
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 March 31, 2016

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) Smaller reporting company

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 April 25, 2016, there were 89,638,631 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

MACK-CALI REALTY CORPORATION

FORM 10-Q

INDEX

<u>Part I</u>	<u>Financial Information</u>	<u>Page</u>
Item 1.	Financial Statements (<i>unaudited</i>):	3
	Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015	4
	Consolidated Statements of Operations for the three months ended March 31, 2016 and 2015	5
	Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2016 and 2015	6
	Consolidated Statement of Changes in Equity for the three months ended March 31, 2016	7
	Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015	8
	Notes to Consolidated Financial Statements	9
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	39
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	56
Item 4.	Controls and Procedures	56
<u>Part II</u>	<u>Other Information</u>	
Item 1.	Legal Proceedings	57
Item 1A.	Risk Factors	57
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	57
Item 3.	Defaults Upon Senior Securities	57
Item 4.	Mine Safety Disclosures	57
Item 5.	Other Information	57
Item 6.	Exhibits	57
Signatures		58
Exhibit Index		59

MACK-CALI REALTY CORPORATION

Part I – Financial Information

Item 1. Financial Statements

The accompanying unaudited consolidated balance sheets, statements of operations, of comprehensive income, 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, 2015.

The results of operations for the three month period ended March 31, 2016 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)

	March 31, 2016	December 31, 2015
ASSETS		
Rental property		
Land and leasehold interests	\$ 684,960	\$ 735,696
Buildings and improvements	3,557,813	3,648,238
Tenant improvements	353,842	408,617
Furniture, fixtures and equipment	16,576	15,167
	4,613,191	4,807,718
Less – accumulated depreciation and amortization	(1,382,962)	(1,464,482)
	3,230,229	3,343,236
Rental property held for sale, net	200,044	-
Net investment in rental property	3,430,273	3,343,236
Cash and cash equivalents	116,421	37,077
Investments in unconsolidated joint ventures	303,647	303,457
Unbilled rents receivable, net	120,035	120,246
Deferred charges, goodwill and other assets, net	220,997	203,850
Restricted cash	27,566	35,343
Accounts receivable, net of allowance for doubtful accounts of \$602 and \$1,407	9,511	10,754
	4,228,450	4,053,963
Total assets	\$ 4,228,450	\$ 4,053,963
LIABILITIES AND EQUITY		
Senior unsecured notes, net	\$ 1,064,363	\$ 1,263,782
Unsecured term loan, net	347,351	-
Revolving credit facility	90,000	155,000
Mortgages, loans payable and other obligations, net	767,573	726,611
Dividends and distributions payable	15,047	15,582
Accounts payable, accrued expenses and other liabilities	137,030	135,057
Rents received in advance and security deposits	50,109	49,739
Accrued interest payable	23,994	24,484
Total liabilities	2,495,467	2,370,255
Commitments and contingencies		
Equity:		
Mack-Cali Realty Corporation stockholders' equity:		
Common stock, \$0.01 par value, 190,000,000 shares authorized, 89,638,312 and 89,583,950 shares outstanding	896	896
Additional paid-in capital	2,571,509	2,570,392
Dividends in excess of net earnings	(1,066,867)	(1,115,612)
Accumulated other comprehensive loss	(5,675)	-
Total Mack-Cali Realty Corporation stockholders' equity	1,499,863	1,455,676
Noncontrolling interests in subsidiaries:		
Operating Partnership	175,688	170,891
Consolidated joint ventures	57,432	57,141
Total noncontrolling interests in subsidiaries	233,120	228,032
	1,732,983	1,683,708
Total equity	1,732,983	1,683,708
	4,228,450	4,053,963
Total liabilities and equity	\$ 4,228,450	\$ 4,053,963

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

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

	Three Months Ended March 31,	
	2016	2015
REVENUES		
Base rents	\$ 126,387	\$ 123,793
Escalations and recoveries from tenants	14,961	18,399
Real estate services	6,812	7,644
Parking income	3,156	2,542
Other income	1,607	1,337
Total revenues	152,923	153,715
EXPENSES		
Real estate taxes	23,226	22,452
Utilities	13,578	17,575
Operating services	26,732	28,228
Real estate services expenses	6,846	6,639
General and administrative	12,249	11,011
Depreciation and amortization	43,063	40,802
Total expenses	125,694	126,707
Operating income	27,229	27,008
OTHER (EXPENSE) INCOME		
Interest expense	(24,993)	(27,215)
Interest and other investment income (loss)	(669)	267
Equity in earnings (loss) of unconsolidated joint ventures	(1,554)	(3,529)
Gain on change of control of interests	10,156	-
Realized gains (losses) on disposition of rental property, net	58,600	144
Total other (expense) income	41,540	(30,333)
Net income (loss)	68,769	(3,325)
Noncontrolling interest in consolidated joint ventures	706	490
Noncontrolling interest in Operating Partnership	(7,284)	314
Net income (loss) available to common shareholders	\$ 62,191	\$ (2,521)
Basic earnings per common share:		
Net income (loss) available to common shareholders	\$ 0.69	\$ (0.03)
Diluted earnings per common share:		
Net income (loss) available to common shareholders	\$ 0.69	\$ (0.03)
Basic weighted average shares outstanding	89,721	89,192
Diluted weighted average shares outstanding	100,315	100,266

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

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) *(in thousands) (unaudited)*

	Three Months Ended	
	March 31,	
	2016	2015
Net income (loss)	\$ 68,769	\$ (3,325)
Other comprehensive income (loss):		
Net unrealized loss on derivative instruments		
for interest rate swaps	(6,340)	-
Comprehensive income (loss)	\$ 62,429	\$ (3,325)
Comprehensive income (loss) attributable to noncontrolling		
interest in consolidated joint ventures	706	490
Comprehensive income (loss) attributable to noncontrolling		
interest in Operating Partnership	(7,284)	314
Comprehensive income (loss) attributable to common shareholders	\$ 55,851	\$ (2,521)

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)*

	Common Stock		Additional Paid-In Capital	Dividends in Excess of Net Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Subsidiaries	Total Equity
	Shares	Par Value					
Balance at January 1, 2016	89,584	\$ 896	\$ 2,570,392	\$ (1,115,612)	\$ -	\$ 228,032	\$ 1,683,708
Net income	-	-	-	62,191	-	6,578	68,769
Common stock dividends	-	-	-	(13,446)	-	-	(13,446)
Unit distributions	-	-	-	-	-	(1,601)	(1,601)
Increase in noncontrolling interest in consolidated joint ventures	-	-	-	-	-	997	997
Redemption of common units for common stock	17	-	276	-	-	(276)	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	-	-	10	-	-	-	10
Directors' deferred compensation plan	-	-	101	-	-	-	101
Stock compensation	37	-	612	-	-	173	785
Other comprehensive income (loss)	-	-	-	-	(5,675)	(665)	(6,340)
Rebalancing of ownership percentage between parent and subsidiaries	-	-	118	-	-	(118)	-
Balance at March 31, 2016	89,638	\$ 896	\$ 2,571,509	\$ (1,066,867)	\$ (5,675)	\$ 233,120	\$ 1,732,983

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)

	Three Months Ended March 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 68,769	\$ (3,325)
Adjustments to reconcile net income to net cash provided by Operating activities:		
Depreciation and amortization, including related intangible assets	43,413	41,185
Amortization of deferred stock units	101	98
Amortization of stock compensation	785	313
Amortization of deferred financing costs	1,169	953
Amortization of debt discount and mark-to-market	610	997
Equity in (earnings) loss of unconsolidated joint ventures	1,554	3,529
Distributions of cumulative earnings from unconsolidated joint ventures	574	815
Realized (gains) loss on disposition of rental property, net	(58,600)	(144)
Gain on change of control of interests	(10,156)	-
Changes in operating assets and liabilities:		
(Increase) decrease in unbilled rents receivable, net	(2,169)	347
Increase in deferred charges, goodwill and other assets	(19,323)	(10,828)
Decrease (increase) in accounts receivable, net	1,243	(866)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(2,370)	8,159
Increase (decrease) in rents received in advance and security deposits	370	(4,717)
(Decrease) Increase in accrued interest payable	(489)	2,671
Net cash provided by operating activities	\$ 25,481	\$ 39,187
CASH FLOWS FROM INVESTING ACTIVITIES		
Rental property acquisitions and related intangibles	\$ (47,818)	\$ -
Rental property additions and improvements	(34,603)	(19,658)
Development of rental property and other related costs	(16,131)	(12,519)
Proceeds from the sales of rental property	94,710	1,072
Repayment of notes receivable	125	-
Investment in unconsolidated joint ventures	(7,225)	(20,880)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	1,771	1,097
Decrease (increase) in restricted cash	7,777	(1,535)
Net cash used in investing activities	\$ (1,394)	\$ (52,423)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings from revolving credit facility	\$ 150,000	\$ 56,000
Repayment of revolving credit facility	(215,000)	(14,000)
Repayment of senior unsecured notes	(200,000)	-
Borrowings from unsecured term loan	350,000	-
Proceeds from mortgages and loans payable	77,666	1,150
Repayment of mortgages, loans payable and other obligations	(89,712)	(25,228)
Payment of financing costs	(3,392)	(30)
Contributions from noncontrolling interests	703	94
Payment of dividends and distributions	(15,008)	(14,984)
Net cash provided by financing activities	\$ 55,257	\$ 3,002
Net increase (decrease) in cash and cash equivalents	\$ 79,344	\$ (10,234)
Cash and cash equivalents, beginning of period	37,077	29,549
Cash and cash equivalents, end of period	\$ 116,421	\$ 19,315

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 March 31, 2016, the Company owned or had interests in 273 properties, consisting of 145 office and 109 flex properties, totaling approximately 29.7 million square feet, leased to approximately 1,900 commercial tenants, and 19 multi-family rental properties containing 5,644 residential units, plus developable land (collectively, the “Properties”). The Properties are comprised of 145 office buildings totaling approximately 24.4 million square feet (which include 36 buildings, aggregating approximately 5.6 million square feet owned by unconsolidated joint ventures in which the Company has investment interests), 94 office/flex buildings totaling approximately 4.8 million square feet, six industrial/warehouse buildings totaling approximately 387,400 square feet, 19 multi-family properties totaling 5,644 apartments (which include 12 properties aggregating 3,972 apartments owned by unconsolidated joint ventures in which the Company has investment interests), five parking/retail properties totaling approximately 121,700 square feet (which include two buildings aggregating 81,700 square feet owned by unconsolidated joint ventures in which the Company has investment interests), 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 seven states, primarily in the Northeast, plus the District of Columbia.

BASIS OF PRESENTATION

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

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. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack (i) the ability to make decisions about the entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; (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. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity’s performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

On January 1, 2016, the Company adopted accounting guidance under ASC 810, Consolidation, modifying the analysis it must perform to determine whether it should consolidate certain types of legal entities. The guidance does not amend the existing disclosure requirements for variable interest entities or voting interest model entities. The guidance, however, modified the requirements to qualify under the voting interest model. Under the revised guidance, the Operating Partnership will be a variable interest entity of the parent company, Mack-Cali Realty Corporation. As the Operating Partnership is already consolidated in the balance sheets of Mack-Cali Realty Corporation, the identification of this entity as a variable interest entity has no impact on the consolidated financial statements of Mack-Cali Realty Corporation. There were no other legal entities qualifying under the scope of the revised guidance that were consolidated as a result of the adoption.

As of March 31, 2016 and December 31, 2015, the Company’s investments in consolidated real estate joint ventures in which the Company is deemed to be the primary beneficiary have total real estate assets of \$287.1 million and \$273.4 million, respectively, mortgages of \$93.8 million and \$89.5 million, respectively, and other liabilities of \$18.4 million and \$17.5 million, respectively.

The financial statements have been prepared in conformity with GAAP. The preparation of financial statements in conformity with 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. 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.

Actual results could differ from those estimates. Certain reclassifications have been made to prior period amounts in order to conform with current period presentation.

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. 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. Capitalized development and construction salaries and related costs approximated \$0.6 million and \$1.3 million for the three months ended March 31, 2016 and 2015, respectively. Included in total rental property is construction, tenant improvement and development in-progress of \$144.9 million and \$88.7 million as of March 31, 2016 and December 31, 2015, 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 substantial 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, primarily based on a percentage of the relative square footage of each portion, 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 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 terms 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 affect 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 value 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

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. The Company generally considers assets to be held for sale when the transaction has received appropriate corporate authority, and there are no significant contingencies relating to the sale. If, in management's opinion, the estimated net sales price, net of selling costs, 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.

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 value 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. The outside basis portion of the Company's joint ventures is amortized over the anticipated useful lives of the underlying ventures' tangible and intangible assets acquired and liabilities assumed. Generally, the Company would discontinue applying the equity method when the investment (and any advances) is reduced to zero and would not provide for additional losses unless the Company has guaranteed obligations of the venture or is otherwise committed to providing further financial support for the investee. If the venture subsequently generates income, the Company only recognizes its share of such income to the extent it exceeds its share of previously unrecognized losses.

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 value of the investment over the value of the investment. The Company's estimates of value for each investment (particularly in 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 an original maturity of three months or less when purchased are considered to be cash equivalents.

***Deferred
Financing Costs***

Costs incurred in obtaining financing are capitalized and amortized over the term of the related indebtedness. Deferred financing costs are presented in the balance sheet as a direct deduction from the carrying value of the debt liability to which they relate, except deferred financing costs related to the revolving credit facility, which are presented in Deferred charges, goodwill and other assets. In all cases, amortization of such costs is included in interest expense and was \$1,169,000 and \$953,000 for the three months ended March 31, 2016 and 2015, respectively. If a financing obligation is extinguished early, any unamortized deferred financing costs are written off and included in gains (losses) from early extinguishment of debt. No such unamortized costs were written off for the three months ended March 31, 2016 and 2015.

***Deferred
Leasing Costs***

Costs incurred in connection with commercial 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 related to commercial leases, which is capitalized and amortized, was approximately \$780,000 and \$970,000 for the three months ended March 31, 2016 and 2015, respectively.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net tangible and intangible assets acquired in a business combination. Goodwill is allocated to various reporting units, as applicable. Each of the Company's segments consists of a reporting unit. Goodwill is not amortized. Management performs an annual impairment test for goodwill during the fourth quarter and between annual tests, management evaluates the recoverability of goodwill whenever events or changes in circumstances indicate that the carrying value of goodwill may not be fully recoverable. In its impairment tests of goodwill, management first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If, based on this assessment, management determines that the fair value of the reporting unit is not less than its carrying value, then performing the additional two-step impairment test is unnecessary. If the carrying value of goodwill exceeds its fair value, an impairment charge is recognized.

***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 cumulative 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 remaining 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 terms 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 14: Tenant Leases.

Real estate services revenue includes property management, development, construction and leasing commission fees and other services, and payroll and related costs reimbursed from clients. Fee income derived from the Company's unconsolidated joint ventures (which are capitalized by such ventures) are recognized to the extent attributable to the unaffiliated ownership interests.

Parking income includes income from parking spaces leased to tenants and others.

Other income includes income from tenants for additional services arranged for by the Company and income from tenants for early lease terminations.

***Allowance for
Doubtful
Accounts***

Management performs a detailed review of amounts due from tenants to determine if an allowance for doubtful accounts is required based on factors affecting the collectability of the accounts receivable balances. The factors considered by management in determining which individual tenant receivable balances, or aggregate receivable balances, require a collectability allowance include the age of the receivable, the tenant's payment history, the nature of the charges, any communications regarding the charges and other related information. 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 (determined by excluding any net capital gains) to its shareholders. If and to the extent the Company retains and does not distribute any net capital gains, the Company will be required to pay federal, state and local taxes on such net capital gains at the rate applicable to capital gains of a corporation. 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. The Company has conducted business through its TRS entities for certain property management, development, construction and other related services, as well as to hold a joint venture interest in a hotel and other matters.

As of March 31, 2016, the Company had a deferred tax asset related to its TRS activity with a balance of approximately \$23.4 million which has been fully reserved for through a valuation allowance. 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 recognized no material adjustments regarding its tax accounting treatment. The Company expects to recognize interest and penalties related to uncertain tax positions, if any, as income tax expense, which is included in general and administrative expense.

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 March 31, 2016, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are generally from the year 2011 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 from continuing operations amount. Shares whose issuance is contingent upon the satisfaction of certain conditions shall be considered outstanding and included in the computation of diluted EPS as follows (i) if all necessary conditions have been satisfied by the end of the period (the events have occurred), those shares shall be included as of the beginning of the period in which the conditions were satisfied (or as of the date of the grant, if later) or (ii) if all necessary conditions have not been satisfied by the end of the period, the number of contingently issuable shares included in diluted EPS shall be based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period (for example, the number of shares that would be issuable based on current period earnings or period-end market price) and if the result would be dilutive. Those contingently issuable shares shall be included in the denominator of diluted EPS as of the beginning of the period (or as of the date of the grant, if later).

***Dividends and
Distributions
Payable***

The dividends and distributions payable at March 31, 2016 represents dividends payable to common shareholders (89,638,337 shares) and distributions payable to noncontrolling interest unitholders of the Operating Partnership (10,499,844 common units and 657,373 LTIP units) for all such holders of record as of April 5, 2016 with respect to the first quarter 2016. The first quarter 2016 common stock dividends and unit distributions of \$0.15 per common share and unit were approved by the Board of Directors on March 8, 2016 and paid on April 15, 2016.

The dividends and distributions payable at December 31, 2015 represents dividends payable to common shareholders (89,584,008 shares) and distributions payable to noncontrolling interest common unitholders of the Operating Partnership (10,516,844 common units) for all such holders of record as of January 6, 2016 with respect to the fourth quarter 2015. The fourth quarter 2015 common stock dividends and common unit distributions of \$0.15 per common share and unit were approved by the Board of Directors on December 8, 2015 and paid on January 15, 2016.

**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 compensation in accordance with the provisions of ASC 718, Compensation-Stock Compensation. These provisions require that the estimated fair value of restricted stock ("Restricted Stock Awards"), restricted stock units ("RSUs"), performance share units ("PSUs"), long-term incentive plan awards and stock options at the grant date be amortized ratably into expense over the appropriate vesting period. The Company recorded stock compensation expense of \$785,000 and \$313,000 for the three months ended March 31, 2016 and 2015, respectively.

**Other
Comprehensive
Income**

Other comprehensive income (loss) includes items that are recorded in equity, such as effective portions of derivatives designated as cash flow hedges or unrealized holding gains or losses on marketable securities available for sale.

**Fair Value
Hierarchy**

The standard Fair Value Measurements specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair value hierarchy:

- Level 1: Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2: Quoted prices for identical assets and liabilities in markets that are inactive, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly, such as interest rates and yield curves that are observable at commonly quoted intervals and
- Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

**Discontinued
Operations**

In April 2014, the Financial Accounting Standards Board ("FASB") issued guidance related to the reporting of discontinued operation and disclosures of disposals of components of an entity. This guidance defines a discontinued operation as a component or group of components disposed or classified as held for sale and represents a strategic shift that has (or will have) a major effect on an entity's operations and final result; the guidance states that a strategic shift could include a disposal of a major geographical area of operations, a major line of business, a major equity method investment or other major parts of an entity. The guidance also provides for additional disclosure requirements in connection with both discontinued operations and other dispositions not qualifying as discontinued operations. The guidance is effective for all companies for annual and interim periods beginning on or after December 15, 2014. The guidance applies prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. All entities could early adopt the guidance for new disposals (or new classifications as held for sale) that had not been reported in financial statements previously issued or available for issuance. The Company elected to early adopt this standard effective with the interim period beginning January 1, 2014. Prior to January 1, 2014, properties identified as held for sale and/or disposed of were presented in discontinued operations for all periods presented.

***Impact Of
Recently-Issued
Accounting
Standards***

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09 Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”). ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a full retrospective or a modified retrospective approach. Additionally, this guidance requires improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 is effective for the first interim period within annual reporting periods beginning after December 15, 2017, and early adoption is permitted for periods beginning after December 15, 2016. The Company is currently in the process of evaluating the impact the adoption of ASU 2014-09 will have on the Company’s financial position or results of operations.

