated November 28, 2009.

THE RECORD OWNER OF THE REAL PROPERTY IS:

Mack-Cali F Properties, L.P., f/k/a Mack F Properties

EXHIBIT B

TO UCC FINANCING STATEMENT BETWEEN
MACK-CALIF PROPERTIES, L.P., F/K/A MACK F PROPERTIES (DEBTOR ID NO.:0600003463), AS DEBTOR, AND
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA AND VPCM, LLC, AS SECURED PARTY

The following described land, interests in land, estates, easements, rights, appurtenances, buildings, improvements, fixtures, furniture and appliances and other personal property (hereinafter all of the foregoing are sometimes collectively referred to as the "Premises"; as used herein, the term "Borrower" shall mean "Debtor" and the term "Lender" shall mean "Secured Party", and any other terms not herein defined shall have the definitions set forth in that certain Amended, Restated and Consolidated Mortgage and Security Agreement from Debtor to or for the benefit of Secured Party conveying the Premises):

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Borrower, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable solely in connection with the real property described in Exhibit A attached hereto and incorporated herein (the "Land") or used solely or primarily in connection with the Properties (as defined in the Loan Agreement), and all improvements located thereon (the "Improvements") or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Borrower in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Borrower in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto, but excluding ownership of the trademarks of Mack-Cali Realty Corporation and excluding ownership of the name "Mack-Cali", the name "Mack" and the name "Cali", but including the right to continue the use of the name "Mack-Cali" in the name "Mack-Cali Centre VII" for not more than nine (9) months after completion of a foreclosure of the entire collateral or a deed in lieu thereof, and provided further that in the event that Borrower believes that Lender has breached the foregoing condition, Borrower shall deliver written notice to Lender specifying the nature of such breach and Lender shall thereafter have 60 days in which to cure such alleged breach.
5. All right, title, and interest of Borrower in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.

6. All interests, estates, or other claims or demands, in law and in equity, which Borrower now has or may hereafter acquire in the Land, the Improvements, or the personal property described in this Exhibit B.

7. All right, title, and interest owned by Borrower in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.

8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Borrower now has or may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Borrower in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Borrower's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, 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 Land and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THE DEBTOR IS THE RECORD TITLE HOLDER AND OWNER OF THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

THIS FINANCING STATEMENT IS TO BE INDEXED IN THE REAL ESTATE RECORDS OF BERGEN COUNTY, NEW JERSEY

ALL TERMS USED IN THIS EXHIBIT B (AND NOT OTHERWISE DEFINED IN THIS EXHIBIT B) SHALL HAVE THE MEANING, IF ANY, ASCRIBED TO SUCH TERM UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED AND IN FORCE IN THE JURISDICTION IN WHICH THIS FINANCING STATEMENT HAS BEEN FILED/ RECORDED (THE "U.C.C.").

WITH RESPECT TO ANY FINANCING STATEMENT TO WHICH THIS EXHIBIT IS ATTACHED, THE TERM "BORROWER" SHALL MEAN "DEBTOR" AS SUCH TERM IS DEFINED IN THE CODE.

CLOSING CERTIFICATION

MACK-CALI F PROPERTIES, L.P., a New Jersey limited partnership ("**Borrower**") does hereby represent, warrant and certify to **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("**Prudential**"), and **VPCM, LLC**, a Virginia limited liability company ("**VPCM**") (collectively, "**Lender**"), its successors and assigns, in consideration of the making of that certain loan (the "**Loan**") from Lender to Borrower, as evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the "**Note**") of even date herewith in the aggregate face principal amount of \$13,000,000.00 and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement (the "**Instrument**") from Borrower of even date herewith securing the Loan with respect to real property known as Mack-Cali Centre VII, located in Bergen County, New Jersey, and covenants and agrees with Lender, as follows:

1. Borrower is the owner of the land (the "**Land**") described on Exhibit A attached to the Instrument, which description is incorporated herein by this reference, together with all Improvements (as hereinafter defined), fixtures, easements and appurtenances related thereto and all equipment, appliances and other personal property located thereon or related thereto, which personal property is more particularly described on Exhibit B thereto and incorporated herein by this reference (hereinafter all said items are collectively referred to as the "**Related Property**"). No security interest under the Uniform Commercial Code ("**UCC**") has been perfected against the Related Property other than those in favor of Lender.
 2. The improvements and buildings (together, the "**Improvements**") constructed on the Land and the Property (as defined in the Instrument), and the proposed and actual use and occupancy thereof, are in material compliance with and do not violate any applicable laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations or other requirements of any Governmental Authority (as hereinafter defined) having jurisdiction over the Property and Improvements (including, but not limited to, environmental laws and regulations, except as disclosed in the Environmental Report (as defined in the Security Instrument)), or any restrictive covenants, or building, fire, subdivision or zoning regulations (hereinafter all said items are collectively referred to as "**Rules and Regulations**"). The term "**Governmental Authority**" shall mean all federal, state, county, municipal and other governments and all agencies, authorities, departments, subdivisions, courts, commissions, boards, bureaus or instrumentalities of any of them having jurisdiction over the Security (as hereinafter defined). The Improvements and their use and occupancy shall at all times be in compliance with all Rules and Regulations. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Report, Borrower has not received notice of any violation of any Rules and Regulations. There is no action or proceeding pending before any court, quasi-judicial body or administrative agency relating to the title of or to the Property or Improvements or to the proposed or actual use of the Property and Improvements or the occupancy thereof or relating to the validity of the Loan from Lender to Borrower.
 3. Borrower has full authority to borrow the Loan, to perform the Obligations (as defined in the Instrument), and to convey the Property, the Improvements and the other Related Property (the Property, Improvements and the other Related Property are hereinafter referred to collectively as the "**Security**") as security therefor. In connection therewith, Borrower has done nothing to impair or impede its ability to borrow the Loan and/or convey the Security as aforesaid. The person or persons signing on behalf of Borrower have full power and authority to bind Borrower and have full legal capacity to sign all documents which will evidence, secure or otherwise be executed on behalf of Borrower in connection with the Loan (the "**Loan Documents**").
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4. The rent roll attached hereto as **Exhibit A** and by this reference incorporated herein is true and complete as of the date hereof. True and complete copies of all leases listed on the rent roll and all amendments thereto have been provided to Lender, and all leasing commissions have been paid in full. No tenant, sub-tenant or occupant, if any, of the rental space in the Improvements has any option to purchase, or any right, title or interest in or to the Property and/or Improvements, except as tenant under and by virtue of the provisions of its lease. Each such lease is in full force and effect in accordance with the terms thereof, with no rental offsets, defenses or claims. There exist no events of default under any such lease.
5. None of the Improvements or other Related Property owned by Borrower and described on Exhibit B attached to the Instrument and by this reference incorporated herein which are a portion of the Security (excluding equipment identified to Lender as having been leased by Borrower) was purchased under any conditional sales agreement, title retention agreement, or by deferred payment secured by chattel mortgage, security agreement or otherwise, or by any other transaction where the beneficial interest therein shall be held by any other person or entity other than Borrower, all such fixtures, equipment, machinery, appliances or other items of personal property being owned by Borrower and being fully paid for.
6. No notice of any mechanics' or materialmen's lien or of any claim or right to any such lien has been received, or to Borrower's best knowledge asserted and/or threatened against Borrower or the Security in connection with the Property and/or Improvements. All mechanics, laborers, materialmen, engineers, architects and surveyors who have worked on or provided services in connection with the Security or have furnished materials therefor have been paid in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein. With respect to unfiled liens, no improvements or repairs have been made to the Property and/or Improvements by or at the request of Borrower during the one hundred thirty (130) days immediately preceding the date hereof, and there are no outstanding bills for labor or materials used in making improvements or repairs on the Property and/or Improvements or for services of architects, surveyors, engineers or others having lien rights; or if any such work, improvements or repairs have been made or if any such services have been provided within the last one hundred (100) days, the work, improvements, repairs and services are complete and have been paid for in full, except as may be set forth on **Exhibit B** attached hereto and by this reference incorporated herein.
7. Borrower has no knowledge of and has received no notice of the institution, or the proposed institution, of any condemnation proceedings against the Property and/or Improvements, and/or any portion thereof or interest or estate therein.
8. Borrower has full and unqualified right and authority to convey and encumber the Security pursuant to and in accordance with the Instrument. The Instrument, after execution, acknowledgment, delivery and recordation, will constitute a first priority Amended, Restated and Consolidated Mortgage and Security Agreement on, and security interest in, the Security.
9. Borrower has no offsets, defenses or counterclaims against or with respect to either the Note or the Instrument or with respect to the enforceability thereof by Lender.