In August 2014, the FASB issued ASU 2014-15, which requires management to evaluate whether there are conditions or events that raise substantial doubt about the entity’s ability to continue as a going concern, and to provide certain disclosures when it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. ASU 2014-15 is effective for the annual period ended December 31, 2016 and for annual periods and interim periods thereafter with early adoption permitted. The adoption of ASU 2014-15 is not expected to materially impact the Company’s consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, modifying the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for in the same manner as operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The guidance is expected to impact the consolidated financial statements as the Company has certain operating and land lease arrangements for which it is the lessee. The guidance supersedes previously issued guidance under ASC Topic 840 “Leases.” The guidance is effective on January 1, 2019, with early adoption permitted. The Company is currently in the process of evaluating the impact the adoption of ASU 2016-02 will have on the Company’s consolidated financial statements.

In March 2016, the FASB issued ASU 2016-07, which eliminates a requirement for the retroactive adjustment on a step by step basis of the investment, results of operations, and retained earnings as if the equity method had been effective during all previous periods that the investment had been held when an investment qualifies for equity method accounting due to an increase in the level of ownership or degree of influence. The cost of acquiring the additional interest in the investee is to be added to the current basis of the investor’s previously held interest and the equity method of accounting should be adopted as of the date the investment becomes qualified for equity method accounting. This guidance is to be applied on a prospective basis and is effective for interim and annual periods beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued. The Company is currently in the process of evaluating the impact the adoption of ASU 2016-07 will have on the Company’s consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements. The new guidance allows for entities to make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. In addition, the guidance allows employers to withhold shares to satisfy minimum statutory tax withholding requirements up to the employees' maximum individual tax rate without causing the award to be classified as a liability. The guidance also stipulates that cash paid by an employer to a taxing authority when directly withholding shares for tax-withholding purposes should be classified as a financing activity on the statement of cash flows. This guidance is effective for annual reporting periods beginning after December 15, 2016, and interim periods within that reporting period. Early adoption is permitted in any interim or annual period, with any adjustments reflected as of the beginning of the fiscal year of adoption. The Company is currently in the process of evaluating the impact the adoption of ASU 2016-09 will have on the Company's consolidated financial statements.

3. RECENT TRANSACTIONS

Acquisitions

On January 5, 2016, the Company, which held a 50 percent subordinated interest in the unconsolidated joint venture, Overlook Ridge Apartment Investors LLC, a 371-unit multi-family operating property located in Malden, Massachusetts, acquired the remaining interest for \$39.8 million in cash plus the assumption of a first mortgage loan secured by the property with a principal balance of \$52.7 million. The cash portion of the acquisition was funded primarily through borrowings under the Company's unsecured revolving credit facility. Upon acquisition, the Company consolidated the asset and accordingly, remeasured its equity interests, as required by the FASB's consolidation guidance, at fair value (based upon the income approach using current rates and market cap rates and discount rates). As a result, the Company recorded a gain on change of control of interests of \$10.2 million in the three months ended March 31, 2016. On January 19, 2016, the Company repaid the assumed loan and obtained a new loan secured by the property in the amount of \$72.5 million, which bears interest at 3.625 percent and matures in February 2023. See Note 10: Mortgages, Loans Payable and Other Obligations.

The purchase price was allocated to the net assets acquired upon consolidation, as follows (*in thousands*):

		Overlook Ridge
Land	\$	11,072
Buildings and improvements		87,793
Furniture, fixtures and equipment		1,695
In-place lease values (1)		4,389
Below market lease values (1)		(489)
Other assets		237
Sub Total		104,697
Less: Debt assumed		(52,662)
Net assets recorded upon consolidation	\$	52,035

(1) In-place lease values and below market lease values will be amortized over one year or less.

On April 1, 2016, the Company, which held a 50 percent interest in the unconsolidated Portside Apts LLC, acquired the equity interests of one of its joint venture partners for \$38.1 million in cash plus the assumption of a first mortgage loan secured by the property with a principal balance of \$42.5 million and interest at LIBOR plus 250 basis points maturing in December 2017. The cash portion of the acquisition was funded primarily through borrowings under the Company's unsecured revolving credit facility. As a result, the Company increased its ownership to 85 percent of the 175-unit operating multi-family property located in East Boston, Massachusetts.

Also on April 1, 2016, the Company bought out a partner for \$11.3 million and increased its subordinated interest in PruRose Riverwalk G, L.L.C. from 25 percent to 50 percent using borrowings on the Company's unsecured credit facility. PruRose Riverwalk G, L.L.C., owns a 316-unit operating multi-family property located in Weehawken, New Jersey.

On April 22, 2016, the Company entered into an agreement to acquire a 566,000 square-foot office property located in Hoboken, New Jersey, for approximately \$235 million, subject to certain conditions. The acquisition is expected to be completed in the second quarter of 2016.

Dispositions

The Company disposed of the following office properties during the three months ended March 31, 2016 (*dollars in thousands*):

Disposition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Net Sales Proceeds	Net Book Value	Realized Gain (loss)
03/11/16	2 Independence Way (a)	Princeton, New Jersey	1	67,401	\$ 4,119	\$ 4,283	\$ (164)
03/24/16	1201 Connecticut Avenue, NW	Washington, D.C.	1	169,549	90,591	31,827	58,764
Totals			2	236,950	\$ 94,710	\$ 36,110	\$ 58,600

(a) The Company recorded an impairment charge of \$3.2 million on this property during the year ended December 31, 2015 as it estimated that the carrying value of the property may not be recoverable over its anticipated holding period.

Rental Properties Held for Sale

During the three months ended March 31, 2016, the Company signed agreements to dispose of two office properties totaling approximately 683,000 square feet, located at 1400 L Street, NW in Washington, D.C. and 125 Broad Street in New York, New York, subject to certain conditions. The total estimated sales proceeds expected from the two separate sales are approximately \$272 million. The dispositions are expected to be completed in the second quarter of 2016. The Company identified these properties as held for sale at March 31, 2016.

The following table summarizes the rental property held for sale, net, as of March 31, 2016: (*dollars in thousands*)

	March 31, 2016
Land	\$ 46,883
Buildings and improvements	210,925
Less: Accumulated depreciation	(57,764)
Rental property held for sale, net	\$ 200,044

Other assets and liabilities related to the rental properties held for sale, as of March 31, 2016, include \$13.2 million in Deferred charges, and other assets, \$20.1 million in Unbilled rents receivable, net, \$1.3 million in Accounts receivable, net of allowance, \$3.4 million in Accounts payable, accrued expenses and other liabilities, and \$1.2 million in Rents received in advance and security deposits. Approximately \$31.3 million of these assets and \$796,000 of these liabilities are expected to be written off with the completion of the sales.

The following table summarizes income (loss) for the three month periods ended March 31, 2016 and 2015 from the properties disposed of during the three months ended March 31, 2016 and the six properties disposed of during the year ended December 31, 2015: (*dollars in thousands*)

	Three Months Ended March 31,	
	2016	2015
Total revenues	\$ 1,608	\$ 7,629
Operating and other expenses	(1,379)	(2,524)
Depreciation and amortization	(2,797)	(1,685)
Interest expense	(626)	(2,710)
Income (loss) from properties disposed of	\$ (3,194)	\$ 710
Realized gains on dispositions	58,600	144
Total income (loss) from properties disposed of	\$ 55,406	\$ 854

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

As of March 31, 2016, the Company had an aggregate investment of approximately \$303.6 million in its equity method joint ventures. The Company formed these ventures with unaffiliated third parties, or acquired interests in them, to develop or manage primarily office and multi-family rental properties, or to acquire land in anticipation of possible development of office and multi-family rental properties. As of March 31, 2016, the unconsolidated joint ventures owned: 36 office and two retail properties aggregating approximately 5.7 million square feet, 12 multi-family properties totaling 3,972 apartments, a 350-room hotel, development projects for up to approximately 1,074 apartments; and interests and/or rights to developable land parcels able to accommodate up to 2,910 apartments and 1.4 million square feet of office space. The Company's unconsolidated interests range from 7.5 percent to 85 percent subject to specified priority allocations in certain of the joint ventures.

The amounts reflected in the following tables (except for the Company's share of equity in earnings) are based on the historical financial information of the individual joint ventures. The Company does not record losses of the joint ventures in excess of its investment balances unless the Company is liable for the obligations of the joint venture or is otherwise committed to provide financial support to the joint venture. The outside basis portion of the Company's investments in joint ventures is amortized over the anticipated useful lives of the underlying ventures' tangible and intangible assets acquired and liabilities assumed. Unless otherwise noted below, 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.

The Company has agreed to guarantee repayment of a portion of the debt of its unconsolidated joint ventures. As of March 31, 2016, such debt had a total facility amount of \$492.1 million of which the Company agreed to guarantee up to \$66.3 million. As of March 31, 2016, the outstanding balance of such debt totaled \$286.7 million of which \$44.8 million was guaranteed by the Company. The Company also posted a \$3.6 million letter of credit in support of the South Pier at Harborside joint venture, half of which is indemnified by Hyatt Corporation, the Company's joint venture partner. The Company performed management, leasing, development and other services for the properties owned by the unconsolidated joint ventures and recognized \$1.0 million and \$1.6 million for such services in the three months ended March 31, 2016 and 2015, respectively. The Company had \$0.7 million and \$0.8 million in accounts receivable due from its unconsolidated joint ventures as of March 31, 2016 and December 31, 2015.

Included in the Company's investments in unconsolidated joint ventures as of March 31, 2016 are five unconsolidated development joint ventures, which are VIEs for which the Company is not the primary beneficiary. These joint ventures are primarily established to develop real estate property for long-term investment and were deemed VIEs primarily based on the fact that the equity investment at risk was not sufficient to permit the entities to finance their activities without additional financial support. The initial equity contributed to these entities was not sufficient to fully finance the real estate construction as development costs are funded by the partners throughout the construction period. The Company determined that it was not the primary beneficiary of these VIEs based on the fact that the Company has shared control of these entities along with the entity's partners and therefore does not have controlling financial interests in these VIEs. The Company's aggregate investment in these VIEs was approximately \$177.1 million as of March 31, 2016. The Company's maximum exposure to loss as a result of its involvement with these VIEs is estimated to be approximately \$210.8 million, which includes the Company's current investment and estimated future funding commitments/guarantees of approximately \$33.7 million. The Company has not provided financial support to these VIEs that it was not previously contractually required to provide. In general, future costs of development not financed through third party will be funded with capital contributions from the Company and its outside partners in accordance with their respective ownership percentages.

The following is a summary of the Company's unconsolidated joint ventures as of March 31, 2016 and December 31, 2015: (dollars in thousands, including footnotes)

Entity / Property Name	Number of		Company's Effective Ownership % (a)	Carrying Value		Property Debt As of March 31, 2016		
	Apartment Units or Square Feet (sf)	Units		March 31, 2016	December 31, 2015	Balance	Maturity Date	Interest Rate
Multi-family								
Marbella RoseGarden, L.L.C./ Marbella (b)	412	units	24.27%	\$ 15,486	\$ 15,569	\$ 95,000	05/01/18	4.99%
RoseGarden Monaco Holdings, L.L.C./ Monaco (b)	523	units	15.00%	646	937	165,000	02/01/21	4.19%
PruRose Port Imperial South 15, LLC /RiversEdge at Port Imperial (b)	236	units	50.00%	-	-	57,500	09/01/20	4.32%
Rosewood Morristown, L.L.C. / Metropolitan at 40 Park (c) (d)	130	units	12.50%	5,741	5,723	45,756	(e)	(e)
PruRose Riverwalk G, L.L.C./ RiverTrace at Port Imperial (b) (f)	316	units	25.00%	-	-	79,392	07/15/21	6.00%(g)
Elmajo Urban Renewal Associates, LLC / Lincoln Harbor (Bldg A&C) (b)	355	units	7.50%	-	-	128,100	03/01/30	4.00%
Crystal House Apartments Investors LLC / Crystal House (h)	798	units	25.00%	28,855	28,114	165,000	04/01/20	3.17%
Portside Master Company, L.L.C./ Portside at Pier One - Bldg 7 (b) (f)	175	units	38.25%	-	-	42,500	12/04/17	L+2.50%(i)
PruRose Port Imperial South 13, LLC / RiverParc at Port Imperial (b)	280	units	20.00%	-	-	70,731	06/27/16	L+2.15%(j)
Roseland/Port Imperial Partners, L.P./ Riverwalk C (b) (k)	363	units	20.00%	1,678	1,678	-	-	-
RoseGarden Marbella South, L.L.C./ Marbella II	311	units	24.27%	17,155	16,728	69,681	03/30/17	L+2.25%(l)
Estuary Urban Renewal Unit B, LLC / Lincoln Harbor (Bldg B) (b)	227	units	7.50%	-	-	81,900	03/01/30	4.00%
Riverpark at Harrison I, L.L.C./ Riverpark at Harrison	141	units	45.00%	2,426	2,544	30,000	08/01/25	3.70%
Capitol Place Mezz LLC / Station Townhouses	378	units	50.00%	45,500	46,267	100,700	07/01/33	4.82%(m)
Harborside Unit A Urban Renewal, L.L.C. / URL Harborside	763	units	85.00%	97,615	96,799	92,937	08/01/29	5.197%(n)
RoseGarden Monaco, L.L.C./ San Remo Land	250	potential units	41.67%	1,356	1,339	-	-	-
Grand Jersey Waterfront URA, L.L.C./ Liberty Landing	850	potential units	50.00%	337	337	-	-	-
Hillsborough 206 Holdings, L.L.C./ Hillsborough 206 Plaza VIII & IX Associates, L.L.C./ Vacant land (parking operations)	160,000	sf	50.00%	1,962	1,962	-	-	-
	1,225,000	sf	50.00%	4,132	4,055	-	-	-
Office								
Red Bank Corporate Plaza, L.L.C./ Red Bank	92,878	sf	50.00%	4,250	4,140	14,950	05/17/16	L+3.00%(o)
12 Vreeland Associates, L.L.C./ 12 Vreeland Road	139,750	sf	50.00%	5,974	5,890	12,171	07/01/23	2.87%
BNES Associates III / Offices at Crystal Lake	106,345	sf	31.25%	2,101	2,295	5,973	11/01/23	4.76%
KPG-P 100 IMW JV, LLC / 100 Independence Mall West	339,615	sf	33.33%	-	-	61,500	09/09/16	L+7.00%(p)
Keystone-Penn	1,842,820	sf	(q)	-	-	228,600	(r)	(r)
Keystone-TriState	1,266,384	sf	(s)	3,480	3,958	212,536	(t)	(t)
KPG-MCG Curtis JV, L.L.C./ Curtis Center (u)	885,000	sf	50.00%	62,247	59,858	(v)	(v)	(v)
Other								
Roseland/North Retail, L.L.C./ Riverwalk at Port Imperial (b)	30,745	sf	20.00%	1,742	1,758	-	-	-
South Pier at Harborside / Hyatt Regency Jersey City on the Hudson	350	rooms	50.00%	(w)	(w)	63,384	(x)	(x)
Other (y)				964	3,506	-	-	-
Totals:				\$ 303,647	\$ 303,457	\$ 1,823,311		

- (a) Company's effective ownership % represents the Company's entitlement to residual distributions after payments of priority returns, where applicable.
- (b) The Company's ownership interests in this venture are subordinate to its partner's preferred capital balance and the Company is not expected to meaningfully participate in the venture's cash flows in the near term.
- (c) Through the joint venture, the Company also owns a 12.5 percent interest in a 50,973 square foot retail building ("Shops at 40 Park") and a 25 percent interest in a to-be-built 59-unit, five story multi-family rental development property ("Lofts at 40 Park").
- (d) The Company's ownership interests in this venture are subordinate to its partner's preferred capital balance and the payment of the outstanding balance remaining on a note (\$975 as of December 31, 2015), and is not expected to meaningfully participate in the venture's cash flows in the near term.
- (e) Property debt balance consists of: (i) a loan, collateralized by the Metropolitan at 40 Park, with a balance of \$38,218, bears interest at 3.25 percent, matures in September 2020; (ii) an amortizable loan, collateralized by the Shops at 40 Park, with a balance of \$6,421, bears interest at 3.63 percent, matures in August 2018; and (iii) a loan, collateralized by the Lofts at 40 Park, with a balance of \$1,117, bears interest at LIBOR plus 250 basis points and matures in September 2016. The Shops at 40 Park mortgage loan also provides for additional borrowing proceeds of \$1 million based on certain preferred thresholds being achieved.
- (f) On April 1, 2016, the Company acquired the equity interests of its joint venture partner in Portside Apartment Holdings, L.L.C and PruRose Riverwalk G, L.L.C. for \$38.1 million and \$11.3 million, respectively, which increased its ownership to 85 percent in Portside Apartment Holdings, LLC and 50 percent in PruRose Riverwalk G, L.L.C. (See Note 3: Recent Transactions – Acquisitions).
- (g) The permanent loan has a maximum borrowing amount of \$80,249.
- (h) The Company also owns a 50 percent interest in a vacant land to accommodate the development of approximately 295 additional units of which 252 are currently approved.
- (i) The construction loan has a maximum borrowing amount of \$42,500 and provides, subject to certain conditions, two two-year extension options with a fee of 12.5 basis points for the first two-year extension and 25 basis points for the second two-year extension.
- (j) The construction loan has a maximum borrowing amount of \$73,350 and provides, subject to certain conditions, one-year extension option followed by a six-month extension option with a fee of 25 basis points each. The joint venture has a swap agreement that fixes the all-in rate to 2.79 percent per annum on an initial notional amount of \$1,620, increasing to \$69,500 for the period from July 1, 2013 to January 1, 2016.
- (k) The Company also owns a 20 percent residual interest in undeveloped land parcels: parcels 6, I, and J ("Port Imperial North Land") that can accommodate the development of 836 apartment units.

- (l) The construction loan has a maximum borrowing amount of \$77,400 and provides, subject to certain conditions, two one-year extension options with a fee of 25 basis points for each year.
- (m) The construction/permanent loan has a maximum borrowing amount of \$100,700 with amortization starting in August 2017.
- (n) The construction/permanent loan has a maximum borrowing amount of \$192,000.
- (o) The joint venture has a swap agreement that fixes the all-in rate to 3.99375 percent per annum on an initial notional amount of \$13,650 and then adjusting in accordance with an amortization schedule, which is effective from October 17, 2011 through loan maturity.
- (p) The mortgage loan has two one-year extension options, subject to certain conditions.
- (q) The Company's equity interests in the joint ventures will be subordinated to Keystone Entities receiving a 15 percent internal rate of return ("IRR") after which the Company will receive a 10 percent IRR on its subordinate equity and then all profit will be split equally.
- (r) Principal balance of \$127,600 bears interest at 5.114 percent and matures on August 27, 2023; principal balance of \$45,500 bears interest at 5.01 percent and matures on September 6, 2025; principal balance of \$33,825 bears interest at rates ranging from LIBOR+5.0 percent to LIBOR+5.75 percent and matures on August 27, 2016; principal balance of \$11,250 bears interest at LIBOR+5.5 percent and matures on January 9, 2019; principal balance of \$10,425 bears interest at LIBOR+6.0 percent matures on August 31, 2016.
- (s) Includes the Company's pari-passu interests of \$3.5 million in five properties and Company's subordinated equity interests to Keystone Entities receiving a 15 percent internal rate of return ("IRR") after which the Company will receive a 10 percent IRR on its subordinate equity and then all profit will be split equally.
- (t) Principal balance of \$43,954 bears interest at 5.38 percent and matures on July 1, 2017; principal balance of \$75,882 bears interest at rates ranging from 5.65 percent to 6.75 percent and matures on September 9, 2017; principal balance of \$14,250 bears interest at 4.88 percent and matures on July 6, 2024; principal balance of \$63,400 bears interest at 4.93 percent and matures on July 6, 2044; principal balance of \$15,050 bears interest at 4.71 percent and matures on August 6, 2044.
- (u) Includes undivided interests in the same manner as investments in noncontrolling partnership, pursuant to ASC 970-323-25-12.
- (v) See Note 10: Mortgages, Loans Payable and Other Obligations for debt secured by interests in these assets.
- (w) The negative carrying value for this venture of \$4,235 and \$3,317 as of March 31, 2016 and 2015, respectively, were included in accounts payable, accrued expenses and other liabilities.
- (x) Balance includes: (i) mortgage loan, collateralized by the hotel property, with a balance of \$59,790, bears interest at 6.15 percent and matures in November 2016, and (ii) loan with a balance of \$3,594, bears interest at fixed rates ranging from 6.09 percent to 6.62 percent and matures in August 1, 2020. The Company posted a \$3.6 million letter of credit in support of this loan, half of which is indemnified by the partner.
- (y) The Company owns other interests in various unconsolidated joint ventures, including interests in assets previously owned and interest in ventures whose businesses are related to its core operations. These ventures are not expected to significantly impact the Company's operations in the near term.

The following is a summary of the Company's equity in earnings (loss) of unconsolidated joint ventures for the three months ended March 31, 2016 and 2015 (dollars in thousands)

Entity / Property Name	Three Months Ended	
	2016	March 31, 2015
Multi-family		
Marbella RoseGarden, L.L.C./ Marbella	\$ 84	\$ 61
RoseGarden Monaco Holdings, L.L.C./ Monaco	(291)	(317)
PruRose Port Imperial South 15, LLC /RiversEdge at Port Imperial	-	-
Rosewood Morristown, L.L.C. / Metropolitan at 40 Park	(81)	(94)
PruRose Riverwalk G, L.L.C./ RiverTrace at Port Imperial	-	(254)
Elmajo Urban Renewal Associates, LLC / Lincoln Harbor (Bldg A&C)	-	-
Crystal House Apartments Investors LLC / Crystal House	(112)	(10)
Portside Master Company, L.L.C./ Portside at Pier One - Bldg 7	-	(719)
PruRose Port Imperial South 13, LLC / RiverParc at Port Imperial	-	(225)
Roseland/Port Imperial Partners, L.P./ Riverwalk C	-	(184)
RoseGarden Marbella South, L.L.C./ Marbella II	-	-
Estuary Urban Renewal Unit B, LLC / Lincoln Harbor (Bldg B)	-	-
Riverpark at Harrison I, L.L.C./ Riverpark at Harrison	(28)	(173)
Capitol Place Mezz LLC / Station Townhouses	(767)	75
Harborside Unit A Urban Renewal, L.L.C. / URL Harborside	(17)	-
RoseGarden Monaco, L.L.C./ San Remo Land	-	-
Grand Jersey Waterfront URA, L.L.C./ Liberty Landing	(60)	(19)
Hillsborough 206 Holdings, L.L.C./ Hillsborough 206	(19)	-
Plaza VIII & IX Associates, L.L.C./ Vacant land (parking operations)	77	86
Office		
Red Bank Corporate Plaza, L.L.C./ Red Bank	101	110
12 Vreeland Associates, L.L.C./ 12 Vreeland Road	84	(14)
BNES Associates III / Offices at Crystal Lake	(194)	68
KPG-P 100 IMW JV, LLC / 100 Independence Mall West	-	(384)
Keystone-Penn	-	-
Keystone-TriState	(477)	(1,348)
KPG-MCG Curtis JV, L.L.C./ Curtis Center	179	196
Other		
Roseland/North Retail, L.L.C./ Riverwalk at Port Imperial	(16)	(18)
South Pier at Harborside / Hyatt Regency Jersey City on the Hudson	(167)	(84)
Other	150	(282)
Company's equity in earnings (loss) of unconsolidated joint ventures	\$ (1,554)	\$ (3,529)

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of March 31, 2016 and December 31, 2015: *(dollars in thousands)*

	March 31, 2016		December 31, 2015
Assets:			
Rental property, net	\$ 1,736,842	\$	1,781,621
Other assets	294,444		307,000
Total assets	\$ 2,031,286	\$	2,088,621
Liabilities and partners'/members' capital:			
Mortgages and loans payable	\$ 1,279,688	\$	1,298,293
Other liabilities	215,552		215,951
Partners'/members' capital	536,046		574,377
Total liabilities and partners'/members' capital	\$ 2,031,286	\$	2,088,621

The following is a summary of the results from operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three months ended March 31, 2016 and 2015: *(dollars in thousands)*

	Three Months Ended March 31,	
	2016	2015
Total revenues	\$ 70,122	\$ 74,477
Operating and other expenses	(45,561)	(57,356)
Depreciation and amortization	(18,842)	(16,993)
Interest expense	(14,049)	(11,334)
Net loss	\$ (8,330)	\$ (11,206)

5. DEFERRED CHARGES, GOODWILL AND OTHER ASSETS, NET

<i>(dollars in thousands)</i>	March 31, 2016		December 31, 2015
Deferred leasing costs	\$ 237,209	\$	239,690
Deferred financing costs - revolving credit facility (1)	5,359		5,394
	242,568		245,084
Accumulated amortization	(103,316)		(118,014)
Deferred charges, net	139,252		127,070
Notes receivable (2)	13,435		13,496
In-place lease values, related intangibles and other assets, net	12,736		10,931
Goodwill	2,945		2,945
Prepaid expenses and other assets, net (3)	52,629		49,408
Total deferred charges, goodwill and other assets, net	\$ 220,997	\$	203,850

- (1) Pursuant to recently issued accounting standards, deferred financing costs related to all other debt liabilities (other than for the revolving credit facility) are classified to net against those debt liabilities for all periods presented. See Note 2: Significant Accounting Policies – Deferred Financing Costs.
- (2) Includes as of March 31, 2016: a mortgage receivable for \$10.4 million which bears interest at LIBOR plus six percent and matures in August 2016; and an interest-free note receivable with a net present value of \$3.0 million and matures in April 2023. The Company believes these balances are fully collectible.
- (3) Includes as of March 31, 2016, deposits of \$12.7 million for acquisitions and developments.

DERIVATIVE FINANCIAL INSTRUMENTS

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. As of March 31, 2016, the Company had outstanding interest rate swaps with a combined notional value of \$350 million that were designated as cash flow hedges of interest rate risk. During the three months ending March 31, 2016, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During the three months ended March 31, 2016, the Company recorded ineffectiveness of \$913,000 in expense, which is included in interest and other investment income (loss) in the consolidated statements of operations, attributable to a floor mismatch in the underlying indices of the derivatives and the hedged interest payments made on its variable-rate debt. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. During the next 12 months, the Company estimates that an additional \$3.1 million will be reclassified as an increase to interest expense.

Undesignated Cash Flow Hedges of Interest Rate Risk

Interest rate caps not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements but do not meet the strict hedge accounting requirements. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. The Company recognized expenses of \$1,000 and \$63,000 during the three months ended March 31, 2016 and 2015, respectively, which is included in interest and other investment income (loss) in the consolidated statements of operations.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the Balance Sheet as of March 31, 2016 and December 31, 2015. (dollars in thousands)

Liability Derivatives designated as hedging instruments	Fair Value		Balance sheet location
	March 31, 2016	December 31, 2015	
Interest rate swaps	\$ 7,253	\$ -	Accounts payable, accrued expenses and other liabilities
Asset Derivatives not designated as hedging instruments			
Interest rate caps	\$ -	\$ 2	Deferred charges, goodwill and other assets

The table below presents the effect of the Company's derivative financial instruments on the Income Statement for the three months ending March 31, 2016 and 2015 (dollars in thousands)

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)		Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)		Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion, Reclassification for Forecasted Transactions No Longer Probable of Occurring and Amount Excluded from Effectiveness Testing)	
	2016	2015		2016	2015		2016	2015
Three months ended March 31,								
Interest rate swaps	\$ (7,187)	\$ -	Interest expense	\$ (847)	\$ -	Interest and other investment income (loss)	\$ (913)	\$ -

Credit-risk-related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness. As of March 31, 2016, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, related to these agreements was \$7.7 million. As of March 31, 2016, the Company has not posted any collateral related to these agreements. If the Company had breached any of these provisions at March 31, 2016, it could have been required to settle its obligations under the agreements at their termination value of \$7.7 million.

6. RESTRICTED CASH

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

	March 31, 2016		December 31, 2015	
Security deposits	\$	8,297	\$	7,785
Escrow and other reserve funds		19,269		27,558
Total restricted cash	\$	27,566	\$	35,343

7. SENIOR UNSECURED NOTES

A summary of the Company's senior unsecured notes as of March 31, 2016 and December 31, 2015 is as follows: *(dollars in thousands)*

	March 31, 2016		December 31, 2015		Effective Rate (1)
5.800% Senior Unsecured Notes, due January 15, 2016 (2)		-	\$	200,000	5.806 %
2.500% Senior Unsecured Notes, due December 15, 2017	\$	250,000		250,000	2.803 %
7.750% Senior Unsecured Notes, due August 15, 2019		250,000		250,000	8.017 %
4.500% Senior Unsecured Notes, due April 18, 2022		300,000		300,000	4.612 %
3.150% Senior Unsecured Notes, due May 15, 2023		275,000		275,000	3.517 %
Principal balance outstanding		1,075,000		1,275,000	
Adjustment for unamortized debt discount		(5,872)		(6,156)	
Unamortized deferred financing costs		(4,765)		(5,062)	
Total senior unsecured notes, net	\$	1,064,363	\$	1,263,782	

- (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) On January 15, 2016, the Company repaid these notes at their maturity using proceeds from a new unsecured term loan and borrowings under the Company's unsecured revolving credit facility.

The terms of the Company's senior unsecured notes include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets. The Company was in compliance with its debt covenants under the indenture relating to its senior unsecured notes as of March 31, 2016.

8. UNSECURED TERM LOAN

On January 7, 2016, the Company obtained a new \$350 million unsecured term loan, which matures in January 2019 with two one-year extension options. The interest rate for the new term loan is currently 140 basis points over LIBOR, subject to adjustment on a sliding scale based on the Operating Partnership's unsecured debt ratings, or at the Company's option, a defined leverage ratio. The Company entered into interest rate swap arrangements to fix LIBOR for the duration of the term loan. Including costs, the current all-in fixed rate is 3.13 percent. The proceeds from the loan were used primarily to repay outstanding borrowings on the Company's unsecured revolving credit facility and to repay the Company's \$200 million, 5.8 percent senior unsecured notes that matured on January 15, 2016.

The interest rate on the unsecured term loan is based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR
No ratings or less than BBB-/Baa3	185.0
BBB- or Baa3 (current interest rate based on Company's election)	140.0
BBB or Baa2	115.0
BBB+ or Baa1	100.0
A- or A3 or higher	90.0

If the Company elected to use a defined leverage ratio, the interest rate under the unsecured term loan would be based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points above LIBOR
<45%	145
≥45% and <50% (current ratio)	155
≥50% and <55%	165
≥55%	195

The terms of the unsecured term loan include certain restrictions and covenants which limit, among other things 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 term loan described below, or (ii) the property dispositions are completed while the Company is under an event of default under the term loan, 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 (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code. The Company was in compliance with its debt covenants under its unsecured term loan as of March 31, 2016.

9. UNSECURED REVOLVING CREDIT FACILITY

The Company has a \$600 million unsecured revolving credit facility with a group of 17 lenders. The facility is expandable to \$1 billion and matures in July 2017. It has two six-month extension options each requiring the payment of a 7.5 basis point fee. The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) and the facility fee on the current borrowing capacity payable quarterly in arrears are based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Facility Fee Basis Points
No ratings or less than BBB-/Baa3	170.0	35.0
BBB- or Baa3 (current)	130.0	30.0
BBB or Baa2	110.0	20.0
BBB+ or Baa1	100.0	15.0
A- or A3 or higher	92.5	12.5

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 those above.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things 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 (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code. The Company was in compliance with its debt covenants under its revolving credit facility as of March 31, 2016.

As of March 31, 2016 and December 31, 2015, the Company had outstanding borrowings of \$90 million and \$155 million, respectively, under its unsecured revolving credit facility.

10. 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, land and development projects. As of March 31, 2016, 24 of the Company's properties, with a total carrying value of approximately \$853 million, and four of the Company's land and development projects, with a total carrying value of approximately \$222 million, are encumbered by the Company's mortgages and loans payable. Payments on mortgages, loans payable and other obligations are generally due in monthly installments of principal and interest, or interest only. Except as noted below, the Company was in compliance with its debt covenants under its mortgages and loans payable as of March 31, 2016.

A summary of the Company's mortgages, loans payable and other obligations as of March 31, 2016 and December 31, 2015 is as follows: (dollars in thousands)

Property/Project Name	Lender	Effective Rate (a)	March 31, 2016	December 31, 2015	Maturity
Port Imperial South (b) 6 Becker, 85 Livingston, 75 Livingston & 20 Waterview 9200 Edmonston Road	Wells Fargo Bank N.A.	LIBOR+1.75%	- \$	34,962	01/17/16
4 Becker	Wells Fargo CMBS	10.260 %	\$ 63,279	63,279	08/11/14(c)
Curtis Center (e)	Principal Commercial Funding L.L.C.	9.780 %	3,793	3,793	05/01/15(d)
Various (g)	Wells Fargo CMBS	9.550 %	40,478	40,631	05/11/16
150 Main St. (h)	CCRE & PREFG	LIBOR+5.912% (f)	64,000	64,000	10/09/16
23 Main Street	Prudential Insurance	6.332 %	142,983	143,513	01/15/17
Harborside Plaza 5	Webster Bank	LIBOR+2.35%	16,103	10,937	03/30/17
	JPMorgan CMBS	5.587 %	28,367	28,541	09/01/18
	The Northwestern Mutual Life Insurance Co. & New York Life Insurance Co.	6.842 %	216,738	217,736	11/01/18
100 Walnut Avenue	Guardian Life Insurance Co.	7.311 %	18,202	18,273	02/01/19
One River Center (i)	Guardian Life Insurance Co.	7.311 %	41,698	41,859	02/01/19
Park Square	Wells Fargo Bank N.A.	LIBOR+1.872% (j)	27,500	27,500	04/10/19
Port Imperial South 4/5 Retail	American General Life & A/G PC	4.559 %	4,000	4,000	12/01/21
The Chase at Overlook Ridge	New York Community Bank	3.740 %	72,500	-	02/01/23
Port Imperial South 4/5 Garage	American General Life & A/G PC	4.853 %	32,600	32,600	12/01/29
Principal balance outstanding			772,241	731,624	
Adjustment for unamortized debt discount			(222)	(548)	
Unamortized deferred financing costs			(4,446)	(4,465)	
Total mortgages, loans payable and other obligations, net			\$ 767,573	\$ 726,611	

- (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) The loan was repaid in full at maturity, using borrowings from the Company's revolving credit facility.
- (c) Mortgage is cross collateralized by the four properties. On April 22, 2016, the loan was repaid for \$51.5 million.
- (d) Excess cash flow, as defined, is being held by the lender for re-leasing costs. The deed for the property was placed in escrow and is available to the lender in the event of default or non-payment at maturity. The mortgage loan was not repaid at maturity on May 1, 2015. The Company is in discussions with the lender regarding a further extension of the loan.
- (e) The Company owns a 50 percent tenants-in-common interest in the Curtis Center property. The Company's \$64.0 million loan consists of its 50 percent interest in a \$102 million senior loan with a current rate of 3.7311 percent at March 31, 2016 and its 50 percent interest in a \$26 million mezzanine loan (with a maximum borrowing capacity of \$48 million) with a current rate of 9.937 percent at March 31, 2016. The senior loan rate is based on a floating rate of one-month LIBOR plus 329 basis points and the mezzanine loan rate is based on a floating rate of one-month LIBOR plus 950 basis points. The Company has entered into LIBOR caps for the periods of the loans. The loans provide for three one-year extension options.
- (f) The effective interest rate includes amortization of deferred financing costs of 1.362 percent.
- (g) Mortgage is cross collateralized by seven properties. The Company has agreed, subject to certain conditions, to guarantee repayment of \$61.1 million of the loan.
- (h) This construction loan has a maximum borrowing capacity of \$28.8 million.
- (i) Mortgage is collateralized by the three properties comprising One River Center.
- (j) The effective interest rate includes amortization of deferred financing costs of 0.122 percent.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the three months ended March 31, 2016 and 2015 was \$28,090,000 and \$25,922,000, respectively. Interest capitalized by the Company for the three months ended March 31, 2016 and 2015 was \$4,561,000 and \$3,607,000, respectively (which amounts included \$1,458,000 and \$1,256,000 for the three months ended March 31, 2016 and 2015, respectively, of interest capitalized on the Company's investments in unconsolidated joint ventures which were substantially in development).

SUMMARY OF INDEBTEDNESS

As of March 31, 2016, the Company's total indebtedness of \$2,281,147,000 (weighted average interest rate of 4.95 percent) was comprised of \$197,603,000 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 3.40 percent) and fixed rate debt and other obligations of \$2,089,638,000 (weighted average rate of 5.10 percent).

As of December 31, 2015, the Company's total indebtedness of \$2,154,920,000 (weighted average interest rate of 5.22 percent) was comprised of \$292,399,000 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 2.81 percent) and fixed rate debt and other obligations of \$1,862,521,000 (weighted average rate of 5.60 percent).

11. 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. Total expense recognized by the Company for the 401(k) Plan for the three months ended March 31, 2016 and 2015 was \$237,000 and zero, respectively.

12. DISCLOSURE OF FAIR VALUE OF ASSETS AND LIABILITIES

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 assets and liabilities at March 31, 2016 and December 31, 2015. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, receivables, notes receivables, accounts payable, and accrued expenses and other liabilities are carried at amounts which reasonably approximate their fair values as of March 31, 2016 and December 31, 2015.

The fair value of the Company's long-term debt, consisting of senior unsecured notes, an unsecured term loan, an unsecured revolving credit facility and mortgages, loans payable and other obligations aggregated approximately \$2,299,752,000 and \$2,150,507,000 as compared to the book value of approximately \$2,269,287,000 and \$2,145,393,000 as of March 31, 2016 and December 31, 2015, respectively. The fair value of the Company's long-term debt was categorized as a level 3 basis (as provided by ASC 820, Fair Value Measurements and Disclosures). The fair value was estimated using a discounted cash flow analysis valuation 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. Although the Company has determined that the majority of the inputs used to value its derivative financial instruments fall within level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivative financial instruments utilize level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. The Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivative financial instruments. As a result, the Company has determined that its derivative financial instruments valuations in their entirety are classified in level 2 of the fair value hierarchy.

The fair value measurements used in the evaluation of the Company's rental properties are considered to be Level 3 valuations within the fair value hierarchy, as there are significant unobservable inputs. Examples of inputs utilized in the fair value calculations include estimated holding periods, discount rates, market capitalization rates, expected lease rental rates, and third party broker information. For rental properties identified as held for sale, fair value measurements used represent estimated fair value of properties, less selling costs, based on contract prices when available.

Disclosure about fair value of assets and liabilities is based on pertinent information available to management as of March 31, 2016 and December 31, 2015. 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 March 31, 2016 and current estimates of fair value may differ significantly from the amounts presented herein.

13. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

Pursuant to agreements with certain municipalities, the Company is required to make payments in lieu of property taxes ("PILOT") on certain of its properties and has tax abatement agreements on other properties, as follows:

The Harborside Plaza 4-A agreement with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The annual PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are \$49.5 million. The PILOT totaled \$247,000 and \$247,000 for the three months ended March 31, 2016 and 2015, respectively.

The Harborside Plaza 5 agreement, also with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The annual PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are \$170.9 million. The PILOT totaled \$854,000 and \$854,000 for the three months ended March 31, 2016 and 2015, respectively.