10. Since the date of the First Mortgage Loan Application No. 706 108 240 and 706 108 270, dated January 13, 2010 (the “**Application**”), made by Borrower, (a) the Property and Improvements have not suffered any material damage or destruction, (b) no other material adverse change has taken place in or on the Security or in Borrower’s business or financial condition including, without limitation, Borrower’s default on any other obligation Borrower may have to Lender unrelated to this Loan, (c) the representations made in the Application which resulted in the Commitment (as hereinafter defined), including, but not limited to, representations regarding the type of development, income and expenses of the Property and Improvements and occupancy leases, are, as of the date hereof, as represented in the Application, without material change, except such changes that have been acknowledged and approved in writing by Lender, and (d) there has not been filed by or against Borrower, any petition in bankruptcy or any petition or answer seeking assignment for the benefit of creditors, the appointment of a receiver, trustee or liquidator with respect to Borrower or any substantial portion of Borrower’s property, or any reorganization, arrangement, liquidation, winding up or dissolution or similar relief under the Federal Bankruptcy laws or any State law.
11. Except as otherwise agreed by Lender, Borrower has complied with all terms, covenants and conditions of the Loan Commitment No. 706 108 240 and 706 108 270 (the “**Commitment**”) dated January 13, 2010 and of the Application.
12. All installments of special taxes or assessments, service charges, water and sewer charges, private maintenance charges, and other prior lien charges by whatever name called and all installments of general real estate taxes, which are now due and payable, have been paid in full on or before the date hereof.
13. Borrower has paid in full any loan commission due and payable in connection with the Application for, issuance of the Commitment regarding closing of, and the disbursement of, the Loan.
14. 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, 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 similar list issued by or any other department or agency of the United States of America provided, however, that 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.
15. All warranties and representations made in the Instrument or in any other Loan Document are true and do not omit to state any facts necessary to prevent the same from being misleading as of the date hereof.
16. The zoning classification of the Security, as modified or supplemented by all applicable variances, conditions, special use permits, site plans and other matters, permits the use of the Security as intended.
17. All permits, licenses, certificates and approvals required for the development, construction and use of the Security have been validly issued by the appropriate Governmental Authority and are in full force and in effect, including, without limitation, building permits, certificates of occupancy, curb-cut permits, permits relating to the use of utilities and permits under any environmental laws.

18. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, the Property and Improvements as built comply with all applicable Laws (hereinafter defined), including, without limitation, zoning, building, fire, subdivision and environmental Laws. The term "**Laws**" shall mean all laws, statutes, codes, acts, ordinances, constitutions, judgments, decrees, injunctions, orders, rules, regulations and other requirements of Governmental Authorities.
19. All facilities for the provision of utilities services for the Security (water, sanitary sewer, electricity, telephone, natural gas, cable TV, etc.) are complete, connected to the Security through dedicated public lines or valid private easements, and in service. The capacities are adequate for the reasonable needs of the Security.
20. The Security has access to dedicated public streets and has all necessary curb-cut permits.
21. The detention and other facilities for the control of surface water at the Security are adequate and in compliance with all applicable Laws. No easements over the lands of others are required for drainage or discharge of surface water.
22. The Property and Improvements are either (i) in compliance with the provisions of the Fair Housing Amendments Act of 1988, as amended, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in effect as of the date hereof (collectively, the "**FHA Act**"), or (ii) exempt from the FHA Act.
23. The Security is in compliance with the provisions of the Americans with Disabilities Act of 1990, and any amendments in effect as of the date hereof, which relate to accessibility design and construction requirements, and all rules, regulations, and guidelines issued thereunder, all as are in force as of the date hereof.
24. To the best of the knowledge and belief of Borrower and except as disclosed in the Environmental Reports, there are no wetlands (as such term is defined in the Code of Federal Regulations or the Federal Manual for Identifying and Delineating Jurisdictional Wetlands) located on the Property, and no portion of the Property is subject to the jurisdiction of the United States Environmental Protection Agency, the United States Corps of Engineers or any other federal, or state or local agency having jurisdiction of wetlands.
25. Borrower is validly formed and existing under the laws of the state of its organization and is in good standing in the state of its organization and the state in which the Property is located. There is no proceeding is pending for Borrower's dissolution.
26. Copies of the organizational and authority documents relating to Borrower, and the constituent members or partners of Borrower who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, and the constituent members or partners thereof who are signing the Loan Documents or whose consent is required for Borrower to duly and validly enter into the Loan and execute, deliver and perform the Loan Documents, have been delivered to Lender as of the date hereof and are attached to those certain Certificates Regarding Partnership Agreement and Partnership Authority, Certificates Regarding Corporate Status, Corporate Authority And Incumbency and/or Certificates Regarding Limited Liability Company Status and Authority, as applicable, delivered in connection with the Loan. Such copies are true and complete, and the documents copied have not been modified or amended except as expressly indicated in such deliveries.

27. There are no brokers or other persons under any listing agreement or other agreement with Borrower for the management, sale or lease of all or any portion of the Security which would entitle such broker or other person to a lien or claim of lien, except as set forth in the leases provided to Lender.
28. This Closing Certification is made to induce Lender to make a loan to Borrower in the amount of \$13,000,000.00 secured by the Security. Borrower hereby represents, warrants and certifies that the statements contained herein are true, correct, complete and without material omission.
29. All warranties and representations herein are made for the purpose of inducing Lender to make the Loan and shall survive the closing of the Loan and shall inure to the benefit of Lender, its successors and assigns. Borrower is fully aware that Lender is relying on this Closing Certification in making the Loan and hereby agrees to indemnify and hold Lender harmless against any claims, losses or expenses that Lender suffers or incurs, including, but not limited to, reasonable attorneys' fees, as a result of any inaccuracy in the representations and statements herein made.