The agreement with the City of Weehawken for its Port Imperial 4/5 garage development project has a term of five years beginning when the project is substantially complete, which occurred in the third quarter of 2013. The agreement provides that real estate taxes be paid initially on the land value of the project only and allows for a phase in of real estate taxes on the value of the improvements over a five year period.

At the conclusion of the above-referenced 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 March 31, 2016, are as follows: (*dollars in thousands*)

Year		Amount
April 1 through December 31, 2016	\$	290
2017		267
2018		232
2019		235
2020		235
2021 through 2084		15,348
Total	\$	16,607

Ground lease expense incurred by the Company during the three months ended March 31, 2016 and 2015 amounted to \$102,000 and \$102,000, respectively.

CONSTRUCTION PROJECTS

The Company owns a 76.25 percent interest in a consolidated joint venture which is constructing a 108-unit multi-family development rental property located in Eastchester, New York (the "Eastchester Project"). The project is expected to be ready for occupancy by the second quarter of 2016. The Eastchester Project is estimated to cost a total of \$50.0 million (of which development costs of \$35.9 million have been incurred through March 31, 2016). The venture has a \$28.8 million construction loan (with \$16.1 million outstanding as of March 31, 2016). The Company expects to fund costs of approximately \$20.9 million for the development of the project (of which, as of March 31, 2016, the Company has incurred \$16.1 million of the development costs and estimates it will need to fund an additional \$4.8 million for the completion of the project).

On April 1, 2015, the Company acquired vacant land in Worcester, Massachusetts to accommodate a two-phase development of the CitySquare Project for a purchase price of \$3.1 million with an additional \$1.25 million to be paid (which is accrued as of March 31, 2016), subject to certain conditions, in accordance with the terms of the purchase and sale agreement. The first phase with 237 units started construction in the third quarter 2015 with anticipated initial deliveries in the second quarter 2017. The Company has a construction loan with a maximum borrowing amount of \$41.5 million (with no outstanding balance as of March 31, 2016). Total development costs are estimated to be approximately \$92.5 million (of which \$10.6 million was incurred by the Company through March 31, 2016 and estimates it will need to fund an additional \$40.4 million for the completion of the project).

On October 6, 2015, the Company entered into a joint venture partnership with XS Port Imperial Hotel, LLC ("XS") to form XS Hotel Urban Renewal Associates LLC ("XS Hotel URA") for the development and ownership of a 364-key dual branded hotel property located in Weehawken, New Jersey ("Port Imperial Hotel"). Concurrently, the Company and XS entered into a separate joint venture partnership to form XS Hotel Associates, L.L.C. ("XS Hotel") for the management and operations of the completed hotel development. The Company holds a 90 percent interest and XS holds the remaining 10 percent interest in the consolidated joint ventures, XS Hotel URA and XS Hotel, with the Company having full and complete authority, power, and discretion to manage and control the ventures' business, affairs, and property. The construction of the Port Imperial Hotel is estimated to cost a total of \$105.9 million. The venture has a \$94 million construction loan (with no outstanding balance as of March 31, 2016). As of March 31, 2016, the Company incurred development costs of \$4.7 million and estimates it will need to fund an additional \$0.5 million for the completion of the project.

The Company owns developable land to accommodate a multi-phase development project of approximately 1,034-unit multi-family rental property located in Malden, Massachusetts. The initial phase commenced construction of 292 units in the third quarter of 2015 (the "Chase II Project"). The Chase II project is estimated to cost a total of \$74.9 million (of which the Company has incurred \$26.4 million through March 31, 2016) and is expected to be ready for occupancy by second quarter of 2017. The Company has a construction loan with a maximum borrowing amount of \$48 million (with no outstanding balance as of March 31, 2016). The Company estimates it will need to fund additional costs of \$0.5 million for the completion of the Chase II Project.

The Company owns an office property that it repurposed for residential use. The 197-unit multi-family development project, which is located in Morris Plains, New Jersey ("Signature Place Project"), is expected to be ready for occupancy by the fourth quarter of 2017. The Signature Place Project, which is estimated to cost a total of \$61.4 million (of which development costs of \$5.1 million have been incurred through March 31, 2016) is expected to be funded by a \$42 million construction loan. The Company expects to fund costs of approximately \$19.4 million for the development of the project, of which the Company has incurred \$4.7 million as of March 31, 2016.

The Company owns an 85 percent interest in a consolidated joint venture, which is constructing a 296-unit multi-family development rental property located in East Boston, Massachusetts (“Portside 5/6 Project”). The project is expected to be ready for occupancy by the first quarter of 2018. The Portside 5/6 Project, which is estimated to cost a total of \$112.4 million (of which development costs of \$8.5 million have been incurred through March 31, 2016), is expected to be funded by a \$73 million construction loan. The Company expects to fund costs of approximately \$33.5 million for the development of the project, of which the Company has incurred \$6.2 million as of March 31, 2016.

OTHER

Through February 2016, the Company could not dispose of or distribute certain of its properties 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 did not result in recognition of any built-in-gain (which could result in an income tax liability) or which reimbursed 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 did not apply in the event that the Company sold all of its properties or in connection with a sale transaction which the Company’s Board of Directors determined was 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 expired as of February 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; and Earle I. Mack, a former director); the Robert Martin Group (which includes Robert F. Weinberg, a former director and current member of its Advisory Board), and the Cali Group (which includes John R. Cali, a former director and current member of its Advisory Board). As of March 31, 2016, 117 of the Company’s properties, with an aggregate net book value of approximately \$1.3 billion, have lapsed restrictions and are subject to these conditions.

14. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2035. Substantially all of the commercial 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 commercial operating leases at March 31, 2016 are as follows(*dollars in thousands*):

Year	Amount
April 1 through December 31, 2016	\$ 344,351
2017	435,004
2018	361,934
2019	299,626
2020	259,333
2021 and thereafter	1,048,288
Total	\$ 2,748,536

Multi-family rental property residential leases are excluded from the above table as they generally expire within one year.

15. 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 Charter provides, 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.

SHARE REPURCHASE PROGRAM

In September 2012, the Board of Directors renewed and authorized an increase to the Company's repurchase program ("Repurchase Program"). The Company has authorization to repurchase up to \$150 million of its outstanding common stock under the renewed Repurchase Program, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions. The Company has purchased and retired 394,625 shares of its outstanding common stock for an aggregate cost of approximately \$11 million (all of which occurred in the year ended December 31, 2012), with a remaining authorization under the Repurchase Program of \$139 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 approximately 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 SEC for the approximately 5.5 million shares of the Company's common stock reserved for issuance under the DRIP.

STOCK OPTION PLANS

In May 2013, the Company established the 2013 Incentive Stock Plan (the "2013 Plan") under which a total of 4,600,000 shares have been reserved for issuance. 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" and together with the 2000 Employee Plan, the "2000 Plans"). In May 2002, shareholders of the Company approved amendments to both of the 2000 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). As the 2000 Plans expired in 2010, stock options may no longer be issued under those plans. Stock options granted under the 2000 Employee Plan became exercisable over a five-year period. All stock options granted under the 2000 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 10 years. As of March 31, 2016 and December 31, 2015, the stock options outstanding had a weighted average remaining contractual life of approximately 9.2 and 9.4 years, respectively.

On June 5, 2015, in connection with employment agreements entered into with each of Messrs. Rudin and DeMarco (together, the "Executive Employment Agreements"), the Company granted options to purchase a total of 800,000 shares of the Company's common stock, exercisable for a period of ten years with an exercise price equal to the closing price of the Company's common stock on the grant date of \$17.31 per share, with 400,000 of such options vesting in three equal annual installments commencing on the first anniversary of the grant date ("Time Vesting Options"), and 400,000 of such options vesting if the Company's common stock trades at or above \$25.00 per share for 30 consecutive trading days while the executive is employed ("Price Vesting Options"), or on or before June 30, 2019, subject to certain conditions.

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, 2016	805,000	\$ 17.33	\$ 4,843
Lapsed or Cancelled	-	-	-
Outstanding at March 31, 2016 (\$17.31 – \$21.25)	805,000	\$ 17.33	\$ 4,963
Options exercisable at March 31, 2016	5,000		
Available for grant at March 31, 2016	2,722,338		

There were no stock options exercised under all stock option plans for the three months ended March 31, 2016 and 2015, respectively. The Company has a policy of issuing new shares to satisfy stock option exercises.

The Company recognized stock options expense of \$183,000 and \$1,000 for the three months ended March 31, 2016 and 2015, respectively.

RESTRICTED STOCK AWARDS

The Company has issued stock awards (“Restricted Stock Awards”) to officers, certain other employees and non-employee members of the Board of Directors of the Company, which allow the holders to each receive a certain amount of shares of the Company’s common stock generally over a one to seven-year vesting period, of which 90,090 unvested shares were legally outstanding at March 31, 2016. Vesting of the Restricted Stock Awards issued to executive officers and certain other employees is based on time and service.

On June 5, 2015, in connection with the Executive Employment Agreements, the Company granted a total of 37,550.54 Restricted Stock Awards, which were valued in accordance with ASC 718 – Stock Compensation, at their fair value. These awards are scheduled to vest equally over a three-year period on each annual anniversary date of the grant date.

All currently outstanding and unvested Restricted Stock Awards provided to the officers, certain other employees, and members of the Board of Directors of the Company were issued under the 2013 Plan.

Information regarding the Restricted Stock Awards grant activity is summarized below:

	Shares	Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2016	136,220	\$ 19.36
Granted	36,870	21.70
Vested	(45,449)	19.16
Outstanding at March 31, 2016	127,641	\$ 20.11

As of March 31, 2016, the Company had \$1.3 million of total unrecognized compensation cost related to unvested Restricted Stock Awards granted under the Company’s stock compensation plans. That cost is expected to be recognized over a weighted average period of 0.8 years.

PERFORMANCE SHARE UNITS

On June 5, 2015, in connection with the Executive Employment Agreements, the Company granted a total of 112,651.64 performance share units (“PSUs”) which will vest from 0 to 150 percent of the number of PSUs granted based on the Company’s total shareholder return relative to a peer group of equity office REITs over a three-year performance period starting from the grant date, each PSU evidencing the right to receive a share of the Company’s common stock upon vesting. The PSUs are also entitled to the payment of dividend equivalents in respect of vested PSUs in the form of additional PSUs. The PSUs were valued in accordance with ASC 718, Compensation - Stock Compensation, at their fair value on the grant date, utilizing a Monte-Carlo simulation to estimate the probability of the vesting conditions being satisfied.

The Company has reserved shares of common stock under the 2013 Plan for issuance upon vesting of the PSUs in accordance with their terms and conditions.

As of March 31, 2016, the Company had \$1.1 million of total unrecognized compensation cost related to unvested PSUs granted under the Company’s stock compensation plans. That cost is expected to be recognized over a weighted average period of 2.2 years.

LONG-TERM INCENTIVE PLAN AWARDS

On March 8, 2016, the Company granted Long-Term Incentive Plan (“LTIP”) awards to senior management of the Company, including all of the Company’s executive officers (the “2016 LTIP Awards”). All of the 2016 LTIP Awards were in the form of units in the Operating Partnership (“LTIP Units”) and constitute awards under the 2013 Plan. For Messrs. Rudin, DeMarco and Tycher, approximately 25 percent of the target 2016 LTIP Award was in the form of a time-based award that will vest after three years on March 8, 2019 (the “2016 TBV LTIP Units”), and the remaining approximately 75 percent of the target 2016 LTIP Award was in the form of a performance-based award under a new Outperformance Plan (the “2016 OPP”) adopted by the Company’s Board of Directors consisting of a multi-year, performance-based equity compensation plan and related forms of award agreement (the “2016 PBV LTIP Units”). For all other executive officers, approximately 40 percent of the target 2016 LTIP Award was in the form of 2016 TBV LTIP Units and the remaining approximately 60 percent of the target 2016 LTIP Award was in the form of 2016 PBV LTIP Units.

The 2016 OPP is designed to align the interests of senior management to relative and absolute performance of the Company over a three-year performance period from March 8, 2016 through March 7, 2019. The senior management team that received 2016 LTIP Awards includes the Company's eight executive officers. Participants in the 2016 OPP will only earn the full awards if, over the three-year performance period, the Company achieves a 50 percent absolute total stockholder return ("TSR") and if the Company is in the 75th percentile of performance versus the NAREIT Office Index.

LTIP Units will remain subject to forfeiture depending on the extent that the 2016 LTIP Awards vest. The number of LTIP Units to be issued initially to recipients of the 2016 PBV LTIP Awards is the maximum number of LTIP Units that may be earned under the awards. The number of LTIP Units that actually vest for each award recipient will be determined at the end of the performance measurement period. TSR for the Company and for the Index over the three-year measurement period and other circumstances will determine how many LTIP Units vest for each recipient; if they are fewer than the number issued initially, the balance will be forfeited as of the performance measurement date.

Prior to vesting, recipients of LTIP Units will be entitled to receive per unit distributions equal to one-tenth (10 percent) of the regular quarterly distributions payable on a common unit of limited partnership interest in the Operating Partnership (a "common unit"), but will not be entitled to receive any special distributions. Distributions with respect to the other nine-tenths (90 percent) of regular quarterly distributions payable on a common unit will accrue but shall only become payable upon vesting of the LTIP Unit. After vesting of the 2016 TBV LTIP Units or the end of the measurement period for the 2016 PBV LTIP Units, the number of LTIP Units, both vested and unvested, will be entitled to receive distributions in an amount per unit equal to distributions, both regular and special, payable on a common unit.

The Company granted a total of 499,756 PBV LTIP Units and 157,617 TBV LTIP Units. The LTIP Units were valued in accordance with ASC 718 – Stock Compensation, at their fair value. The Company has reserved shares of common stock under the 2013 Plan for issuance upon vesting and conversion of the LTIP Units in accordance with their terms and conditions.

As of March 31, 2016, the Company had \$8.7 million of total unrecognized compensation cost related to unvested 2016 LTIP Awards granted under the Company's stock compensation plans. That cost is expected to be recognized over a weighted average period of 3.4 years.

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 three months ended March 31, 2016 and 2015, 4,373 and 5,002 deferred stock units were earned, respectively. As of March 31, 2016 and December 31, 2015, there were 182,463 and 178,039 deferred stock units outstanding, respectively.

EARNINGS PER SHARE

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

The following information presents the Company's results for the three months ended March 31, 2016 and 2015 in accordance with ASC 260, Earnings Per Share (*dollars in thousands, except per share amounts*)

	Three Months Ended March 31,	
	2016	2015
Computation of Basic EPS		
Net income (loss)	\$ 68,769	\$ (3,325)
Add: Noncontrolling interest in consolidated joint ventures	706	490
Add (deduct): Noncontrolling interest in Operating Partnership	(7,284)	314
Net income (loss) available to common shareholders	\$ 62,191	\$ (2,521)
Weighted average common shares	89,721	89,192
Basic EPS:		
Net income (loss) available to common shareholders	\$ 0.69	\$ (0.03)

	Three Months Ended March 31,	
	2016	2015
Computation of Diluted EPS		
Net income (loss) available to common shareholders	\$ 62,191	\$ (2,521)
Add (deduct): Noncontrolling interest in Operating Partnership	7,284	(314)
Net income (loss) for diluted earnings per share	\$ 69,475	\$ (2,835)
Weighted average common shares	100,315	100,266
Diluted EPS:		
Net income (loss) available to common shareholders	\$ 0.69	\$ (0.03)

The following schedule reconciles the shares used in the basic EPS calculation to the shares used in the diluted EPS calculation (*in thousands*)

	Three Months Ended March 31,	
	2016	2015
Basic EPS shares	89,721	89,192
Add: Operating Partnership – common units	10,509	11,074
Restricted Stock Awards	56	-
Stock Options	29	-
Diluted EPS Shares	100,315	100,266

Contingently issuable shares under the PSUs and Price Vesting Options were excluded from the denominator in 2016 and 2015 because the criteria had not been met for the period ended March 31, 2016. Not included in the computations of diluted EPS were 5,000 and 10,000 stock options as such securities were anti-dilutive during the periods ended March 31, 2016 and 2015, respectively. Also, not included in the computations of diluted EPS were all of the LTIP Units as such securities were anti-dilutive during the periods. Unvested restricted stock outstanding as of March 31, 2016 and 2015 were 90,090 and 103,337 shares, respectively.

Dividends declared per common share for each of the three month periods ended March 31, 2016 and 2015 was \$0.15 per share.

16. **NONCONTROLLING INTERESTS IN SUBSIDIARIES**

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

The following table reflects the activity of noncontrolling interests for the three months ended March 31, 2016 and 2015, respectively(dollars in thousands):

		Three Months Ended March 31,	
		2016	2015
Balance at January 1	\$	228,032	\$ 257,230
Net income (loss)		6,578	(804)
Unit distributions		(1,601)	(1,656)
Increase in noncontrolling interests in consolidated joint ventures		997	94
Redemption of common units for common stock		(276)	(857)
Stock compensation		173	-
Other comprehensive income (loss)		(665)	-
Rebalancing of ownership percentage between parent and subsidiaries		(118)	45
Balance at March 31	\$	233,120	\$ 254,052

Pursuant to ASC 810, Consolidation, on the accounting and reporting for noncontrolling interests and changes in ownership interests of a subsidiary, 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 value 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 three months ended March 31, 2016, the Company has decreased noncontrolling interests in the Operating Partnership and increased additional paid-in capital in Mack-Cali Realty Corporation stockholders' equity by approximately \$0.1 million as of March 31, 2016.

OPERATING PARTNERSHIP

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.

LTIP Units

On March 8, 2016, the Company granted 2016 LTIP awards to senior management of the Company, including all of the Company's executive officers. All of the 2016 LTIP Awards will be in the form of units in the Operating Partnership. See Note 15: Mack-Cali Realty Corporation Stockholders' Equity – Long-Term Incentive Plan Awards.

LTIP Units are designed to qualify as "profits interests" in the Operating Partnership for federal income tax purposes. As a general matter, the profits interests characteristics of the LTIP Units mean that initially they will not be economically equivalent in value to a common unit. If and when events specified by applicable tax regulations occur, LTIP Units can over time increase in value up to the point where they are equivalent to common units on a one-for-one basis. After LTIP Units are fully vested, and to the extent the special tax rules applicable to profits interests have allowed them to become equivalent in value to common units, LTIP Units may be converted on a one-for-one basis into common units. Common units in turn have a one-for-one relationship in value with shares of the Company's common stock, and are redeemable on a one-for-one basis for cash or, at the election of the Company, shares of the Company's common stock.

Unit Transactions

The following table sets forth the changes in noncontrolling interests in the Operating Partnership which relate to the common units and LTIP units in the Operating Partnership for the three months ended March 31, 2016:

	Common Units	LTIP Units
Balance at January 1, 2016	10,516,844	-
Granted	-	657,373
Redemption of common units for shares of common stock	(17,000)	-
Balance at March 31, 2016	10,499,844	657,373

Noncontrolling Interest Ownership in Operating Partnership

As of March 31, 2016 and December 31, 2015, the noncontrolling interest common unitholders owned 10.5 percent and 10.5 percent of the Operating Partnership, respectively.

CONSOLIDATED JOINT VENTURES

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

PARTICIPATION RIGHTS

The Company's interests in certain real estate projects (three properties and a future development) each provide for the initial distributions of net cash flow solely to the Company, and thereafter, other parties have 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 IRR of 10 percent per annum.

17. SEGMENT REPORTING

The Company operates in three business segments: (i) commercial and other real estate, (ii) multi-family real estate, and (iii) multi-family services. The Company provides leasing, property management, acquisition, development, construction and tenant-related services for its commercial and other real estate and multi-family real estate portfolio. The Company's multi-family services business also provides similar services for third parties. The Company no longer considers construction services as a reportable segment as it phased out this line of business in 2014. The Company had no revenues from foreign countries recorded for the three months ended March 31, 2016 and 2015. The Company had no long lived assets in foreign locations as of March 31, 2016 and December 31, 2015. 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 each of its real estate segments (commercial and other, and multi-family) and from its multi-family services segment.

Selected results of operations for the three months ended March 31, 2016 and 2015 and selected asset information as of March 31, 2016 and December 31, 2015 regarding the Company's operating segments are as follows. Amounts for prior periods have been restated to conform to the current period segment reporting presentation: *(dollars in thousands)*

	Real Estate		Multi-family Services	Corporate & Other (d)	Total Company
	Commercial & Other	Multi-family			
Total revenues:					
Three months ended:					
March 31, 2016	\$ 136,952	\$ 8,986	\$ 8,727 (e)	\$ (1,742)	\$ 152,923
March 31, 2015	139,759	6,584	8,232 (f)	(860)	153,715
Total operating and interest expenses (a):					
Three months ended:					
March 31, 2016	\$ 65,955	\$ 5,415	\$ 10,820 (g)	\$ 26,103	\$ 108,293
March 31, 2015	72,198	3,321	9,655 (h)	27,679	112,853
Equity in earnings (loss) of unconsolidated joint ventures:					
Three months ended:					
March 31, 2016	\$ (1,926)	\$ (1,231)	\$ 1,603	\$ -	\$ (1,554)
March 31, 2015	(1,368)	(2,161)	-	-	(3,529)
Net operating income (loss) (b):					
Three months ended:					
March 31, 2016	\$ 69,071	\$ 2,340	\$ (490)	\$ (27,845)	\$ 43,076
March 31, 2015	66,193	1,102	(1,423)	(28,539)	37,333
Total assets:					
March 31, 2016	\$ 3,136,311	\$ 955,980	\$ 11,039	\$ 125,120	\$ 4,228,450
December 31, 2015	3,166,577	836,020	9,831	41,535	4,053,963
Total long-lived assets (c):					
March 31, 2016	\$ 2,848,674	\$ 703,605	\$ 3,623	\$ (2,649)	\$ 3,553,253
December 31, 2015	2,886,583	577,705	3,670	(1,531)	3,466,427
Total investments in unconsolidated joint ventures:					
March 31, 2016	\$ 78,052	\$ 224,631	\$ 964	\$ -	\$ 303,647
December 31, 2015	76,140	225,850	1,467	-	303,457

- (a) Total operating and interest expenses represent the sum of: real estate taxes; utilities; operating services; direct construction costs; real estate services expenses; general and administrative and interest expense (net of interest income). All interest expense, net of interest and other investment 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 goodwill.
- (d) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense, non-property general and administrative expense, construction services revenue and direct construction costs) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
- (e) Includes \$2.7 million of fees and salary reimbursements earned for this period from the multi-family real estate segment, which are eliminated in consolidation.
- (f) Includes \$1.2 million of fees and salary reimbursements earned for this period from the multi-family real estate segment, which are eliminated in consolidation.
- (g) Includes \$1.4 million of management fees and salary reimbursement expenses for this period from the multi-family real estate segment, which are eliminated in consolidation.
- (h) Includes \$0.9 million of management fees and salary reimbursement expenses for this period from the multi-family real estate segment, which are eliminated in consolidation.

The following schedule reconciles net operating income to net income available to common shareholders:(dollars in thousands)

	Three Months Ended March 31,	
	2016	2015
Net operating income	\$ 43,076	\$ 37,333
Add (deduct):		
Depreciation and amortization	(43,063)	(40,802)
Gain on change of control of interests	10,156	-
Realized gains on disposition of rental property, net	58,600	144
Net income (loss)	68,769	(3,325)
Noncontrolling interest in consolidated joint ventures	706	490
Noncontrolling interest in Operating Partnership	(7,284)	314
Net income (loss) available to common shareholders	\$ 62,191	\$ (2,521)

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

The following discussion should be read in conjunction with the Consolidated Financial Statements of Mack-Cali Realty Corporation and the notes thereto (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") has been involved in all aspects of commercial real estate development, management and ownership for over 60 years and has been a publicly-traded real estate investment trust (REIT) since 1994. As of March 31, 2016, the Company owns or has interests in 273 properties (collectively, the "Properties"), consisting of 145 office and 109 flex properties, totaling approximately 29.7 million square feet, leased to approximately 1,900 commercial tenants and 19 multi-family rental properties containing 5,644 residential units. The Properties are located primarily in the Northeast, some with adjacent, Company-controlled developable land sites able to accommodate up to 5.3 million square feet of additional commercial space and 10,800 apartment units.

The Company's historical strategy has been to focus its operations, acquisition and development of office properties in high-barrier-to-entry markets and sub-markets where it believes it is, or can become, a significant and preferred owner and operator. In September 2015, the Company announced a three-year strategic initiative to transform into a more concentrated owner of New Jersey Hudson River waterfront and transit-oriented office properties and a regional owner of luxury multi-family residential properties. In furtherance of this strategy, the Company has commenced a comprehensive review of its portfolio and operations and is developing a business strategy that focuses on reshaping its portfolio over time. As part of this plan, the Company anticipates that it may dispose of a significant number of its properties that do not meet its long-term goals, and, in September 2015, compiled a list of its properties that it considers as non-core to its ongoing operations. Specifically, the Company considers a non-core property to have one or more of the following attributes: (1) assets that do not offer an opportunity to create a competitive advantage; (2) assets that produce a low cash yield; (3) assets which have physical attributes that constrain their market competitiveness; and (4) assets located in low growth markets. The Company believes that the potential sales of these non-core properties over time would result in total estimated sales proceeds ranging from approximately \$600 million to \$800 million.

As an owner of real estate, almost all of the Company's earnings and cash flow are 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;
- the value of our office properties and the cash flow from the sale of such properties;
- operating expenses;
- anticipated acquisition and development costs for office and multi-family rental properties and the revenues and earnings from these properties;
- cost of capital; and
- the extent of acquisitions, development and sales of real estate, including the execution of the Company's current strategic initiative.

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 the Company's product types or competition within the market.

Of the Company's 10 core office markets, several have recently shown signs of improvement while others have stabilized. The percentage leased in the Company's consolidated portfolio of stabilized operating commercial properties aggregating 24 million, 24 million and 25 million square feet at March 31, 2016, December 31, 2015 and March 31, 2015, respectively, was 87.2 percent leased at March 31, 2016 as compared to 86.2 percent leased at December 31, 2015 and 84.3 percent leased at March 31, 2015. 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 at March 31, 2016, December 31, 2015 and March 31, 2015 aggregate 159,415, 69,522 and 558,288 square feet, respectively, or 0.7, 0.3 and 2.2 percentage of the net rentable square footage, respectively. Rental rates (including escalations) on the Company's commercial space that was renewed (based on first rents payable) during the three months ended March 31, 2016 (on 639,464 square feet of renewals) increased an average of 10.1 percent compared to rates that were in effect under the prior leases, as compared to a 6.3 percent decrease during the three months ended March 31, 2015 (on 383,774 square feet of renewals). Estimated lease costs for the renewed leases during the three months ended March 31, 2016 averaged \$5.66 per square foot per year for a weighted average lease term of 6.8 years and estimated lease costs for the renewed leases during the three months ended March 31, 2015 averaged \$2.01 per square foot per year for a weighted average lease term of 2.9 years. The Company has achieved positive leasing results in its core markets recently. It believes that commercial vacancy rates may decrease and commercial rental rates may increase in some of its markets in 2016 and possibly beyond. As of March 31, 2016, commercial leases which comprise approximately 5.5 and 16.8 percent of the Company's annualized base rent are scheduled to expire during the years ended December 31, 2016 and 2017, respectively. With the positive leasing results the Company has achieved in many of its markets recently, the Company believes that rental rates it is likely to achieve on new leases will generally be, on average, not lower than rates currently being paid. Although the Company has recently achieved positive leasing activity, primarily in its core markets, if the recent leasing results do not prove to be sustaining during 2016 and beyond, the Company's rental rates it may achieve on new leases may be lower than the rates currently being paid, resulting in the potential for less revenue from the same space.

As part of its strategic initiative described above, the Company may dispose of properties it considers non-core, and it may actively asset manage other low-growth real estate assets in a different way. The Company will selectively purchase assets in markets that it believes will offer above market returns. The Company believes that the opportunity to invest in multi-family development properties at higher returns on cost will position the Company to potentially produce higher levels of net operating income than if the Company were to only purchase stabilized multi-family rental properties at market returns.

The Company believes that there is a potential for Moody's or Standard & Poor's to lower their current investment grade ratings on the Company's senior unsecured debt to sub-investment grade. Amongst other things, any such downgrade by both Moody's and Standard & Poor's will increase the current interest rate on outstanding borrowings under the Company's \$600 million unsecured revolving credit facility from LIBOR plus 130 basis points to LIBOR plus 170 basis points and the annual credit facility fee it pays will increase from 30 to 35 basis points. Additionally, any such downgrade would increase the current interest rate on the Company's \$350 million unsecured term loan from LIBOR plus 140 basis points to LIBOR plus 185 points. In this case, the Company could elect to utilize the leverage grid pricing available under the unsecured term loan, which would result in an interest rate of LIBOR plus 155 basis points at the Company's current total leverage ratio. In addition, a downgrade in its ratings to sub-investment grade would result in higher interest rates on senior unsecured debt that the Company may issue in the future as compared to issuing such debt with investment grade ratings.

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

- recent transactions;
- critical accounting policies and estimates;
- results from operations for the three months ended March 31, 2016, as compared to the three months ended March 31, 2015 and
- liquidity and capital resources.

Recent Transactions

Acquisitions

On January 5, 2016, the Company, which held a 50 percent subordinated interest in the unconsolidated joint venture, Overlook Ridge Apartment Investors LLC, a 371-unit multi-family operating property located in Malden, Massachusetts, acquired the remaining interest for \$39.8 million in cash plus the assumption of a first mortgage loan secured by the property with a principal balance of \$52.7 million. The cash portion of the acquisition was funded primarily through borrowings under the Company's unsecured revolving credit facility. Upon acquisition, the Company consolidated the asset and accordingly, remeasured its equity interests, as required by the FASB's consolidation guidance, at fair value (based upon the income approach using current rates and market cap rates and discount rates). As a result, the Company recorded a gain on change of control of interests of \$10.2 million in the three months ended March 31, 2016. On January 19, 2016, the Company repaid the assumed loan and obtained a new loan secured by the property in the amount of \$72.5 million, which bears interest at 3.625 percent and matures in February 2023. See Note 10: Mortgages, Loans Payable and Other Obligations.

On April 1, 2016, the Company, which held a 50 percent interest in the unconsolidated Portside Apts LLC, acquired the equity interests of one of its joint venture partners for \$38.1 million in cash plus the assumption of a first mortgage loan secured by the property with a principal balance of \$42.5 million and interest at LIBOR plus 250 basis points maturing in December 2017. The cash portion of the acquisition was funded primarily through borrowings under the Company's unsecured revolving credit facility. As a result, the Company increased its ownership to 85 percent of the 175-unit operating multi-family property located in East Boston, Massachusetts.

Also on April 1, 2016, the Company bought out a partner for \$11.3 million and increased its subordinated interest in PruRose Riverwalk G, L.L.C. from 25 percent to 50 percent using borrowings on the Company's unsecured credit facility. PruRose Riverwalk G, L.L.C., owns a 316-unit operating multi-family property located in Weehawken, New Jersey.

On April 22, 2016, the Company entered into an agreement to acquire a 566,000 square-foot office property located in Hoboken, New Jersey, for approximately \$235 million, subject to certain conditions. The acquisition is expected to be completed in the second quarter of 2016.

Dispositions

The Company disposed of the following office properties during the three months ended March 31, 2016 (*dollars in thousands*):

Disposition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Net Sales Proceeds	Net Book Value	Realized Gain (loss)
03/11/16	2 Independence Way (a)	Princeton, New Jersey	1	67,401	\$ 4,119	\$ 4,283	\$ (164)
03/24/16	1201 Connecticut Avenue, NW	Washington, D.C.	1	169,549	90,591	31,827	58,764
Totals			2	236,950	\$ 94,710	\$ 36,110	\$ 58,600

(a) The Company recorded an impairment charge of \$3.2 million on this property during the year ended December 31, 2015 as it estimated that the carrying value of the property may not be recoverable over its anticipated holding period.

Rental Properties Held for Sale

During the three months ended March 31, 2016, the Company signed agreements to dispose of two office properties totaling approximately 683,000 square feet, located at 1400 L Street, NW in Washington, D.C. and 125 Broad Street in New York, New York, subject to certain conditions. The total estimated sales proceeds expected from the two separate sales are approximately \$272 million. The dispositions are expected to be completed in the second quarter of 2016. The Company identified these properties as held for sale at March 31, 2016.

Critical Accounting Policies and Estimates

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 – to the Financial Statements, for the Company's treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

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. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack (i) the ability to make decisions about the entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; (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. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity's performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

On January 1, 2016, the Company adopted accounting guidance under ASC 810, Consolidation, modifying the analysis it must perform to determine whether it should consolidate certain types of legal entities. The guidance does not amend the existing disclosure requirements for variable interest entities or voting interest model entities. The guidance, however, modified the requirements to qualify under the voting interest model. Under the revised guidance, the Operating Partnership will be a variable interest entity of the parent company, Mack-Cali Realty Corporation. As the Operating Partnership is already consolidated in the balance sheets of Mack-Cali Realty Corporation, the identification of this entity as a variable interest entity has no impact on the consolidated financial statements of Mack-Cali Realty Corporation. There were no other legal entities qualifying under the scope of the revised guidance that were consolidated as a result of the adoption.

The Financial Statements have been prepared in conformity with generally accepted accounting principles (“GAAP”). The preparation of financial statements in conformity with 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 reported period. Actual results could differ from these estimates. Certain reclassifications have been made to prior period amounts in order to conform with current period presentation. 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. 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. Interest capitalized by the Company for the three months ended March 31, 2016 and 2015 was \$4.6 million and \$3.6 million, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

The Company considers a construction project as substantially completed and held available for occupancy upon the substantial 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, primarily based on a percentage of the relative square footage of each portion, 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 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 terms 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 affect 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 value 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:

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.

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 value 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. The outside basis portion of the Company's joint ventures is amortized over the anticipated useful lives of the underlying ventures' tangible and intangible assets acquired and liabilities assumed. Generally, the Company would discontinue applying the equity method when the investment (and any advances) is reduced to zero and would not provide for additional losses unless the Company has guaranteed obligations of the venture or is otherwise committed to providing further financial support for the investee. If the venture subsequently generates income, the Company only recognizes its share of such income to the extent it exceeds its share of previously unrecognized losses.

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 value of the investment over the value of the investment. The Company's estimates of value for each investment (particularly in 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 – to the Financial Statements.

Revenue Recognition:

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the cumulative 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 remaining 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 terms 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.

Real estate services revenue includes property management, development, construction and leasing commission fees and other services, and payroll and related costs reimbursed from clients. Fee income derived from the Company's unconsolidated joint ventures (which are capitalized by such ventures) are recognized to the extent attributable to the unaffiliated ownership interests.

Parking income includes income from parking spaces leased to tenants and others.

Other income includes income from tenants for additional services arranged for by the Company and income from tenants for early lease terminations.

Allowance for Doubtful Accounts:

Management performs a detailed review of amounts due from tenants to determine if an allowance for doubtful accounts is required based on factors affecting the collectability of the accounts receivable balances. The factors considered by management in determining which individual tenant receivable balances, or aggregate receivable balances, require a collectability allowance include the age of the receivable, the tenant's payment history, the nature of the charges, any communications regarding the charges and other related information. Management's estimate of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income.

Results From Operations

The following comparisons for the three months ended March 31, 2016 ("2016"), as compared to the three months ended March 31, 2015 ("2015"), make reference to the following: (i) the effect of the "Same-Store Properties," which represent all in-service properties owned by the Company at December 31, 2014, excluding properties that were sold, disposed of, removed from service, or being redeveloped or repositioned from January 1, 2015 through March 31, 2016; (ii) the effect of the "Acquired Properties," which represent all properties acquired by the Company or commencing initial operations from January 1, 2015 through March 31, 2016 and (iii) the effect of "Properties Sold," which represent properties sold, disposed of, or removed from service (including properties being redeveloped or repositioned) by the Company from January 1, 2015 through March 31, 2016. During 2016 and 2015, three office properties, aggregating 582,523 square feet, were removed from service as they were being redeveloped by the Company.

Three Months Ended March 31, 2016 Compared to Three Months Ended March 31, 2015

<i>(dollars in thousands)</i>	Three Months Ended		Dollar Change	Percent Change
	2016	March 31, 2015		
Revenue from rental operations and other:				
Base rents	\$ 126,387	\$ 123,793	\$ 2,594	2.1 %
Escalations and recoveries from tenants	14,961	18,399	(3,438)	(18.7)
Parking income	3,156	2,542	614	24.2
Other income	1,607	1,337	270	20.2
Total revenues from rental operations	146,111	146,071	40	0.0
Property expenses:				
Real estate taxes	23,226	22,452	774	3.4
Utilities	13,578	17,575	(3,997)	(22.7)
Operating services	26,732	28,228	(1,496)	(5.3)
Total property expenses	63,536	68,255	(4,719)	(6.9)
Non-property revenues:				
Real estate services	6,812	7,644	(832)	(10.9)
Total non-property revenues	6,812	7,644	(832)	(10.9)
Non-property expenses:				
Real estate services expenses	6,846	6,639	207	3.1
General and administrative	12,249	11,011	1,238	11.2
Depreciation and amortization	43,063	40,802	2,261	5.5
Total non-property expenses	62,158	58,452	3,706	6.3
Operating income (loss)	27,229	27,008	221	0.8
Other (expense) income:				
Interest expense	(24,993)	(27,215)	2,222	8.2
Interest and other investment income (loss)	(669)	267	(936)	(350.6)
Equity in earnings (loss) of unconsolidated joint ventures	(1,554)	(3,529)	1,975	56.0
Gain on change of control of interests	10,156	-	10,156	-
Realized gains (losses) on disposition of rental property, net	58,600	144	58,456	40,594.4
Total other (expense) income	41,540	(30,333)	71,873	236.9
Net income (loss)	68,769	(3,325)	72,094	2,168.2
Noncontrolling interest in consolidated joint ventures	706	490	216	44.1
Noncontrolling interest in Operating Partnership	(7,284)	314	(7,598)	(2,419.7)
Net income (loss) available to common shareholders	\$ 62,191	\$ (2,521)	\$ 64,712	2,566.9 %

The following is a summary of the changes in revenue from rental operations and property expenses in 2016 as compared to 2015 divided into Same-Store Properties, Acquired Properties and Properties Sold in 2015 and 2016 (*dollars in thousands*):

<i>(dollars in thousands)</i>	Total Company		Same-Store Properties		Acquired Properties		Properties Sold in 2015 and 2016		
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	
Revenue from rental operations and other:									
Base rents	\$ 2,594	2.1 %	\$ 4,544	3.7 %	\$ 3,521	2.8 %	\$ (5,471)	(4.4) %	
Escalations and recoveries from tenants	(3,438)	(18.7)	(3,070)	(16.7)	172	0.9	(540)	(2.9)	
Parking income	614	24.2	324	12.8	295	11.6	(5)	(0.2)	
Other income	270	20.2	357	26.7	(81)	(6.1)	(6)	(0.4)	
Total	\$ 40	0.0 %	\$ 2,155	1.4 %	\$ 3,907	2.7 %	\$ (6,022)	(4.1) %	
Property expenses:									
Real estate taxes	\$ 774	3.4 %	\$ 362	1.6 %	\$ 925	4.1 %	\$ (513)	(2.3) %	
Utilities	(3,997)	(22.7)	(4,062)	(23.1)	371	2.1	(306)	(1.7)	
Operating services	(1,496)	(5.3)	(1,766)	(6.2)	540	1.9	(270)	(1.0)	
Total	\$ (4,719)	(6.9) %	\$ (5,466)	(8.0) %	\$ 1,836	2.7 %	\$ (1,089)	(1.6) %	

OTHER DATA:

Number of Consolidated Properties	222	220	2	11
Commercial Square feet (<i>in thousands</i>)	23,975	23,779	196	1,510
Multi-family portfolio (<i>number of units</i>)	1,672	1,301	371	-

Base rents. Base rents for the Same-Store Properties increased \$4.5 million, or 3.7 percent, for 2016 as compared to 2015, due primarily to a 240 basis point increase in the average same store percent leased to 86.8 percent from 84.4 percent, and a \$0.21 increase in average annual rents per square foot to \$22.36 from \$22.15 for 2016 as compared to 2015.