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has duly executed this Closing Certification under seal, as of January 15, 2010.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

EXHIBIT A
RENT ROLL

EXHIBIT B
INCOMPLETE WORK

None

EXHIBIT C

TITLE MATTERS

None, other than as set forth in that certain Commitment for Title Insurance issued by First American Title Insurance Company, Commitment No. TS-19605F-FA, as endorsed and marked (or issued as a “pro forma” policy) in connection with the making of the Loan

AFFIDAVIT OF TITLE

The undersigned deponent, Barry Lefkowitz (the "Deponent"), having personally appeared before the undersigned notary public and first having been duly sworn according to law, deposes and says under oath as follows:

1. Deponent is presently the Executive Vice President and Chief Financial Officer of MACK-CALI SUB I, INC., a Delaware corporation, General Partner, which is the sole member of **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (the "Owner"), and in such capacity, the Deponent has personal knowledge of the facts sworn to in this Affidavit and such facts are true and correct in all material respects.
2. To Deponent's knowledge, based on First American Title Insurance Company, Commitment No. TS-19605F-FA (the "Title Commitment") and similar title reports to Owner, the Owner is the owner of a fee estate in certain real estate, a description of which is set forth in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement with respect to the property known as Mack-Cali Centre VII and made a part hereof by this reference (the "Mortgage"), together with all fixtures, improvements, easements and appurtenances related thereto, and all equipment, appliances and other personal property located thereon or related thereto (the "Property"), but excluding all personal property and fixtures owned by any tenant of the Property, or owned by any service contract party or vendor, or leased by Owner.
3. To Deponent's knowledge, the Owner is in open, exclusive, notorious, continuous, adverse and peaceable possession of the Property, and has been continuously since the date of its acquisition of the Property, and there are no leases, tenancies, parties in possession, rights of occupancy of any kind or licenses affecting the Property except as set forth on the rent roll attached as Exhibit A to that certain Closing Certification of even date, executed by Owner, and by this reference made a part hereof; and except for any such leases, parties in possession, rights of occupancy, tenancies or licenses, Deponent knows of no one claiming any adverse interest in the Property whatsoever, except as may be set forth in the Title Commitment.
4. To the best knowledge of Deponent, title to the Property has never been disputed, questioned or rejected and title insurance thereon has never been refused.
5. No proceeding is pending for the dissolution or annulment of Owner..
6. To the best knowledge of Deponent, there are no disputes concerning the location of the Property lines and corners.
7. To Deponent's knowledge, there are no pending or existing suits, lis pendens, judgments, bankruptcies, executions, liens for past due taxes, assessments, encumbrances, easements, deeds to secure debt, deeds of trust, mortgages, security interests, UCC financing statements, other liens securing monetary obligations of any kind, or other title exceptions or matters that could in any way affect the title to the Property or constitute a lien thereon, except as may be set forth in the Title Commitment, with respect to any that appear in the public records of the state or county in which the Property is located (to Deponent's knowledge, there are none other), and the Owner is not surety on the bond of any county official or any other bond that through default of the principal thereon a lien would be created superior to any conveyance executed by the Owner.

8. To Deponent's knowledge, with respect to unfilled liens, no work, improvements or repairs have been made to the Property by or on behalf of or at the request of the Owner during the one hundred twenty three (123) days immediately preceding the date hereof (or such longer period as is permitted prior to the filing of a lien or notice of lien), or, if any work, improvements or repairs have been made by or at the instance of the Owner, all bills incurred for labor, services and materials used in making improvements or repairs on the Property or for the services of architects, surveyors or engineers with respect thereto are being paid in the ordinary course of business.

9. Deponent understands that Section 1445 of the United States Internal Revenue Code of 1986 (as amended, the "Revenue Code"), provides that a transferee of a United States real property interest must withhold tax if the transferor is a "foreign person" (as defined in the Revenue Code"). For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the hereinbelow described lender (the "Transferee") that withholding of tax is not required upon the disposition of a United States real property interest by the Owner and to inform the Transferee, the Internal Revenue Service and the party completing the informational return of the items required to be reported, Deponent hereby certifies the following:

- (a) The Owner is not a "non-resident alien" for purposes of United States income taxation or otherwise a "foreign person," as defined in Section 1445 of the Revenue Code, or a "foreign corporation", "foreign partnership", "foreign trust" or "foreign estate", as those terms are defined in the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").
- (b) The Owner 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.
- (c) The Owner's United States taxpayer identification number is 22-3558003.
- (d) The address (and, if different, the mailing address) of the Owner is c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837.
- (e) Deponent is making this Affidavit pursuant to the provisions of Section 1445 of the Revenue Code in connection with the conveyance of the Property, attached hereto and incorporated herein by reference, by the Owner to Transferee, which conveyance constitutes the disposition of the Owner of the United States real property interest, for the purposes of establishing that Transferee is not required to withhold tax pursuant to Section 1445 of the Revenue Code in connection with such disposition.
- (f) Deponent acknowledges that this Affidavit may be disclosed to the Internal Revenue Service by Transferee, that this Affidavit is made under penalty of perjury, and that any false statement made herein could be punished by fine, imprisonment or both.

10. This Affidavit is made to induce The Prudential Insurance Company of America and VPCM, LLC ("Lender") to make a loan to the Owner in the amount of \$13,000,000.00 (the "Loan") secured by the Property; and to induce the title insurance company to issue its mortgagee's policy insuring Lender for said loan amount. Owner guarantees and warrants the statements of fact herein, which shall be construed as a continual contractual obligation in favor of Lender and said title insurance company.

11. That in consideration of the issuance of said title insurance policy and the making of said loan by Lender as aforesaid, Owner shall indemnify and hold harmless Lender and said title insurance company against all claims, losses or expenses (including reasonable attorneys' fees) on account of any inaccuracy in the foregoing representations and statements made herein, including expense of enforcing this agreement.

12. Under penalty of perjury, Deponent declares that Deponent has examined the foregoing Affidavit and hereby certifies that it is true, correct and complete and Deponent further declares that Deponent has the authority to make this Affidavit and the certifications contained herein on behalf of the Owner.

Dated as of January 15, 2010.

Sworn to and subscribed before me this the ____ day of January, 2010.

Notary Public

(NOTARY SEAL)

My Commission Expires:

_____(SEAL)
Name: Barry Lefkowitz

JOINDER

Owner has executed this Joinder to the foregoing Affidavit of Title to certify as to the accuracy of the statements set forth above concerning Owner and to evidence its agreement to be bound by the obligations imposed on Owner pursuant to this Affidavit of Title, and hereby agrees to indemnify and hold harmless Lender and said title insurance company for all loss or damage arising out of any reliance upon the statements made in this Affidavit of Title.

IN WITNESS WHEREOF, Owner, intending to be legally bound hereby, has caused this Affidavit of Title to be duly executed under seal, as of January 15, 2010.

OWNER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT

THIS ENVIRONMENTAL AND ERISA INDEMNITY AGREEMENT (this “**Agreement**”) is made as of January 15, 2010 by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership, having its principal office and place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 (“**Borrower**”), and **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**Principal**”) (Borrower and Principal, individually and collectively, as the context requires, shall be referred to as “**Indemnitor**”), 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**”).

RECITALS:

- A. Borrower is the sole owner of the premises described in Exhibit A attached to the Security Instrument (as hereinafter defined) and incorporated herein by reference thereto (“**Property**”);
- B. Lender has made a loan to Borrower in the principal sum of Thirteen Million and No/100 Dollars (\$13,000,000.00) (“**Loan**”) evidenced by that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each dated as of the date of this Agreement (collectively, the “**Note**”) and secured by that certain Amended, Restated and Consolidated Mortgage and Security Agreement dated as of the date of this Agreement (“**Instrument**”) (capitalized terms used without definition shall have the meanings ascribed to them in the Instrument) and the Documents; and
- C. Lender was willing to make the Loan to Borrower only if Indemnitor entered into this Agreement; and
- D. Principal is an owner of a legal and/or beneficial interest in Borrower and thus will derive substantial benefit from the Loan. Each Indemnitor enters into this Agreement to induce Lender to make the Loan.