Escalations and recoveries. Escalations and recoveries from tenants for the Same-Store Properties decreased \$3.1 million, or 16.7 percent, for 2016 over 2015 due primarily to significantly lower utility and operating expenses to recover in 2016.

Parking income. Parking income for the Same-Store Properties increased \$0.3 million, or 12.8 percent, for 2016 as compared to 2015 due primarily to increased usage.

Other income. Other income for the Same-Store Properties increased \$0.4 million, or 26.7 percent, for 2016 as compared to 2015, due primarily to various small one-time items in 2016.

Real estate taxes. Real estate taxes on the Same-Store Properties increased \$0.4 million, or 1.6 percent, for 2016 as compared to 2015. The change in real estate taxes principally results from a decrease in tax appeal proceeds received in 2016 as compared to 2015. Real estate taxes, without the effect of net tax appeal proceeds, were relatively unchanged for 2016 as compared to 2015.

Utilities. Utilities for the Same-Store Properties decreased \$4.1 million, or 23.1 percent, for 2016 as compared to 2015, due primarily to decreased electricity rates and usage in 2016 as compared to 2015 on account of a mild winter in 2016.

Operating Services. Operating services for the Same-Store Properties decreased \$1.8 million, or 6.2 percent, due primarily to a decrease in snow removal costs in 2016 as compared to 2015 on account of a mild winter in 2016.

Real estate services revenue. Real estate services revenue (primarily reimbursement of property personnel costs) decreased \$0.8 million, or 10.9 percent, for 2016 as compared to 2015, due primarily to decreased third party development and management activity in multi-family services in 2016 as compared to 2015.

Real estate services expense. Real estate services expense increased \$0.2 million, or 3.1 percent, for 2016 as compared to 2015, due primarily to increased compensation and related costs.

General and administrative. General and administrative expenses increased \$1.2 million in 2016 as compared to 2015, due primarily to an increase in stock compensation expense in 2016 as compared to 2015.

Depreciation and amortization. Depreciation and amortization increased \$2.3 million, or 5.5 percent, for 2016 over 2015. This increase was due primarily to depreciation in 2016 on the Acquired Properties, as well as accelerated depreciation in 2016 for properties being removed from service.

Interest expense. Interest expense decreased \$2.2 million, or 8.2 percent, for 2016 as compared to 2015. This decrease was primarily the result of lower average interest rates due to expiring debt in 2015 and early January of 2016.

Interest and other investment income. Interest and other investment income decreased \$0.9 million, or 350.6 percent, for 2016 as compared to 2015. This was primarily the result of a valuation mark-to-market loss for an interest rate swap entered into in 2016.

Equity in earnings (loss) of unconsolidated joint ventures. Equity in earnings of unconsolidated joint ventures increased \$2.0 million, or 56.0 percent, for 2016 as compared to 2015. The increase was due primarily to a decreased loss of \$0.9 million from the Keystone TriState venture for 2016 as compared to 2015 and a loss in 2015 of \$0.7 million from the Portside at Pier One-Building 7 venture.

Realized gains (losses) on disposition of rental property, net. The Company had realized gains on disposition of rental property of \$58.6 million in 2016 and \$0.1 million in 2015. See Note 3: Recent Transactions – to the Financial Statements.

Net income (loss). Net income increased to \$68.8 million in 2016 from a loss of \$3.3 million in 2015. The increase of \$72.1 million was due to the factors discussed above.

Net income (loss) available to common shareholders. Net income available to common shareholders increased \$64.7 million from a loss of \$2.5 million in 2015 to income of \$62.2 million in 2016. The increase was primarily due to an increase in net income of \$72.1 million for 2016 as compared to 2015 and an increase in noncontrolling interest in consolidated joint ventures of \$0.2 million for 2016 as compared to 2015. These were partially offset by a decrease in noncontrolling interest in Operating Partnership of \$7.6 million for 2016 as compared to 2015.

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, other debt and equity financings, proceeds from the sale of properties and joint venture capital.

The Company expects to meet its short-term liquidity requirements generally through its working capital, which may include proceeds from the sales of office properties, 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, to the extent available, proceeds from property sales, joint venture capital, 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.

Repositioning of the Company's Portfolio:

As described earlier relative to its current strategic initiative, the Company's management has been reviewing its portfolio and identifying opportunities to divest of non-core office properties that no longer meet its long-term strategy, have reached their potential, are less efficient to operate, or when market conditions are favorable to be sold at attractive prices. The Company anticipates redeploying the proceeds from non-core rental property sales in the near-term to acquire office properties, enhance amenities and infrastructure at existing office properties, develop, redevelop and acquire multi-family rental properties, as well as reposition certain office properties into multi-family residential and/or mixed use properties, in its core Northeast sub-markets.

Construction Projects:

On May 21, 2014, the Company entered into a joint venture agreement with Ironstate Harborside-A LLC (“ISA”) to form Harborside Unit A Urban Renewal, L.L.C. (“URL-Harborside”), a newly-formed joint venture that will develop, own and operate a high-rise tower of approximately 763 multi-family apartment units above a parking pedestal to be located on land contributed by the Company at its Harborside complex in Jersey City, New Jersey (the “URL Project”). The Company owns an 85 percent interest in URL-Harborside and the remaining interest is owned by ISA, with shared control over major decisions such as approval of budgets, property financings and leasing guidelines. The construction of the URL Project is estimated to cost a total of approximately \$320 million (of which development costs of \$238.1 million have been incurred by URL-Harborside through March 31, 2016). The URL Project is projected to be ready for occupancy by the fourth quarter of 2016. The venture has a construction/permanent loan with a maximum borrowing amount of \$192 million (with \$92.9 million outstanding as of March 31, 2016). The Company does not expect to fund any future development costs of the project, as future development costs will be funded by using the loan financing.

The Company owns a 76.25 percent interest in a consolidated joint venture which is constructing a 108-unit multi-family development rental property located in Eastchester, New York (the “Eastchester Project”). The project is expected to be ready for occupancy by the second quarter of 2016. The Eastchester Project is estimated to cost a total of \$50.0 million (of which development costs of \$35.9 million have been incurred through March 31, 2016). The venture has a \$28.8 million construction loan (with \$16.1 million outstanding as of March 31, 2016). The Company expects to fund approximately \$20.9 million for the development of the project (of which, as of March 31, 2016, the Company has incurred \$16.1 million of the development costs and estimates it will need to fund an additional \$4.8 million for the completion of the project).

On April 1, 2015, the Company acquired vacant land in Worcester, Massachusetts to accommodate a two-phase development of the CitySquare Project for a purchase price of \$3.1 million with an additional \$1.25 million to be paid (which is accrued as of March 31, 2016), subject to certain conditions, in accordance with the terms of the purchase and sale agreement. The first phase with 237 units started construction in the third quarter 2015 with anticipated initial deliveries in the second quarter 2017. The Company has a construction loan with a maximum borrowing amount of \$41.5 million (with no outstanding balance as of March 31, 2016). Total development costs are estimated to be approximately \$92.5 million (of which \$10.6 million was incurred by the Company through March 31, 2016 and estimates it will need to fund an additional \$40.4 million for the completion of the project).

On October 6, 2015, the Company entered into a joint venture partnership with XS Port Imperial Hotel, LLC (“XS”) to form XS Hotel Urban Renewal Associates LLC (“XS Hotel URA”) for the development and ownership of a 364-key dual branded hotel property located in Weehawken, New Jersey (“Port Imperial Hotel”). Concurrently, the Company and XS entered into a separate joint venture partnership to form XS Hotel Associates, L.L.C. (“XS Hotel”) for the management and operations of the completed hotel development. The Company holds a 90 percent interest and XS holds the remaining 10 percent interest in the consolidated joint ventures, XS Hotel URA and XS Hotel, with the Company having full and complete authority, power, and discretion to manage and control the ventures’ business, affairs, and property. The construction of the Port Imperial Hotel is estimated to cost a total of \$105.9 million. The venture has a \$94 million construction loan (with no outstanding balance as of March 31, 2016). As of March 31, 2016, the Company incurred development costs of \$4.7 million and estimates it will need to fund additional costs of approximately \$0.5 million.

The Company owns developable land to accommodate a multi-phase development project of approximately 1,034-unit multi-family rental property located in Malden, Massachusetts. The initial phase commenced construction of 292 units in the third quarter of 2015 (the “Chase II Project”). The Chase II project is estimated to cost a total of \$74.9 million (of which the Company has incurred \$26.4 million through March 31, 2016) and is expected to be ready for occupancy by second quarter of 2017. The Company estimates it will need to fund additional costs of \$0.5 million for the completion of the Chase II Project. The Company has a construction loan with a maximum borrowing amount of \$48 million (with no outstanding balance as of March 31, 2016).

The Company owns an office property that it repurposed for residential use. The 197-unit multi-family development project, which is located in Morris Plains, New Jersey (“Signature Place Project”), is expected to be ready for occupancy by the fourth quarter of 2017. The Signature Place Project, which is estimated to cost a total of \$61.4 million (of which development costs of \$5.1 million have been incurred through March 31, 2016) is expected to be funded by a \$42 million construction loan. The Company expects to fund costs of approximately \$19.4 million for the development of the project, of which the Company has incurred \$4.7 million as of March 31, 2016.

The Company owns an 85 percent interest in a consolidated joint venture, which is constructing a 296-unit multi-family development rental property located in East Boston, Massachusetts (“Portside 5/6 Project”). The project is expected to be ready for occupancy by the first quarter of 2018. The Portside 5/6 Project, which is estimated to cost a total of \$112.4 million (of which development costs of \$8.5 million have been incurred through March 31, 2016), is expected to be funded by a \$73 million construction loan. The Company expects to fund costs of approximately \$33.5 million for the development of the project, of which the Company has incurred \$6.2 million as of March 31, 2016.

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 common stock dividend rate of \$0.15 per common share, in the aggregate, such distributions would equal approximately \$53.8 million (\$60.5 million, including units in the Operating Partnership, held by parties other than the Company) on an annualized basis. However, any such distributions, whether for federal income tax purposes or otherwise, would be paid out of available cash, including borrowings and other sources, after meeting operating requirements, preferred stock dividends and distributions, and scheduled debt service on the Company's debt. If and to the extent the Company retains and does not distribute any net capital gains, the Company will be required to pay federal, state and local taxes on such net capital gains at the rate applicable to capital gains of a corporation.

Property Lock-Ups:

Through February 2016, the Company could not dispose of or distribute certain of its properties 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 did not result in recognition of any built-in-gain (which could result in an income tax liability) or which reimbursed 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 did not apply in the event that the Company sold all of its properties or in connection with a sale transaction which the Company's Board of Directors determined was 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 expired as of February 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; and Earle I. Mack, a former director), the Robert Martin Group (which includes Robert F. Weinberg, a former director and current member of its Advisory Board), and the Cali Group (which includes John R. Cali, a former director and current member of its Advisory Board). As of March 31, 2016, 117 of the Company's properties, with an aggregate net book value of approximately \$1.3 billion, have lapsed restrictions and are subject to these conditions.

Unencumbered Properties:

As of March 31, 2016, the Company had 202 unencumbered properties with a carrying value of \$2.3 billion representing 91.4 percent of the Company's total consolidated property count.

Cash Flows

Cash and cash equivalents increased by \$79.3 million to \$116.4 million at March 31, 2016, compared to \$37.1 million at December 31, 2015. This decrease is comprised of the following net cash flow items:

- (1) \$25.5 million provided by operating activities.
- (2) \$1.4 million used in investing activities, consisting primarily of the following:
 - (a) \$7.2 million used for investments in unconsolidated joint ventures; plus
 - (b) \$47.8 million used for rental property acquisitions and related intangibles; plus
 - (c) \$34.6 million used for additions to rental property and improvements; plus
 - (d) \$16.1 million used for the development of rental property, other related costs and deposits; plus
 - (e) \$7.8 million used for restricted cash; minus
 - (f) \$94.7 million from proceeds from the sales of rental property; minus
 - (g) \$0.1 million received from payments of notes receivables; minus
 - (i) \$1.8 million received from distributions in excess of cumulative earnings from unconsolidated joint ventures.
- (3) \$55.3 million provided by financing activities, consisting primarily of the following:
 - (a) \$150 million from borrowings under the revolving credit facility; plus
 - (b) \$350 million from borrowings from unsecured term loan; plus
 - (c) \$77.7 million from proceeds received from mortgages and loans payable; plus
 - (d) \$0.7 million from contributions from noncontrolling interests; minus
 - (e) \$215 million used for repayments of revolving credit facility; minus
 - (f) \$15 million used for payments of dividends and distributions; minus
 - (g) \$89.7 million used for repayments of mortgages, loans payable and other obligations; minus
 - (h) \$3.4 million used for repayment of finance costs.

Debt Financing

Summary of Debt:

The following is a breakdown of the Company's debt between fixed and variable-rate financing as of March 31, 2016:

	Balance (\$000's)	% of Total	Weighted Average Interest Rate (a)	Weighted Average Maturity in Years
Fixed Rate Unsecured Debt and Other Obligations	\$ 1,425,000	62.31 %	4.32 %	4.22
Fixed Rate Secured Debt	664,638	29.06 %	6.78 %	2.83
Variable Rate Secured Debt	107,603	4.70 %	4.79 %	1.24
Variable Rate Unsecured Debt (b)	90,000	3.93 %	1.74 %	1.33
Totals/Weighted Average:	\$ 2,287,241	100.00 %	4.95 % (b)	3.56
Adjustment for unamortized debt discount	(6,094)			
Unamortized deferred financing costs	(11,860)			
Total Debt, Net	\$ 2,269,287			

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.44 percent as of March 31, 2016, plus the applicable spread.

(b) Excludes amortized deferred financing costs pertaining to the Company's unsecured revolving credit facility which amounted to \$0.8 million for the three months ended March 31, 2016.

Debt Maturities:

Scheduled principal payments and related weighted average annual effective interest rates for the Company's debt as of March 31, 2016 are as follows:

Period	Scheduled Amortization (\$000's)	Principal Maturities (\$000's)	Total (\$000's)	Weighted Avg. Effective Interest Rate of Future Repayments (a)
April 1 to December 31, 2016	\$ 6,037	\$ 171,504	\$ 177,541	8.56 %
2017 (b)	7,275	497,254	504,529	3.65 %
2018	7,311	231,536	238,847	6.68 %
2019	1,970	681,567	683,537	5.24 %
2020	1,977	-	1,977	4.05 %
Thereafter	8,862	671,948	680,810	4.09 %
Sub-total	33,432	2,253,809	2,287,241	
Adjustment for unamortized debt discount/premium, net as of March 31, 2016	(6,094)	-	(6,094)	
Unamortized deferred financing costs	(11,860)	-	(11,860)	
Totals/Weighted Average	\$ 15,478	\$ 2,253,809	\$ 2,269,287	4.95 % (c)

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.44 percent as of March 31, 2016, plus the applicable spread.

(b) Includes outstanding borrowings of the Company's unsecured revolving credit facility of \$90 million which matures in 2017 with two six-month extension options with the payment of a fee.

(c) Excludes amortized deferred financing costs pertaining to the Company's unsecured revolving credit facility which amounted to \$0.8 million for the three months ended March 31, 2016.

Senior Unsecured Notes:

The terms of the Company's senior unsecured notes (which totaled approximately \$1.1 billion as of March 31, 2016) 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 Term Loan:

On January 7, 2016, the Company obtained a new \$350 million unsecured term loan, which matures in January 2019 with two one-year extension options. The interest rate for the new term loan is currently 140 basis points over LIBOR, subject to adjustment on a sliding scale based on the Operating Partnership's unsecured debt ratings, or at the Company's option, a defined leverage ratio. The Company entered into interest rate swap arrangements to fix LIBOR for the duration of the term loan. Including costs, the current all-in fixed rate is 3.13 percent. The proceeds from the loan were used primarily to repay outstanding borrowings on the Company's unsecured revolving credit facility and to repay the Company's \$200 million, 5.8 percent senior unsecured notes that matured on January 15, 2016.

The interest rate on the unsecured term loan is based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR
No ratings or less than BBB-/Baa3	185.0
BBB- or Baa3 (current interest rate based on Company's election)	140.0
BBB or Baa2	115.0
BBB+ or Baa1	100.0
A- or A3 or higher	90.0

If the Company elected to use a defined leverage ratio, the interest rate under the unsecured term loan would be based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points above LIBOR
<45%	145
≥45% and <50% (current ratio)	155
≥50% and <55%	165
≥55%	195

The terms of the unsecured term loan include certain restrictions and covenants which limit, among other things 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 term loan described below, or (ii) the property dispositions are completed while the Company is under an event of default under the term loan, 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 (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code. The Company was in compliance with its debt covenants under its unsecured term loan as of March 31, 2016.

Unsecured Revolving Credit Facility:

The Company has a \$600 million unsecured revolving credit facility with a group of 17 lenders. The facility is expandable to \$1 billion and matures in July 2017. It has two six month extension options each requiring the payment of a 7.5 basis point fee. The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) and the facility fee on the current borrowing capacity payable quarterly in arrears are based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Facility Fee Basis Points
No ratings or less than BBB-/Baa3	170.0	35.0
BBB- or Baa3 (current)	130.0	30.0
BBB or Baa2	110.0	20.0
BBB+ or Baa1	100.0	15.0
A- or A3 or higher	92.5	12.5

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 those above.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things 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 (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code.

Mortgages, Loans Payable and Other Obligations

The Company has other 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.

Debt Strategy:

The Company does not intend to reserve funds to retire the Company's senior unsecured notes, outstanding borrowings under its unsecured revolving credit facility, its unsecured term loan, or its mortgages, loans payable and other obligations upon maturity. Instead, the Company will seek to refinance such debt at maturity or retire such debt through the issuance of additional equity or debt securities on or before the applicable maturity dates. If it cannot raise sufficient proceeds to retire the maturing debt, the Company may draw on its revolving credit facility to retire the maturing indebtedness, which would reduce the future availability of funds under such facility. As of April 25, 2016, the Company had outstanding borrowings of \$210 million under its unsecured revolving credit facility. The Company is reviewing various financing and 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 in 2016. The Company currently anticipates that its available cash and cash equivalents, cash flows from operating activities and proceeds from the sale of office properties, 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, or if capital needs to fund acquisition and development opportunities in the multi-family rental sector arise, 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 three months ended March 31, 2016:

	Common Stock	Common Units	Total
Outstanding at January 1, 2016	89,583,950	10,516,844	100,100,794
Common units redeemed for common stock	17,000	(17,000)	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	492	-	492
Restricted shares issued	36,870	-	36,870
Outstanding at March 31, 2016	89,638,312	10,499,844	100,138,156

Share Repurchase Program:

The Company has a share repurchase program which was renewed and authorized by its Board of Directors in September 2012 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 March 31, 2016, the Company has a remaining authorization under the Repurchase Program of \$139 million. There were no common stock repurchases in 2015 and through April 25, 2016.

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 approximately 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 approximately 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 no securities have been sold as of April 25, 2016.

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 no securities have been sold as of April 25, 2016.

Off-Balance Sheet Arrangements

Unconsolidated Joint Venture Debt:

The debt of the Company's unconsolidated joint ventures generally provide for recourse to the Company for customary matters such as intentional misuse of funds, environmental conditions and material misrepresentations. The Company has agreed to guarantee repayment of a portion of the debt of its unconsolidated joint ventures. Such debt has a total facility amount of \$492.1 million of which the Company has agreed to guarantee up to \$66.3 million. As of March 31, 2016, the outstanding balance of such debt totaled \$286.7 million of which \$44.8 million was guaranteed by the Company. The Company has also posted a \$3.6 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 agreements and other obligations, as of March 31, 2016:

<i>(dollars in thousands)</i>	Total	Payments Due by Period				
		Less than 1 Year	2 – 3 Years	4 – 5 Years	6 – 10 Years	After 10 Years
Senior unsecured notes	\$ 1,308,032	\$ 47,788	\$ 339,325	\$ 304,013	\$ 616,906	-
Unsecured term loan	381,039	10,955	370,084	-	-	-
Revolving credit facility (a)	92,088	1,566	90,522	-	-	-
Mortgages, loans payable and other obligations (b)	876,537	371,846	346,042	37,007	87,623	\$ 34,019
Payments in lieu of taxes (PILOT)	27,021	4,407	13,222	9,392	-	-
Ground lease payments	16,607	357	490	234	928	14,598
Other	1,655	-	1,655	-	-	-
Total	\$ 2,702,979	\$ 436,919	\$ 1,161,340	\$ 350,646	\$ 705,457	\$ 48,617

(a) Interest payments assume LIBOR rate of 0.44 percent, which is the weighted average rate on this outstanding variable rate debt at March 31, 2016, plus the applicable spread.

(b) Interest payments assume LIBOR rate of 0.44 percent, which is the weighted average rate on its outstanding variable rate mortgage debt at March 31, 2016, plus the applicable spread.

Funds from Operations

Funds from operations ("FFO") is defined as net income (loss) before noncontrolling interests of unitholders, computed in accordance with GAAP, excluding gains or losses from depreciable rental property transactions, and impairments related to depreciable rental property, plus real estate-related depreciation and amortization. The Company believes that FFO is helpful to investors as one of several measures of the performance of an equity REIT. The Company further believes that as FFO excludes the effect of depreciation, gains (or losses) from sales of properties and impairments related to depreciable rental property (all of which are based on historical costs which may be of limited relevance in evaluating current performance), FFO can facilitate comparison of operating performance between equity REITs.

FFO should not be considered as an alternative to net income available to common shareholders as an indication of the Company's performance or to cash flows as a measure of liquidity. FFO presented herein is not necessarily comparable to FFO presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's FFO is comparable to the FFO of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts ("NAREIT").

As the Company considers its primary earnings measure, net income available to common shareholders, as defined by GAAP, to be the most comparable earnings measure to FFO, the following table presents a reconciliation of net income available to common shareholders to FFO, as calculated in accordance with NAREIT's current definition, for the three months ended March 31, 2016 and 2015 (*in thousands*):

	Three Months Ended March 31,	
	2016	2015
Net income (loss) available to common shareholders	\$ 62,191	\$ (2,521)
Add (deduct): Noncontrolling interests in Operating Partnership	7,284	(314)
Real estate-related depreciation and amortization on continuing operations (a)	47,459	46,031
Gain on change of control of interests	(10,156)	-
Realized (gains) losses and unrealized losses on disposition of rental property, net	(58,600)	(144)
Funds from operations	\$ 48,178	\$ 43,052

(a) Includes the Company's share from unconsolidated joint ventures of \$4,621 and \$5,471 for the three months ended March 31, 2016 and 2015, respectively. Excludes non-real estate-related depreciation and amortization of \$225 and \$243 for the three months ended March 31, 2016 and 2015, respectively, and \$151 and \$151 of depreciation expense allocable to the Company's noncontrolling interest in consolidated joint ventures for the three months ended March 31, 2016, and 2015, respectively.

Inflation

The Company's leases with the majority of its commercial 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. The Company believes that inflation did not materially impact the Company's results of operations and financial condition for the periods presented.

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," "potential," "projected," "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, which in turn may have a negative effect on the fundamentals of our business and the financial condition of our tenants and residents;
- 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 our properties;
- changes in interest rate levels and volatility in the securities markets;
- our ability to complete construction and development activities on time and within budget, including without limitation obtaining regulatory permits and the availability and cost of materials, labor and equipment;
- forward-looking financial and operational information, including information relating to future development projects, potential acquisitions or dispositions, and projected revenue and income;
- changes in operating costs;
- our ability to obtain adequate insurance, including coverage for terrorist acts;
- our credit worthiness and 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 or residents 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, 2015. 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.

Approximately \$2.1 billion of the Company's long-term debt as of March 31, 2016 bears interest at fixed rates and therefore the fair value of these instruments is affected by changes in market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rates on the Company's variable rate debt as of March 31, 2016 ranged from LIBOR plus 130 basis points to LIBOR plus 950 basis points. Assuming interest-rate swaps and caps are not in effect, if market rates of interest on the Company's variable rate debt increased or decreased by 100 basis points, then the increase or decrease in interest costs on the Company's variable rate debt would be approximately \$2.0 million annually and the increase or decrease in the fair value of the Company's fixed rate debt as of March 31, 2016 would be approximately \$56 million.

March 31, 2016

<u>Debt, including current portion</u>	<u>4/1/2016</u>							<u>Other (a)</u>	<u>Other (b)</u>	<u>Total</u>	<u>Fair Value</u>
	<u>12/31/2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Thereafter</u>	<u>Sub-total</u>				
<i>(\$s in thousands)</i>											
Fixed Rate	\$ 113,541	\$ 397,493	\$ 237,447	\$ 658,370	\$ 1,977	\$ 680,810	\$ 2,089,638	\$ (6,094)	\$ (8,839)	\$ 2,074,705	\$ 2,105,170
Average Interest Rate	9.80%	4.12%	6.70%	5.35%	4.05%	4.09%				5.10%	
Variable Rate	\$ 64,000	\$ 107,036(c)	\$ 1,400	\$ 25,167	-	-	\$ 197,603	-	\$ (3,021)	\$ 194,582	\$ 194,582

(a) Adjustment for unamortized debt discount/premium, net, as of March 31, 2016.

(b) Adjustment for unamortized deferred financings costs, net, as of March 31, 2016.

(c) Includes \$90 million of outstanding borrowings under the Company's unsecured revolving credit facility which matures in 2017 with two six-month extension options with the payment of a fee.

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 chief executive officer, president and chief operating 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 Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's chief executive officer, president and chief operating officer and chief financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were 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.

Changes In 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 its Properties are subject.

Item 1A. Risk Factors

There have been no material changes in our assessment of risk factors from those set forth in our Annual Report on Form 10-K for the year ended December 31, 2015.

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

(a) **COMMON STOCK**

During the three months ended March 31, 2016, the Company issued 17,000 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(a)(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 redeemed for 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. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

(a) On April 22, 2016, the Company, through its wholly-owned subsidiary 111 River Realty L.L.C., entered into a Real Estate Sale Agreement (the “Purchase Agreement”) with HUB Properties Trust to acquire a 566,000 square-foot office property located in Hoboken, New Jersey, for approximately \$235 million. The acquisition is subject to normal and customary undertakings, covenants, obligations and closing conditions, and is expected to be completed in the second quarter of 2016. A copy of the Purchase Agreement is filed as Exhibit 10.145 to this Quarterly Report on Form 10-Q and is incorporated herein by reference. Disclosure of the Company’s entry into the Purchase Agreement is being disclosed under this Part II, Item 5 of Form 10-Q in lieu of under Items 1.01 and 9.01 of Form 8-K.

(b) Not Applicable.

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: April 27, 2016

By: /s/ Mitchell E. Rudin
Mitchell E. Rudin
Chief Executive Officer
(principal executive officer)

Date: April 27, 2016

By: /s/ Michael J. DeMarco
Michael J. DeMarco
President and Chief Operating Officer

Date: April 27, 2016

By: /s/ Anthony Krug
Anthony Krug
Chief Financial Officer
(principal financial officer and
principal accounting 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	Articles of Amendment to the Articles of Restatement of Mack-Cali Realty Corporation as filed with the State Department of Assessments and Taxation of Maryland on May 14, 2014 (filed as Exhibit 3.1 to the Company's Form 8-K dated May 12, 2014 and incorporated herein by reference).
3.3	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).
3.4	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).
3.5	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).
3.6	Amendment No. 3 to the Mack-Cali Realty Corporation Amended and Restated Bylaws dated May 14, 2014 (filed as Exhibit 3.2 to the Company's Form 8-K dated 12, 2014 and incorporated herein by reference).
3.7	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).
3.8	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).
3.9	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).
3.10	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).
3.11	Fourth Amendment dated as of March 8, 2016 to Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated as of December 11, 1997 (Filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).
4.1	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).
4.2	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).
4.3	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).
4.4	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).
4.5	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).

Exhibit Number	Exhibit Title
4.6	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).
4.7	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).
4.8	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).
4.9	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).
4.10	Supplemental Indenture No. 9 dated as of March 22, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 22, 2004 and incorporated herein by reference).
4.11	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).
4.12	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).
4.13	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).
4.14	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).
4.15	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).
4.16	Supplemental Indenture No. 15 dated as of April 19, 2012, 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 19, 2012 and incorporated herein by reference).
4.17	Supplemental Indenture No. 16 dated as of November 20, 2012, 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 20, 2012 and incorporated herein by reference).
4.18	Supplemental Indenture No. 17 dated as of May 8, 2013, 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 May 8, 2013 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).

Exhibit Number	Exhibit Title
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	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).
10.8	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).
10.9	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).
10.10	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).
10.11	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).
10.12	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).
10.13	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).
10.14	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).
10.15	Mack-Cali Realty Corporation 2013 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8 Registration No. 333-188729, and incorporated herein by reference).
10.16	Indemnification Agreement by and between Mack-Cali Realty Corporation and William L. Mack dated October 22, 2002 (filed as Exhibit 10.101 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.17	Indemnification Agreement by and between Mack-Cali Realty Corporation and Mitchell E. Hersh dated October 22, 2002 (filed as Exhibit 10.102 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.18	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan S. Bernikow dated May 20, 2004 (filed as Exhibit 10.104 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.19	Indemnification Agreement by and between Mack-Cali Realty Corporation and Kenneth M. Duberstein dated September 13, 2005 (filed as Exhibit 10.106 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.20	Indemnification Agreement by and between Mack-Cali Realty Corporation and Nathan Gantcher dated October 22, 2002 (filed as Exhibit 10.107 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.21	Indemnification Agreement by and between Mack-Cali Realty Corporation and David S. Mack dated December 11, 1997 (filed as Exhibit 10.108 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.22	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan G. Philibosian dated October 22, 2002 (filed as Exhibit 10.109 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.23	Indemnification Agreement by and between Mack-Cali Realty Corporation and Irvin D. Reid dated October 22, 2002 (filed as Exhibit 10.110 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.24	Indemnification Agreement by and between Mack-Cali Realty Corporation and Vincent Tese dated October 22, 2002 (filed as Exhibit 10.111 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.25	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roy J. Zuckerberg dated October 22, 2002 (filed as Exhibit 10.113 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.26	Indemnification Agreement by and between Mack-Cali Realty Corporation and Barry Lefkowitz dated October 22, 2002 (filed as Exhibit 10.114 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.27	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roger W. Thomas dated October 22, 2002 (filed as Exhibit 10.116 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.28	Indemnification Agreement by and between Mack-Cali Realty Corporation and Anthony Krug dated October 22, 2002 (filed as Exhibit 10.32 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and incorporated herein by reference).
10.29	Indemnification Agreement by and between Mack-Cali Realty Corporation and Jonathan Litt dated March 3, 2014 (filed as Exhibit 10.33 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and incorporated herein by reference).
10.30	Indemnification Agreement by and between Mack-Cali Realty Corporation and Gary T. Wagner dated November 11, 2011 (filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference).
10.31	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).
10.32	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).
10.33	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).
10.34	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).
10.35	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).

Exhibit Number	Exhibit Title
10.36	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).
10.37	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).
10.38	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).
10.39	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).
10.40	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).
10.41	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).
10.42	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).
10.43	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).
10.44	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).
10.45	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 (filed as Exhibit 10.165 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.46	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 (filed as Exhibit 10.166 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.47	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 (filed as Exhibit 10.167 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.48	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 filed as Exhibit 10.168 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.49	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 (filed as Exhibit 10.169 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.50	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 (filed as Exhibit 10.170 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.51	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 (filed as Exhibit 10.171 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.52	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 (filed as Exhibit 10.172 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.53	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 (filed as Exhibit 10.173 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.54	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 (filed as Exhibit 10.174 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.55	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 (filed as Exhibit 10.175 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.56	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 (filed as Exhibit 10.176 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.57	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 (filed as Exhibit 10.177 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.58	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 (filed as Exhibit 10.178 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.59	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 (filed as Exhibit 10.179 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.60	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 (filed as Exhibit 10.180 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.61	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 (filed as Exhibit 10.181 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.62	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 (filed as Exhibit 10.182 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.63	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 (filed as Exhibit 10.183 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.64	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 (filed as Exhibit 10.184 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.65	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 (filed as Exhibit 10.185 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.66	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 (filed as Exhibit 10.186 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.67	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 (filed as Exhibit 10.187 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.68	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 (filed as Exhibit 10.188 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.69	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 (filed as Exhibit 10.189 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.70	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 (filed as Exhibit 10.190 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.71	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 (filed as Exhibit 10.191 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.72	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 (filed as Exhibit 10.192 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.73	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 (filed as Exhibit 10.193 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.74	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 (filed as Exhibit 10.194 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.75	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 (filed as Exhibit 10.195 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.76	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 (filed as Exhibit 10.196 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.77	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 (filed as Exhibit 10.197 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.78	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 (filed as Exhibit 10.198 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.79	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 (filed as Exhibit 10.199 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.80	Development Agreement dated December 5, 2011 by and between M-C Plaza VI & VII L.L.C. and Ironstate Development LLC (filed as Exhibit 10.1 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).
10.81	Form of Amended and Restated Limited Liability Company Agreement (filed as Exhibit 10.2 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).
10.82	Third Amended and Restated Revolving Credit Agreement among Mack-Cali Realty, L.P., as borrower, and JPMorgan Chase Bank, N.A., as the administrative agent, the other agents listed therein and the lending institutions party thereto and referred to therein dated as of October 21, 2011 (filed as Exhibit 10.134 to the Company's Form 10-Q dated September 30, 2011 and incorporated herein by reference).
10.83	Fourth Amended and Restated Revolving Credit Agreement dated as of July 16, 2013 among Mack Cali Realty, L.P., as borrower, Mack-Cali Realty Corporation, as guarantor, and JPMorgan Chase Bank, N.A., as administrative agent and the several Lenders party thereto, as lenders (filed as Exhibit 10.1 to the Company's Form 8-K dated July 16, 2013 and incorporated herein by reference).
10.84	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.85	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.2 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.86	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.3 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.87	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.88	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.2 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.89	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.3 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.90	Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.7 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.91	Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.92	Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.9 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.93	Form of Restricted share Award Agreement effective December 10, 2013 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Roger W. Thomas and Anthony Krug (filed as Exhibit 10.1 to the Company's Form 8-K dated December 10, 2013 and incorporated herein by reference).
10.94	Form of Restricted Share Award Agreement effective December 10, 2013 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philiposian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 10, 2013 and incorporated herein by reference).
10.95	Form of Restricted Share Award Agreement effective December 9, 2014 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, Jonathan Litt, David S. Mack, Alan G. Philiposian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.1 to the Company's Form 8-K dated December 9, 2014 and incorporated herein by reference).
10.96	Membership Interest and Asset Purchase Agreement, dated as of October 8, 2012 (the "Purchase Agreement"), by and among Mack-Cali Realty, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty Acquisition Corp., Roseland Partners, L.L.C., and, for the limited purposes stated in the Purchase Agreement, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg (filed as Exhibit 10.1 to the Company's Form 8-K dated October 8, 2012 and incorporated herein by reference).
10.97	Purchase and Sale Agreement, dated as of January 17, 2013 by and between Overlook Ridge Phase I, L.L.C., Overlook Ridge Phase IB, L.L.C. and Mack-Cali Realty Acquisition Corp. (filed as Exhibit 10.1 to the Company's Form 8-K dated January 17, 2012 and incorporated herein by reference)