AGREEMENT

IN CONSIDERATION of the principal sum of the Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitor, jointly and severally, agrees as follows:

1. Instrument Incorporated. The terms and conditions of the Instrument are incorporated into this Agreement as if fully set forth in this Agreement. Principal acknowledges that it has received and reviewed the Instrument. All terms and phrases with initial capital letters not otherwise defined herein, shall have the meanings ascribed to such words and phrases in the Instrument.
 2. Representations and Warranties. Principal makes and Borrower makes and reaffirms the representations and warranties set forth in Sections 2.01(iii), 2.01(iv), 2.02, 2.03, 2.06, 2.07, 2.09, 3.11 and 3.12(a) of the Instrument, and the representations and warranties set forth in Section 4 of this Agreement.
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3. Environmental Covenants. Indemnitor covenants and agrees to comply with Section 3.12(b) and (d) of the Instrument, and, for the purpose of this covenant, all references in Section 3.12(b) and (d) to “Borrower” shall be deemed to refer to “Indemnitor.” In addition, for the purposes of determining whether an Event of Default has occurred for violation of this covenant, this covenant and the obligations of Indemnitor shall be subject to any Grace Period (as defined in the Instrument) applicable to such corresponding provisions of the Instrument.
4. ERISA Covenants. Borrower covenants and agrees to comply with Section 3.11 of the Instrument. In addition, Principal covenants and agrees as follows:
- (a) Principal 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 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 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) Principal represents and warrants to Lender that (i) Principal 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) Principal 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 4(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) Principal 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 the Principal 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 Principal 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 Principal are held by “benefit plan investors” within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or (3) Principal 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) Principal 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 4(b) above. Failure to deliver these certifications or evidence, breach of these representations and warranties, or consummation of any transaction which would cause this Agreement or the Documents or any exercise of Lender’s rights under this Agreement or under the Documents to (i) constitute a non-exempt prohibited transaction under ERISA or (ii) constitute a violation, shall be an Event of Default under the Documents. Notwithstanding anything in the Documents to the contrary, no sale, assignment, or transfer of any direct or indirect right, title, or interest in Principal or the Property (including creation of a junior lien, encumbrance or leasehold interest) shall be permitted which would, in Lender’s opinion, negate Principal’s representations in this Agreement or cause a Violation. At least fifteen (15) days before consummation of any of the foregoing, Principal shall obtain from the proposed transferee or lienholder (i) a certification to Lender that the representations and warranties contained in this Agreement will be true after consummation and (ii) an agreement to comply with the terms and conditions of this Agreement.

5. Lender's Rights, Cooperation and Access. Lender and any other person ("**person**" in this Agreement shall have the same meaning as in the Instrument) designated by Lender shall have the same rights hereunder as are set forth in Sections 3.11 and 3.12(c) of the Instrument.

6. Indemnification. Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses (as defined in the Instrument, but excluding any claim arising solely from Lender and not also made or threatened by any governmental entity or other third party against Indemnitor, Indemnified Parties or the Property where neither Borrower or the Property has been in violation of any Environmental Laws) imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the following: (a) the presence of any Hazardous Materials affecting the Property ("**affecting the Property**" in this Agreement shall have the same meaning as in the Instrument); (b) any past, present, future or threatened Release of Hazardous Materials affecting the Property; (c) any activity by any Indemnitor, any person affiliated with any Indemnitor ("**Affiliate**"), or any Tenant or other user of the Property in connection with any O&M Plan or any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, handling, transfer or transportation to or from the Property, or removal of any Hazardous Materials at any time affecting the Property; (d) any activity by any Indemnitor, Affiliate, Tenant or other user of the Property in connection with any actual or proposed remediation of any Hazardous Materials at any time affecting the Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including ("**including**" in this Agreement shall have the same meaning as in the Instrument) any removal, remedial or corrective action, penalties or fines; (e) any past, present, future or threatened non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including any failure by any Indemnitor, Affiliate, Tenant or other user of the Property to comply with any order of any governmental authority in connection with any Environmental Laws; (f) the actual or threatened imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any Hazardous Materials affecting the Property; (h) any past, present, future or threatened injury to, destruction of, or loss of natural resources in any way connected with the Property, including costs to investigate and assess such injury, destruction or loss; (i) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in arranging for disposal or treatment of Hazardous Materials affecting the Property at any facility or incineration vessel containing such or similar Hazardous Materials, including arrangements with any transporter; (j) any acts of any Indemnitor, Affiliate, Tenant or other user of the Property in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Material affecting the Property which causes the incurrence of costs for remediation; (k) any personal injury, wrongful death, property or other damage arising under any statutory, common law or tort law theory, including damages assessed for trespass or for private or public nuisance or for operation of an abnormally dangerous activity on or near the Property, with respect to Hazardous Materials affecting the Property or violations of Environmental Laws; and (l) any material misrepresentation, materially inaccurate representation or warranty, material breach or failure to perform under the provisions of this Agreement. Notwithstanding the foregoing, Indemnitor shall not be obligated to indemnify the Indemnified Parties if Indemnitor can conclusively prove that both (1) the contamination of the Property was caused solely by actions, conditions, or events that occurred after the date Lender (or any purchaser at a foreclosure sale) actually acquired title to the Property and (2) the contamination of the Property was not caused, contributed to, enhanced, or exacerbated by the direct or indirect actions or inactions of any Indemnitor or any partners, officers, members, shareholders, employees, or agents of any Indemnitor. Further, Indemnitor covenants and agrees, at its sole cost and expense, to indemnify (as defined in the Instrument) any or all of the Indemnified Parties from and against any and all Losses imposed on, incurred by or asserted against the Indemnified Parties, directly or indirectly, arising out of or in connection with any one or more of the matters set forth in Section 8.04 of the Instrument, and including the inaccuracy of any of the representations or warranties set forth in Section 4 of this Agreement or any violation of the covenants set forth in Section 3.11 of the Instrument and/or the covenants set forth in Section 4 of this Agreement. For the purpose of this covenant, all references in Section 8.04 to "Borrower" shall be deemed to refer to "Indemnitor.". In addition, as set forth in the defined term "indemnify", the foregoing indemnities shall not apply to any Losses caused by the gross negligence or willful misconduct of the Indemnified Parties.

7. Duty to Defend, Attorneys and Other Fees and Expenses. Indemnitor agrees that the provisions of (a) Section 8.06 of the Instrument shall apply to this Agreement except all references to "Article VIII" or "this Section" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.06 to "Borrower" shall be deemed to refer to "Indemnitor," and (b) Section 6.03 of the Instrument shall apply to all Costs, expenses or other amounts paid or incurred by the Indemnified Parties under this Agreement. The term "**on demand**" shall have the same meaning as in the Instrument.
8. Recourse Obligations and Survivability. Indemnitor agrees that the provisions of Section 8.07 of the Instrument shall apply to this Agreement except all references to "Section 8.05" and "Article VIII" shall be deemed to include this Agreement, and, for the purpose of this covenant, all references in Section 8.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor acknowledges and agrees that each Indemnitor, jointly and severally (if applicable), is fully and personally liable for the obligations under this Agreement, and such liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.
9. Unimpaired Liability. The liability of Indemnitor under this Agreement shall in no way be limited or impaired by, and Indemnitor consents to and agrees to be bound by, any amendment or modification of the provisions of the Documents (other than this Agreement) by any Indemnitor or successor-in-interest to any Indemnitor. In addition, the liability of Indemnitor shall in no way be limited or impaired by (a) any extension(s) of time for performance required under the Documents, (b) any sale or transfer of all or part of the Property, (c) except as provided in this Agreement, any exculpatory provision in the Documents limiting Lender's recourse to the Property or to any other security for the Note, or limiting Lender's rights to a deficiency judgment against any Indemnitor, (d) the accuracy or inaccuracy of the representations and warranties made by any Indemnitor under the Documents, (e) the release of any Indemnitor or person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Documents by operation of law, Lender's voluntary act, or otherwise, (f) the release or substitution in whole or in part of any security for the Note, or (g) Lender's failure to record or file (or improper filing or recording of) any of the Documents or Lender's failure to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note; and, in all of the foregoing cases, whether with or without notice to Indemnitor and with or without consideration.
10. Enforcement. Lender may enforce the obligations of Indemnitor under this Agreement without first resorting to or exhausting any security or collateral or without first having recourse to the Documents or any of the Property, through foreclosure proceedings or otherwise; provided, however, that nothing herein shall inhibit or prevent Lender from suing on the Note or exercising any other rights or remedies in the Documents. This Agreement is not collateral or security for the debt of Borrower pursuant to the Loan, unless Lender expressly elects in writing to make this Agreement additional collateral or security for the debt of Borrower pursuant to the Loan. It is not necessary for an Event of Default to have occurred under the Documents for Lender to exercise its rights under this Agreement.

11. Waivers and Delays. To the fullest extent Indemnitor may do so under Laws, Indemnitor makes the waivers and agrees to be bound by the provisions of Section 6.06 and Section 6.07 of the Instrument, and, for the purpose of this covenant, all references in Section 6.06 and Section 6.07 to "Borrower" shall be deemed to refer to "Indemnitor". In addition, Indemnitor waives and relinquishes all rights and remedies under Laws for the benefit of Indemnitor or guarantors except any rights of subrogation which any Indemnitor may have; provided, however, that the indemnity in this Agreement is not (a) contingent upon the existence of any such rights of subrogation or (b) subject to any claims or defenses which may be asserted in connection with the enforcement of such subrogation rights including any claim that such rights were abrogated by any acts of Lender. Notwithstanding the foregoing, Indemnitor agrees to postpone the exercise of any rights of subrogation with respect to the Property and any other collateral securing the Loan until the Loan shall have been paid in full. No delay by Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

12. Intentionally Omitted.

13. Subrogation. Indemnitor shall take all reasonable actions, including institution of legal action against third parties (to the extent commercially reasonable and appropriate under the circumstances), necessary or appropriate to obtain reimbursement, payment or compensation from persons responsible for the presence of any Hazardous Materials affecting the Property or otherwise obligated by Laws to bear the cost thereof; provided, however, so long as there is no occurrence and continuance of an Event of Default, Indemnitor shall be entitled to use its reasonable business judgment to determine whether it is appropriate to undertake any legal action with respect thereto. If an Event of Default occurs and is not cured, Lender shall be subrogated to all of Indemnitor's present and future rights in such claims.

14. Notice of Legal Actions. Indemnitor shall give prompt written notice to Lender of (a) any notice, advice, demand, claim or other communication from any governmental entity or any source with respect to Hazardous Materials affecting the Property in violation (or alleged violation) of Environmental Laws and (b) any legal action brought against such party or related to the Property, with respect to which any Indemnitor may have liability under this Agreement.

15. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02, and notices to Principal shall be addressed as follows:

If to Principal:

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

With a copy of notices sent to Principal to:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837
Attn: Barry Lefkowitz

With a copy of notices sent to Principal to:

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

16. Applicable Law and Submission to Jurisdiction. Indemnitor agrees that the provisions of Section 9.04 of the Instrument shall apply to this Agreement, and, for the purpose of this covenant, all references in Section 9.04 to “Borrower” shall be deemed to refer to “Indemnitor.”

17. No Third Party Beneficiary. The terms of this Agreement are for the sole and exclusive protection and use of the Indemnified Parties. No other party shall be a third party beneficiary under this Agreement, and no provision of this Agreement shall operate or inure to the use and benefit of any such third party. It is agreed that those persons included in the definition of Indemnified Parties are not excluded third party beneficiaries.

18. Joint and Several Liability. If Indemnitor consist of more than one person or entity, the obligations and liabilities of each such person hereunder are joint and several.

19. **WAIVER OF TRIAL BY JURY.** EACH OF INDEMNITOR 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 INDEMNITOR IN CONNECTION THEREWITH.

IN WITNESS WHEREOF, Indemnitor has duly executed this Agreement as of the date first above written.

INDEMNITOR:

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

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

By: _____

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: _____

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

ASSIGNMENT OF PERMITS AND DEVELOPER'S RIGHTS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as additional security for the obligations incurred pursuant to certain Loan Documents, hereinafter described, **MACK-CALIF PROPERTIES, L.P.**, a New Jersey limited partnership (hereinafter referred to as "Borrower") having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837, hereby assigns and sets over unto **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM") (collectively, "Lender"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270, all permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale or use of the real estate and improvements, now or hereafter located thereon, in Bergen County, New Jersey (the "Real Estate"), legally described in Exhibit A attached to that certain Amended, Restated and Consolidated Mortgage and Security Agreement executed by Borrower of even date in favor of Lender, including all of Borrower's rights and privileges heretofore or hereafter otherwise arising in connection with or pertaining to the Real Estate, 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 Real Estate (all of the foregoing being collectively referred to as the "Permits and Rights"). In the event any governmental regulation or requirement prohibits assignment of any of the Permits and Rights, the prohibited assignment shall not be effective until the governmental agency or body with jurisdiction gives its written consent to the same, but Borrower shall use reasonable diligence in obtaining such consent and the Real Estate shall still have the full use and benefit of any such Permit and Right regardless of the name of the registered holder of same.

This Agreement is given as additional security for the obligations of Borrower incurred and to be incurred under that certain Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith by Borrower to Lender, in the aggregate amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), along with all other documents evidencing or securing said Note (collectively, the "Loan Documents"), including, without limitation, the Amended, Restated and Consolidated Mortgage and Security Agreement, the Amended and Restated Assignment of Leases and Rents and the Financing Statements executed by Borrower to Lender of even date herewith, and Borrower may continue to receive and exercise all of the rights, benefits and privileges under the Permits and Rights so long as no Event of Default (as defined in the Loan Documents) has occurred under the Loan Documents.

This Assignment shall constitute a direction to and full authority to any issuer of any of said Permits and Rights and to any party to any of said Permits and Rights to act at Lender's written direction and otherwise perform on Lender's behalf, subject to the terms and conditions of said Permits and Rights, after receiving Lender's written notice that an Event of Default has occurred under the Loan Documents, but the recipient of such notice may so act without any other evidence of an Event of Default. Borrower hereby acknowledges and agrees that all such parties are hereby irrevocably authorized and directed to rely upon and comply with (and shall be fully protected by Borrower in so doing) any written request, notice or demand made by Lender with respect to any of the Permits and Rights, or for performance of any undertaking thereunder, and such parties shall have no right or duty to inquire as to whether any Event of Default under the Loan Documents has actually occurred or is then existing.

Lender does not hereby assume any of Borrower's obligations or duties under or in connection with any of said Permits and Rights, until and unless Lender or Lender's successor, nominee or assignee shall exercise its rights hereunder as to same.

Borrower shall pay all Lender's costs, charges, and expenses, including reasonable attorneys' fees (whether before trial, at trial or on appeal) in connection with any enforcement of this Assignment and/or Lender's rights under this Assignment.

This Assignment shall be governed by the laws of the State of New Jersey and shall be binding on and inure to the benefit of Borrower and Lender and their respective successors and assigns.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment under seal as of January 15, 2010.

BORROWER:

MACK-CALIF PROPERTIES L.P., a New Jersey limited partnership

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

**CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT
AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES**

THIS CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT AND MANAGEMENT FEES (this "Assignment") is made as of January 15, 2010, by **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership having its principal place of business at c/o Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837 ("Borrower"), to and for **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. 706 108 240 and 706 108 270 (collectively, "Lender"), and is acknowledged and consented to by **MACK-CALI REALTY CORPORATION**, a Maryland corporation, and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (collectively, "Mack-Cali").

RECITALS:

- A. Borrower by its Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and by its Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each of even date herewith (the notes together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to collectively as the "Note") is indebted to Lender in the aggregate principal sum of \$13,000,000.00 in lawful money of the United States of America, with interest from the date thereof at the rates set forth in the Note (the indebtedness evidenced by the Note, together with such interest accrued thereon, shall collectively be referred to as the "Loan"), principal and interest to be payable in accordance with the terms and conditions provided in the Note.
- B. The Loan is secured by, among other things, a Amended, Restated and Consolidated Mortgage and Security Agreement (the "Security Instrument") dated of even date herewith, which grants Lender a first lien on the property encumbered thereby (the "Property"). All and any of the documents other than the Note, the Security Instrument and this Assignment now or hereafter executed by Borrower and/or others and by or in favor of Lender, which wholly or partially secure or guarantee payment of the Note are referred to as the "Other Security Documents."
- C. With the exception of those services performed by Mack-Cali, Borrower has not employed any management agent to rent, lease, operate or manage the Property (any such agreement, and any and all other management agreements, agency agreements or similar agreements for the management and operation of the Property, now or hereafter existing, including, but not limited to, that certain Amended and Restated Leasing, Management and Construction Management Agreement dated as of January 1, 1999 between Borrower and Mack-Cali Realty, L.P., as the same may be amended, extended, modified or renewed, are herein referred to as the "Management Agreement"), and Borrower is currently performing all such responsibilities that would otherwise be the responsibility of an Agent under a Management Agreement (Borrower, in such capacity, and Mack-Cali, performing such services, and any management agent successor of Borrower hereunder, is herein referred to as "Agent").
- D. Lender requires as a condition to the making of the Loan that Borrower assign any Management Agreement, and that Borrower and Agent subordinate the Management Agreement and their respective interests in the Management Fees in lien and payment to the Security Instrument as set forth below.
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AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Assignment of Management Agreement. As additional collateral security for the Loan, Borrower hereby conditionally transfers, sets over and assigns to Lender all of Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at Lender's option, in the event of a default by Borrower under the Note, the Security Instrument or any of the Other Security Documents, including but not limited to escrow agreements, and the failure of Borrower to cure such default within any applicable grace period. In the event Lender or any other purchaser at a foreclosure sale or sale under private power contained in the Security Instrument succeeds to the interest of Borrower as the owner of the Property by reason of any foreclosure, or by any other manner (a "Succession"), it is agreed that, AT THE OPTION OF LENDER OR SUCH OTHER PURCHASER, which option shall be exercisable by written notice to Agent prior to or upon the effective date of such Succession, Agent shall be bound to Lender or such other purchaser and upon exercise of such option Lender and such other purchaser shall be bound to Agent under the terms, covenants and conditions of the Management Agreement as provided herein for the remaining balance of the term thereof, with the same force and effect as if Lender or such other purchaser were the owner and landlord of the Property under such Management Agreement, and Agent does hereby agree to attorn to Lender or such other purchaser as the owner and landlord of the Property, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties to this Agreement, immediately upon Lender or such other purchaser's succeeding to the interest of Borrower under the Management Agreement. Upon any Succession, the liability of Lender (or any other party taking under a Succession) shall be limited to its interest in the Property.
2. Termination. At such time as the Loan is paid in full and the Security Instrument is released or assigned of record, this Assignment and all of Lender's right, title and interest hereunder with respect to the Management Agreement shall terminate.
3. Borrower's Covenants. Borrower hereby covenants with Lender that during the term of this Assignment, that if a Management Agreement is hereafter entered into by Borrower and a separate entity as Agent, Borrower shall obtain the prior written approval of Lender as to the identity of such Agent (if such party is not affiliated with Borrower), and, in such event: (a) Borrower shall not transfer the responsibility for the management of the Property from Agent to any other person or entity without prior written notification to Lender and the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; and (c) Borrower shall, in the manner provided for in this Assignment, give notice to Lender of any notice or information that Borrower receives that indicates that Agent is terminating the Management Agreement or that Agent is otherwise discontinuing its management of the Property.
4. Agreement by Borrower and Agent. Borrower and Agent hereby agree that in the event of a default by Borrower (beyond any applicable grace period) under the Note, the Security Instrument or any of the Other Security Documents during the term of this Assignment, at the option of Lender exercised by written notice to Borrower and Agent: (a) all rents, security deposits, issues, proceeds and profits of the Property collected by Agent, after payment of all costs and expenses of operating the Property (including, without limitation, operating expenses, real estate taxes, insurance premiums, repairs and maintenance, but excluding the fees and commissions payable under the Management Agreement), shall be applied in accordance with Lender's written directions to Agent; and (b) Lender may exercise its rights under this Assignment and may immediately terminate the Management Agreement and require Agent to transfer its responsibility for the management of the Property to a management company selected by Lender in Lender's sole and absolute discretion.

5. **Lender's Right to Replace Agent.** In the event that Lender, in Lender's reasonable discretion, at any time during the term of this Assignment, determines that the Property is not being managed in accordance with generally accepted management practices for properties similar to the Property, Lender shall deliver written notice thereof to Borrower and Agent, which notice shall specify with particularity the grounds for Lender's determination. If Lender reasonably determines that the conditions specified in Lender's notice are not remedied to Lender's reasonable satisfaction by Borrower or Agent within thirty (30) days from receipt of such notice or that Borrower or Agent have failed to diligently undertake correcting such conditions within such thirty (30) day period, Lender may direct Borrower to terminate the Management Agreement and to replace Agent with a management company acceptable to Lender in Lender's sole discretion. Upon such termination, Agent shall be entitled only to the payment of any fees actually earned for management services performed pursuant to the Management Agreement prior to the termination of the Management Agreement and, notwithstanding any provision to the contrary in the Management Agreement, no monetary penalties or termination fees shall be paid to Manager. In the event of Lender's termination of the Management Agreement, Agent agrees that it shall look solely to Borrower, and not to Lender, for the payment of any sums due to Agent under the terms of the Management Agreement or any obligations on the part of Borrower under the Management Agreement and, to the extent permitted by law, Agent hereby waives any and all rights to file any lien or encumbrance against the Property relating thereto.
6. **Subordination.** Borrower and Agent hereby agree that the Management Agreement and the interests and estates created thereby and the rights, privileges and powers of the Agent and Borrower thereunder, including, without limitation, all rights of first refusal, purchase options and all other rights and interests of the Agent under the Management Agreement, shall be and the same are hereby, unconditionally made and shall at all times remain subject, subordinate and inferior in all respects in lien and payment to the lien and payment of the Security Instrument, the Note, the Other Security Documents, and all the rights, privileges and powers of Lender thereunder and to any and all renewals, modifications, consolidations, replacements and extensions thereof. Agent does hereby waive, relinquish and release any and all rights, claims and liens which Agent may now or hereafter have in and to the Property, including, without limitation, any rights, claims and liens of Agent, or rights to file or have filed any liens, claims of lien, pursuant to applicable law on or against said Property on account of brokerage services, management services, leasing services or other services furnished by Agent pursuant to the Management Agreement.
7. **Consent and Agreement by Agent.** Agent hereby acknowledges and consents to this Assignment and agrees that Agent will act in conformity with the provisions of this Assignment and Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Agent in accordance with the provisions hereof, Agent shall, and hereby agrees to, fully cooperate in transferring its responsibility to a new management company and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Agent hereby agrees (a) not to contest or impede the exercise by Lender of any right it has under or in connection with this Assignment; and (b) that it shall, in the manner provided for in this Assignment, give at least thirty (30) days prior written notice to Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property.
8. **Estoppel.** Agent represents and warrants that (a) the Management Agreement is an unwritten agreement pursuant to which Mack-Cali performs certain services for Borrower, and that such arrangement has not been modified, amended or assigned, (b) neither Agent nor Borrower is in default under any of the terms, covenants or provisions of the Management Agreement and Agent knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Management Agreement, (c) neither Agent nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Management Agreement, and (d) the Management Fees and all other sums due and payable to the Agent under the Management Agreement, if any, have been paid in full.

9. Receipt of Management Fees. Borrower and Agent hereby agree that Agent shall not be entitled to receive any Management Fees or other fee, commission or other amount payable to Agent under the Management Agreement for and during any period of time that any Event of Default has occurred and is continuing; provided, however, that Agent shall not be obligated to return or refund to Lender any Management Fee or other fee, commission or other amount already received by Agent prior to the occurrence of the Event of Default, and to which Agent was entitled under this Assignment, and provided further that Agent shall be entitled to its normal payments under the Management Agreement so long as it complies with all of its obligations under such under the Management Agreement and so long as it complies with any reasonable written request from Lender to Agent to deliver leasing reports, financial information (to the extent such information is in the possession or control of Agent or reasonably available to Agent) and rents, issues and profits of the Property in accordance with the terms of the Loan Documents.
10. Lender's Agreement. So long as Borrower is not in default (beyond any applicable grace period) under this Assignment, the Note, the Security Instrument or the Other Security Documents, Lender agrees to permit any sums due to Borrower under the Management Agreement to be paid directly to Borrower.
11. Governing Law. This Assignment shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.
12. Notices. All notices or other written communications under this Agreement shall be given in accordance with and governed by Section 9.02 of the Security Instrument. Notices to Borrower and Lender shall be sent to the addresses in said Section 9.02. Notices to Agent shall be sent to the address of Borrower in said Section 9.02.
13. No Oral Change. This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.
14. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Assignment shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.
15. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

16. Headings, etc. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. Duplicate Originals; Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. Secondary Market. Lender may sell, transfer and deliver the Note and assign the Security Instrument, this Assignment and the Other Security Documents to one or more Investors (as defined in the Security Instrument) in the secondary mortgage market. In connection with such sale, Lender may retain or assign responsibility for servicing the Loan, including the Note, the Security Instrument, this Assignment and the Other Security Documents, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

20. Miscellaneous.

(a) Wherever pursuant to this Assignment (i) Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Assignment it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Lender, whether with respect to retained firms, the reimbursement for the expenses of in-house staff or otherwise.

IN WITNESS WHEREOF the undersigned have executed this Assignment as of the date and year first written above.

BORROWER:

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

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

- (a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI SUB I INC., a Delaware corporation, the corporation named in this document;
- (b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI F PROPERTIES L.P.**, a New Jersey limited partnership, formerly known as Mack F Properties, A New Jersey Limited Partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

Witnessed or Acknowledged by:

Printed Name: _____

AGENT:

MACK-CALI REALTY CORPORATION, a Maryland corporation

By: _____

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: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

- (a) this person is the attesting witness to the signing of this Agreement by Barry Lefkowitz, as Executive Vice President and Chief Financial Officer of Mack-Cali Realty Corporation, a Maryland corporation;
- (b) this Agreement was signed and delivered by Mack-Cali Realty Corporation, a Maryland corporation, as its voluntary act duly authorized, if applicable; and
- (c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____

My Commission Expires:

(NOTARY SEAL)

ACKNOWLEDGMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

I CERTIFY that on January __, 2010, Barry Lefkowitz personally came before me and this person acknowledged under oath to my satisfaction, that:

(a) this person signed and delivered the attached document as Executive Vice President and Chief Financial Officer of MACK-CALI REALTY CORPORATION, a Maryland corporation, the corporation named in this document;

(b) this document was signed, and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors, as General Partner of **MACK-CALI REALTY, L.P.**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public

My Commission Expires:

(NOTARY SEAL)

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 **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership (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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and that certain Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66), each made by Borrower of even date herewith, in the aggregate original principal amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), 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 Bergen County, New Jersey; (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 "Indemnitor" under the Environmental Indemnity.
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 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 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

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 **MACK-CALI F PROPERTIES, L.P.**, a New Jersey limited partnership ("**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 Twenty Million Six Hundred Thousand and No/100 Dollars (\$20,600,000.00) 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. 706 108 235 - 706 108 241, 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 \$13,000,000.00 (the "Mack-Cali Centre VII Loan") to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Centre VII (the "Mack-Cali Centre VII Property") and which Loan is known as Loan No. 706 108 240 and 706 108 270, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66); 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 Mack-Cali Centre VII 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 Six Million Nine Hundred Thirty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$6,933,333.34) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Six Million Sixty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$6,066,666.66) (collectively, the “Mack-Cali Centre VII 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 “Mack-Cali Centre VII Mortgage”), encumbering the Mack-Cali Centre VII Property and securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Centre VII 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 Mack-Cali Centre VII Loan entered into with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII 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 Mack-Cali Centre VII Property), Guarantor's liability under this Guaranty shall be limited to Guarantor's interest in the Mack-Cali Centre VII Property and the other Collateral (as defined in the Mack-Cali Centre VII Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Centre VII 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 Mack-Cali Centre VII 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:

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

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

By: _____

Name: Barry Lefkowitz

Title: Executive Vice President and Chief Financial Officer

The address of Guarantor is:

Mack-Cali F Properties, 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. 706 108 240 and 706 108 270

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. 706 108 240 and 706 108 270

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Loan No. 706 108 240 and 706 108 270

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: Albert E. Bender, Jr.

PREPARED BY:

Albert E. Bender, Jr.

TRANSFER AND ASSIGNMENT OF MORTGAGES AND SECURITY AGREEMENTS AND LOAN DOCUMENTS

STATE OF NEW JERSEY

COUNTY OF BERGEN

FOR AND IN CONSIDERATION of the sum of Ten and No/Dollars (\$10.00) and other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation (hereinafter called "Assignor"), the "Mortgagee" in (a) that certain Mortgage and Security Agreement, made between Mack-Cali F Properties, L.P., formerly known as Mack F Properties, A New Jersey Limited Partnership ("Borrower"), as "Mortgagor", in favor of Assignor as "Mortgagee", dated as of April 30, 1998, recorded in Mortgage Book 9691, Page 245, in the Real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 678 (such original Assignment of Leases and Rents having been recorded in Mortgage Book 9691, Page 356), and (b) that certain Second Priority Mortgage and Security Agreement dated as of April 30, 1998 from Borrower, as "Mortgagor", in favor of Assignor as "Mortgagee", recorded in Mortgage Book 9691, Page 301, in the real estate records of Bergen County, New Jersey, 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 Assignor, recorded in Mortgage Release Book 1014, Page 692 (collectively, the "Mortgage"), does hereby transfer, set-over, assign and convey the Mortgage, together with all of the rights, powers and privileges conferred by the Mortgage upon the Assignor as "Mortgagee", without recourse, to, collectively, jointly and severally, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Prudential"), and **VPCM, LLC**, a Virginia limited liability company ("VPCM"), whose address is c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706 108 240 and 706 108 270 ("Assignee") and does authorize the Assignee to exercise said rights, powers and privileges in as full a manner as the Assignor as "Mortgagee" is authorized to exercise the same.

TOGETHER WITH all of Assignor's right, title and interest in and to (a) the note described in said Mortgage and any and all other indebtedness secured thereby, (b) all monies due and to become due thereon with all interest thereon, (c) the property and other collateral conveyed and encumbered by the Mortgage, (d) all other documents evidencing or securing said note or other indebtedness secured by the Mortgage, including, but not limited to, any assignment of leases or rents executed in connection

therewith, and (e) all of the rights, powers and interests of the beneficiary under or by virtue of the Mortgage, said note or notes or any such other documents executed in connection therewith.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever.

This Transfer and Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, legal representatives and assigns.

IN WITNESS WHEREOF, the duly elected and authorized officer of the Assignor has hereunder set his hand and affixed the corporate seal, as of the date and year first above written.

Witnessed or Acknowledged by:

LENDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey Corporation

By: _____
Name: Melissa Farrell
Title: Vice President

(ATTACH ACKNOWLEDGMENT)

ACKNOWLEDGMENT

STATE OF NEW YORK

COUNTY OF NEW YORK

I CERTIFY that on January ____, 2010, _____ personally came before me and this person acknowledged under oath, to my satisfaction that:

- (a) this person is the attesting witness to the signing of this Agreement by Melissa Farrell, as Vice President of **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation;
- (b) this Agreement was signed and delivered by **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation, as its voluntary act duly authorized, if applicable; and
- (c) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on January ____, 2010

Attesting Witness

Notary Public

Printed Name: _____

My Commission Expires:

(NOTARY SEAL)

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 **MACK-CALI CHESTNUT RIDGE L.L.C.**, a New Jersey limited liability company (“**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 Thirteen Million Eight Hundred Twenty Nine Thousand and No/100 Dollars (\$13,829,000.00) and payable to the order of Lender, and of that certain Supplemental Promissory Note dated as of November 12, 2004 in the original principal amount of Five Million Two Hundred Seventy One Thousand and No/100 Dollars (\$5,271,000.00) and payable to the order of Lender (collectively, 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. 706 108 235 - 706 108 241, 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 \$24,000,000.00 (the “Mack-Cali Corp. Center Loan”) to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Corp. Center (the “Mack-Cali Corp. Center Property”) and which Loan is known as Loan No. 706 108 241 and 706 108 271, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Twelve Million Eight Hundred Thousand and No/100 Dollars (\$12,800,000.00) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Eleven Million Two Hundred Thousand and No/100 Dollars (\$11,200,000.00); 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 Mack-Cali Corp. Center 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 Twelve Million Eight Hundred Thousand and No/100 Dollars (\$12,800,000.00) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Eleven Million Two Hundred Thousand and No/100 Dollars (\$11,200,000.00) (collectively, the “Mack-Cali Corp. Center 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 “Mack-Cali Corp. Center Mortgage”), encumbering the Mack-Cali Corp. Center Property and securing the Mack-Cali Corp. Center 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 Mack-Cali Corp. Center Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Corp. Center 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 Mack-Cali Corp. Center Loan entered into with respect to the Mack-Cali Corp. Center 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 Mack-Cali Corp. Center 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 December 22, 2003 (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 Mack-Cali Corp. Center 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 Mack-Cali Corp. Center 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 Mack-Cali Corp. Center 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 Mack-Cali Corp. Center 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 Mack-Cali Corp. Center 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 Mack-Cali Corp. Center Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Corp. Center Property and the other Collateral (as defined in the Mack-Cali Corp. Center Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Corp. Center 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 Mack-Cali Corp. Center 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:

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

The address of Guarantor is:

Mack-Cali Chestnut Ridge L.L.C.
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. 706 108 241 and 706 108 271

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. 706 108 241 and 706 108 271

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 **MACK-CALI REALTY, L.P.**, a Delaware limited partnership (“**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 Thirty Five Million Five Hundred Fifty Thousand and No/100 Dollars (\$35,550,000.00) 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. 706 108 235 - 706 108 241, 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 \$42,000,000.00 (the “Mack-Cali Saddle River Loan”) to Guarantor secured by real property located in Bergen County, New Jersey, known as Mack-Cali Saddle River (the “Mack-Cali Saddle River Property”) and which Loan is known as Loan No. 706 108 235 and 706 108 265, and which Loan is evidenced by an Amended, Restated and Consolidated Promissory Note in favor of Prudential in the original principal amount of Twenty Two Million Four Hundred Thousand and No/100 Dollars (\$22,400,000.00) and an Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Nineteen Million Six Hundred Thousand and No/100 Dollars (\$19,600,000.00); 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 Mack-Cali Saddle River 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 Twenty Two Million Four Hundred Thousand and No/100 Dollars (\$22,400,000.00) and Guarantor’s Amended, Restated and Consolidated Promissory Note in favor of VPCM in the original principal amount of Nineteen Million Six Hundred Thousand and No/100 Dollars (\$19,600,000.00) (collectively, the “Mack-Cali Saddle River 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 “Mack-Cali Saddle River Mortgage”), encumbering the Mack-Cali Saddle River Property and securing the Mack-Cali Saddle River 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 Mack-Cali Saddle River Property owned by Guarantor will secure the entire Loan by virtue of securing the Mack-Cali Saddle River 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 Mack-Cali Saddle River Loan entered into with respect to the Mack-Cali Saddle River 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 Mack-Cali Saddle River 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 Mack-Cali Saddle River 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 Mack-Cali Saddle River 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 Mack-Cali Saddle River 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 Mack-Cali Saddle River 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 Mack-Cali Saddle River 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 Mack-Cali Saddle River Property), Guarantor’s liability under this Guaranty shall be limited to Guarantor’s interest in the Mack-Cali Saddle River Property and the other Collateral (as defined in the Mack-Cali Saddle River Mortgage) encumbered or conveyed thereby in the Loan Documents with respect to the Mack-Cali Saddle River 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 Mack-Cali Saddle River 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:

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, Inc.
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department; Reference Loan No. 706 108 235 and 706 108 265

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. 706 108 235 and 706 108 265

MACK-CALI REALTY CORPORATION
Certification

I, Mitchell E. Hersh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2010

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

MACK-CALI REALTY CORPORATION
Certification

I, Barry Lefkowitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2010

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

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

In connection with the Quarterly Report on Form 10-Q of Mack-Cali Realty Corporation (the "Company") for the quarterly period ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mitchell E. Hersh, as President and Chief Executive Officer of the Company, and Barry Lefkowitz, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of §13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 27, 2010

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

Date: October 27, 2010

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

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

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