Exhibit Number	Exhibit Title
10.98	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Pennsylvania Realty Associates, L.P., as seller, and Westlakes KPG III, LLC and Westlakes Land KPG III, LLC, as purchasers (filed as Exhibit 10.1 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.99	Agreement of Sale and Purchase dated as of July 15, 2013 by and between M-C Rosetree Associates, L.P., as seller, and Rosetree KPG III, LLC and Rosetree Land KPG III, LLC, as purchasers (filed as Exhibit 10.2 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.100	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali-R Company No. 1 L.P., as seller, and Plymouth Meeting KPG III, LLC, as purchaser (filed as Exhibit 10.3 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.101	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Stevens Airport Realty Associates L.P., as seller, and Airport Land KPG III, LLC, as purchaser (filed as Exhibit 10.4 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.102	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Airport Realty Associates L.P., as seller, and 100 Airport KPG III, LLC, 200 Airport KPG III, LLC and 300 Airport KPG III, LLC, as purchasers (filed as Exhibit 10.5 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.103	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Property Trust, as seller, and 1000 Madison KPG III, LLC, as purchaser (filed as Exhibit 10.6 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.104	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Monument 150 Realty L.L.C., as seller, and Monument KPG III, LLC, as purchaser (filed as Exhibit 10.7 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.105	Agreement of Sale and Purchase dated as of July 15, 2013 by and between 4 Sentry Realty L.L.C. and Five Sentry Realty Associates L.P., as sellers, and Four Sentry KPG, LLC and Five Sentry KPG III, LLC, as purchasers (filed as Exhibit 10.8 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.106	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Talleyrand Realty Associates, L.L.C., as seller, and H'Y2 Talleyrand, LLC, as purchaser (filed as Exhibit 10.1 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.107	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 400 Chestnut Realty L.L.C., as seller, and H'Y2 400 Chestnut Ridge, LLC, as purchaser (filed as Exhibit 10.2 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.108	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 470 Chestnut Realty L.L.C., as seller, and H'Y2 470 Chestnut Ridge, LLC, as purchaser (filed as Exhibit 10.3 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.109	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 530 Chestnut Realty L.L.C., as seller, and H'Y2 530 Chestnut Ridge, LLC, as purchaser (filed as Exhibit 10.4 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.110	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Mack-Cali Taxter Associates, L.L.C., as seller, and H'Y2 Taxter, LLC, as purchaser (filed as Exhibit 10.5 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.111	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Mack-Cali CW Realty Associates, L.L.C., as seller, and H'Y2 570 Taxter, LLC, as purchaser (filed as Exhibit 10.6 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.112	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 1717 Realty Associates L.L.C., as seller, and H'Y2 Ruote 208, LLC, as purchaser (filed as Exhibit 10.7 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.113	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Knightsbridge Realty L.L.C., as seller, and H'Y2 400 Knightsbridge, LLC, as purchaser (filed as Exhibit 10.8 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.114	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Kemble Plaza II Realty L.L.C., as seller, and H'Y2 400 Mt Kemble, LLC, as purchaser (filed as Exhibit 10.9 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.115	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 1266 Soundview Realty L.L.C., as seller, and H'Y2 Stamford, LLC, as purchaser (filed as Exhibit 10.10 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.116	Agreement dated February 28, 2014 by and among Mack-Cali Realty Corporation, Land & Buildings Capital Growth Fund, L.P., Land & Buildings Investment Management, LLC and Jonathan Litt (filed as Exhibit 10.116 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).
10.117	Settlement and General Release Agreement dated March 1, 2014 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.117 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).
10.118	Settlement and General Release Agreement dated March 1, 2014 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.118 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).
10.119	Restricted share Award Agreement effective March 19, 2014 by and between Mack-Cali Realty Corporation and Anthony Krug (filed as Exhibit 10.1 to the Company's Form 8-K dated March 21, 2014 and incorporated herein by reference).
10.120	Separation Agreement dated July 18, 2014 by and between Roseland Management Services, L.P. and Bradford R. Klatt (filed as Exhibit 10.122 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and incorporated herein by reference).
10.121	Separation Agreement dated July 18, 2014 by and between Roseland Management Services, L.P. and Carl Goldberg (filed as Exhibit 10.123 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and incorporated herein by reference).
10.122	Amendment to Membership Interest and Asset Purchase Agreement, dated as of July 18, 2014, by and among Mack-Cali Realty, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty Acquisition Corp., Canoe Brook Investors, L.L.C. (formerly known as Roseland Partners, L.L.C.), Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg (filed as Exhibit 10.124 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and incorporated herein by reference).
10.123	Consulting Agreement dated July 18, 2014 by and between Roseland Management Services, L.P. and Carl Goldberg and Devra Goldberg (filed as Exhibit 10.125 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and incorporated herein by reference).
10.124	Separation Agreement dated November 4, 2014 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 4, 2014 and incorporated herein by reference).
10.125	Severance Agreement dated March 4, 2015 by and between Anthony Krug and Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 4, 2015 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.126	Severance Agreement dated March 4, 2015 by and between Gary T. Wagner and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 4, 2015 and incorporated herein by reference).
10.127	Employment Agreement dated June 3, 2015 by and between Mitchell E. Rudin and Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 3, 2015 and incorporated herein by reference).
10.128	Employment Agreement dated June 3, 2015 by and between Michael J. DeMarco and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 3, 2015 and incorporated herein by reference).
10.129	Indemnification Agreement dated June 3, 2015 by and between Mitchell E. Rudin and Mack-Cali Realty Corporation (filed as Exhibit 10.129 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and incorporated herein by reference).
10.130	Indemnification Agreement dated June 3, 2015 by and between Michael J. DeMarco and Mack-Cali Realty Corporation (filed as Exhibit 10.130 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and incorporated herein by reference).
10.131	Indemnification Agreement dated September 22, 2015 by and between Marshall B. Tycher and Mack-Cali Realty Corporation.
10.132	Employment Agreement dated October 23, 2012 by and between Marshall B. Tycher and Mack-Cali Realty Corporation.
10.133	Indemnification Agreement dated June 10, 2013 by and between Ricardo Cardoso and Mack-Cali Realty Corporation.
10.134	Term Loan Agreement dated as of January 7, 2016 among Mack Cali Realty, L.P., as borrower, Mack-Cali Realty Corporation, as guarantor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Wells Fargo Securities LLC as joint lead arrangers and joint bookrunners, Bank of American, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A. and Capital One, National Association, as syndication agents, U.S. Bank National Association, as documentation agent, and the several Lenders party thereto, as lenders (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.135	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of December 30, 2015 by and between Capital One, National Association and Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.136	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of January 4, 2016 by and between Citibank, N.A. and Mack-Cali Realty, L.P. (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.137	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of January 6, 2016 by and between Comerica Bank and Mack-Cali Realty, L.P. (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.138	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of January 5, 2016 by and between PNC Bank, National Association and Mack-Cali Realty, L.P. (filed as Exhibit 10.5 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.139	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of December 21, 2015 by and between U.S. Bank National Association and Mack-Cali Realty, L.P. (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.140	Form of 2016 Time-Based Long-Term Incentive Plan Award Agreement (Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).
10.141	Form of 2016 Performance-Based Long-Term Incentive Plan Award Agreement (Filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.142	Form of Restricted Share Award Agreement effective March 8, 2016 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, Jonathan Litt, 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 Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).
10.143	Agreement of Purchase and Sale among M-C Broad A L.L.C. and M-C Broad C L.L.C., collectively, as Seller, and 125 Acquisition LLC, as Purchaser, dated as of March 10, 2016 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 10, 2016 and incorporated herein by reference).
10.144	Employment Agreement dated April 15, 2016 by and between Robert Andrew Marshall and Roseland Residential Trust (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 15, 2016 and incorporated herein by reference).
10.145*	Real Estate Sale Agreement by and between HUB Properties Trust and 111 River Realty L.L.C. dated April 22, 2016.
31.1*	Certification of the Company's Chief Executive Officer, Mitchell E. Rudin, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Company's President and Chief Operating Officer, Michael J. DeMarco, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3*	Certification of the Company's Chief Financial Officer, Anthony Krug, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Company's Chief Executive Officer, Mitchell E. Rudin, the Company's President and Chief Operating Officer, Michael J. DeMarco and the Company's Chief Financial Officer, Anthony Krug, 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 March 31, 2016 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).

* filed herewith

REAL ESTATE SALE AGREEMENT

by and between

HUB PROPERTIES TRUST,

a Maryland real estate investment trust, Seller,

and

111 RIVER REALTY L.L.C.

a New Jersey limited liability company, Purchaser

for property located at

111 River Street

Hoboken, New Jersey

Dated: April 22, 2016

TABLE OF CONTENTS

	<u>Page</u>
1. PURCHASE AND SALE OF PROPERTY	1
2. PURCHASE PRICE	2
2.1 Earnest Money	2
2.3 Cash Balance	3
3. EVIDENCE OF TITLE	3
3.1 Matters Before the Objection Date	3
3.2 Matters After the Effective Date	3
4. CLOSING	5
4.1 Seller's Closing Deliveries	5
4.2 Purchaser's Closing Deliveries	6
4.3 Closing Prorations and Adjustments	7
4.3.1 Taxes	7
4.3.2 Rent	7
4.3.3 Security Deposits	7
4.3.4 Utilities	8
4.3.5 Service Contracts	8
4.3.6 Fees Payable	8
4.3.7 Tenant Inducement Costs, Leasing Commissions and Construction Contracts	8
4.3.8 Rentals	10
4.4 Tenant Reimbursements	12
4.4.1 For the Calendar Year of the Closing	12
4.4.2 For Prior Calendar Years	13
4.4.3 Other Costs	13
4.4.4 Rent Paid in Arrears	14
4.5 Reservation of Rights to Contest	14
4.6 Transaction Costs	14
4.7 Reprorations	14
5. CASUALTY LOSS AND CONDEMNATION	15
6. BROKERAGE	15
7. DEFAULT AND REMEDIES	15
7.1 Pre-Closing Purchaser's Remedies	15
7.2 Pre-Closing Seller's Remedies	16
7.3 Post-Closing Remedies	16
8. CONDITIONS PRECEDENT	16
8.1 Due Diligence Period	17
8.2 Estoppel Certificates	17
8.3 Subordination, Non-Disturbance and Attornment Agreements	19
8.4 Accuracy of Seller's Representations and Warranties	20
8.5 Board Approval	20
8.6 Accuracy of Purchaser' Representations and Warranties	20

9.	REPRESENTATIONS, WARRANTIES AND COVENANTS	21
9.1	Seller's Representations and Warranties	21
9.1.1	Organization and Authority	21
9.1.2	No Conflict	21
9.1.3	Condemnation	21
9.1.4	Litigation	21
9.1.5	Enforceability	21
9.1.6	FIRPTA	21
9.1.7	No Bankruptcy	21
9.1.8	Executive Order	22
9.1.9	Leases	23
9.1.10	Rent Roll and Delinquency Report	23
9.1.11	Service Contracts	23
9.1.12	Tax Proceeding	23
9.1.13	No Options	23
9.1.14	No Employees	24
9.1.15	ERISA	24
9.2	Representations Remade	24
9.3	Covenants	25
9.3.1	New Leases	25
9.3.2	Service Contracts	25
9.3.3	Operations	26
9.3.4	Other Agreements	26
9.3.5	Ground Lease	26
9.3.6	Notices	26
9.4	Purchaser's Representations and Warranties	27
9.4.1	ERISA	27
9.4.2	Organization and Authority	27
9.4.3	No Conflict	27
9.4.4	No Bankruptcy	27
9.4.5	Executive Order	27
9.4.6	Enforceability	28
9.4.7	FCPA	28
9.5	Survival	29
9.6	Employee Lists	29

9.7	Utility Agreements	29
9.8	Brokerage Commissions	30
10.	LIMITATION OF LIABILITY	30
11.	MISCELLANEOUS	31
11.1	Entire Agreement	31
11.2	Assignment	31
11.3	Modifications	31
11.4	Time of Essence	31
11.5	Governing Law	31
11.6	Notices	31
11.7	“AS IS” SALE	33
11.8	TRIAL BY JURY; RESCISSION	35
11.9	Confidentiality	35
11.10	Reports	37
11.11	Reporting Person	37
11.12	Section 1031 Exchange	37
11.13	Press Releases	37
11.14	Counterparts	38
11.15	Construction	38
11.16	Attorneys’ Fees	38
11.17	No Memorandum of Agreement	38
11.18	Severability	38
11.19	New Jersey Bulk Sales	38

REAL ESTATE SALE AGREEMENT

111 River Street, Hoboken, New Jersey

THIS REAL ESTATE SALE AGREEMENT (this “**Agreement**”) is made effective as of April 22, 2016 (the “**Effective Date**”), by and between HUB PROPERTIES TRUST, a Maryland real estate investment trust (“**Seller**”), and 111 RIVER REALTY L.L.C. , a New Jersey limited liability company (“**Purchaser**”).

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. **PURCHASE AND SALE OF PROPERTY.** Subject to and in accordance with the terms and conditions set forth in this Agreement, Purchaser shall purchase from Seller and Seller shall sell to Purchaser all of Seller’s right, title and interest (the “**Leasehold Interest**”) as lessee under the lease (the “**Ground Lease**”) further described on **Exhibit A-1** attached hereto, with respect to a certain parcel of real estate (the “**Real Property**”) in the City of Hoboken, County of Hudson, State of New Jersey, which parcel is more particularly described on **Exhibit A** attached hereto and commonly known as “111 River Street”, together with: (a) Seller’s leasehold interest in all buildings and improvements located on the Real Property (the “**Improvements**”); (b) all right, title and interest of Seller in and to leases, occupancy agreements and license agreements affecting the Property or any part thereof (“**Leases**”; a list of the Leases in effect as of the Effective Date is attached hereto as **Exhibit Q** to that certain letter of even date herewith from Seller to Purchaser and countersigned by Purchaser (the “**Company Disclosure Letter**”)) which are in effect as of the Closing Date (the “**Assignable Leases**”); (c) all furniture, furnishings, fixtures, equipment and other tangible personal property (including, any hydraulic lift stakers for use in the garage) owned by Seller, located on the Real Property and used solely in connection therewith, but excluding (i) any and all computer hardware and software and (ii) any item containing a logo, name or mark identifying Seller or Seller’s Affiliates (as defined in **Section 10**), and excluding the items set forth on **Exhibit B** attached hereto (the “**Tangible Personal Property**”); (d) all right, title and interest of Seller under any maintenance, service, advertising and other contracts with respect to the operation of the Real Property and Improvements (“**Service Contracts**”), and which are in effect as of the Closing Date (but excluding (i) Service Contracts designated as “National” or “Regional”, (ii) Service Contracts which are not freely assignable and (iii) property management and leasing brokerage agreements) (“**Assignable Service Contracts**”) (a list of Service Contracts in effect as of the Effective Date is attached hereto as **Exhibit C** to the Company Disclosure Letter); (e) all right, title and interest of Seller under any contracts (“**Construction Contracts**”) for work or improvements at the Property (“**Construction Work**”), and which are in effect as of the Closing Date to the extent that work thereunder is not completed as of the Closing Date (“**Assignable Construction Contracts**”), but excluding Construction Contracts which are not freely assignable (the “**Retained Construction Contracts**”); a list of Construction Contracts in effect as of the Effective Date is attached hereto as **Exhibit D** to the Company Disclosure Letter, and (f) to the extent assignable, all right, title and interest of Seller in and to (i) all site plans, construction and development drawings, plans and specifications for or relating to the Property, if any, (ii) all sewer and water permits and licenses, building permits, certificates of occupancy, demolition and excavation permits, curb cut and right-of-way permits, drainage rights, permits, licenses and similar or equivalent private and governmental documents of every kind and character whatsoever pertaining or applicable to or in any way connected with the development, construction, ownership, or operation of the Property, if any, (iii) all warranties, guarantees, and bonds (express or implied) of any contractor, manufacturer, materialman or other third party pertaining or applicable to or in any way connected with the development, construction, ownership or operation of the Property, if any and (iv) all trade names and general intangibles relating to the Property, including, without limitation rights, if any, to the name “Waterfront Corporate Center I” but excluding the name of Seller or any of its affiliates or derivations thereof (collectively, the “**Intangible Property**”). Items (a) through (f) above, together with the Leasehold Interest, are collectively referred to in this Agreement as the “**Property**”; provided, however, the term “Property” expressly excludes all property owned by tenants or other users or occupants of the Property, all rights with respect to any refund of taxes applicable to any period prior to the Closing Date (as defined in **Section 4** below), all rights to any insurance proceeds or settlements for events occurring prior to Closing (subject to **Section 5** below) and all property in the management office of the Property owned by the Property Manager (as defined in **Section 4.1** below).

The parties hereto acknowledge that (a) pursuant to the Ground Lease, Ground Lessor has the right to consent to an assignment of the lessee's interest in the Ground Lease and (b) the obligation of the Seller and the Purchaser to close hereunder is conditioned upon Ground Lessor delivering written consent to the assignment of the Ground Lease from Seller to Purchaser. No later than five (5) Business Days after the Effective Date, Seller shall deliver a written request to Ground Lessor under Section 17.2 of the Ground Lease for consent to the assignment of the Ground Lease from Seller to Purchaser ("**Ground Lease Consent**") and Purchaser covenants, promptly upon request by Seller, to provide to Seller and Ground Lessor such information (certified by an officer of Seller as true and correct) as Seller or Ground Lessor may require regarding the identity and financial condition of Purchaser, together with a binding written commitment that if Closing occurs, Purchaser will engage a property manager meeting the requirements of Section 17.1 of the Ground Lease.

2. **PURCHASE PRICE.** The total consideration to be paid by Purchaser to Seller for the Property is TWO HUNDRED THIRTY FIVE MILLION and No/100 Dollars (\$235,000,000.00) (the "**Purchase Price**").

2.1 **Earnest Money.** Within one (1) Business Day (as defined in Section 11.4) following the Effective Date, Purchaser shall deliver to the escrow agent identified in the Company Disclosure Letter (in its capacity as escrow agent, "**Escrow Agent**") the sum of TWENTY FIVE MILLION and No/100 Dollars (\$25,000,000.00) (together with any interest earned thereon and net of investment costs, the "**Earnest Money**") to be received pursuant to the Escrow Agreement attached hereto as **Exhibit E**, which shall be executed by Purchaser and Seller concurrently with the execution of this Agreement.

2.2 The Earnest Money shall be invested as Seller and Purchaser so direct. Any and all interest earned on the Earnest Money shall be reported to Purchaser's federal tax identification number. Except as expressly set forth herein to the contrary, the Earnest Money shall become nonrefundable upon the expiration of the Due Diligence Period if Purchaser does not notify Seller in writing on or before the expiration of the Due Diligence Period that Purchaser elects to terminate this Agreement. If the transaction closes in accordance with the terms of this Agreement, then Escrow Agent shall deliver the Earnest Money to Seller at Closing as payment toward the Purchase Price. In all other events, the Earnest Money shall be applied as set forth in this Agreement.

2.3 **Cash Balance.** At Closing, Purchaser shall pay to Seller the Purchase Price, less the Earnest Money, plus or minus the prorations described in this Agreement (such amount, as adjusted, being referred to as the "**Cash Balance**"). Purchaser shall pay the Cash Balance by federal funds wire transferred to an account designated by Seller in writing.

3. EVIDENCE OF TITLE.

3.1 **Matters Before the Objection Date.** Prior to the date hereof Purchaser has obtained (a) a current commitment for an ALTA Leasehold Owner's Title Insurance Policy (the "**Title Commitment**"), in the amount of the Purchase Price, issued by the title insurer identified in the Company Disclosure Letter (in its or their capacity as title insurer, "**Title Insurer**"); and (b) available copies of all title exception documents referred to in the Title Commitment. Seller has delivered to Purchaser a survey of the Real Property and the Improvements ("**Survey**"). Seller and Purchaser agree that the exceptions set forth on **Exhibit F** attached hereto shall be deemed the "**Permitted Exceptions**" for all purposes hereof.

3.2 **Matters After the Effective Date.** Between the Effective Date and the Closing Date, Purchaser may notify Seller in writing (the "**Gap Notice**") of Purchaser's objections to any exceptions to title that (i) were not disclosed by the Title Commitment or any update thereof received by Purchaser prior to the Effective Date, (ii) is either (a) curable by Seller or (b) is not curable by Seller using commercially reasonable efforts and materially and adversely affects Purchaser or the Property, and (iii) are not set forth on **Exhibit F**; provided, however, Purchaser must notify Seller of each such objection within three (3) Business Days after receiving written notice from Title Insurer of the existence of same, but in no event later than 10:00 A.M. Central Time on the Closing Date. If Purchaser delivers a Gap Notice, Seller shall have until the earlier to occur of (x) noon Chicago time on the Closing Date and (y) the date that is two (2) Business Days after Seller's receipt of the Gap Notice ("**Seller's Response Deadline**") to provide written notice to Purchaser ("**Seller's Response**") specifying whether or not Seller elects, by the Closing Date, to "Cure" such objections (provided, Seller shall be required to Cure any Required Clearance Exceptions). "Cure" shall mean causing Title Insurer to, at no additional cost to Purchaser, either (a) remove such matters or exceptions which Purchaser objected to in its Gap Notice, or (b) endorse over such matters or exceptions to which Purchaser has objected in its Gap Notice. If Seller fails to provide Seller's Response prior to Seller's Response Deadline, Seller will be deemed to have elected not to Cure such matters or exceptions. If Seller elects, or is deemed to have elected, not to cause Title Insurer to Cure one or more matters or exceptions to which Purchaser has objected in its Gap Notice, then, on or before the earlier of (a) 1:00 P.M. Central Time on the Closing Date and (b) two (2) Business Days after Purchaser's receipt of Seller's Response to the Gap Notice (or, if Seller's Response to the Gap Notice is not timely delivered, the expiration of the time permitted for Seller to issue Seller's Response to the Gap Notice), Purchaser shall deliver Seller written notice that Purchaser has elected to either (1) waive the matters or exceptions which Seller has elected, or been deemed to have elected, not to Cure (in which event such matters or exceptions shall be Permitted Exceptions and Purchaser will close in accordance with the terms of this Agreement), or (2) terminate this Agreement, in which event the Earnest Money shall be returned to Purchaser, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement. Further, if Seller elects to Cure any matters or exceptions and fails to do so on or before the then scheduled Closing Date (provided that Seller may extend the then scheduled Closing Date for such period as shall be reasonably required to Cure such matters and exceptions (but not exceeding thirty (30) days)), Purchaser shall have the option, as its sole and exclusive remedy, to either (i) waive the unsatisfied objections (in which event such matters or exceptions shall be Permitted Exceptions) and close, or (ii) terminate this Agreement, in which event the Earnest Money shall be returned to Purchaser, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement. If Purchaser does not elect to terminate this Agreement, Purchaser shall consummate the Closing and accept title to the Property subject to such exceptions and matters (in which event, such exceptions and matters shall be deemed Permitted Exceptions).

3.3 Notwithstanding anything in this Section 3 to the contrary, Seller shall be required to Cure (each a **Required Clearance Exception**): (i) all mortgages/deeds of trust (and related security instruments) granted or assumed by Seller, liens for property taxes which are due and payable prior to the Closing Date, income tax liens of Seller and mechanics' liens caused by Seller, in each instance which are encumbering leasehold title to all or any part of the Property (excluding any liens or encumbrances that either (a) Ground Lessor or (b) a tenant has caused), (ii) except as required by clause (iii) below, Cure any and all other monetary liens encumbering leasehold title to all or any part of the Leasehold Interest that may be removed by payment of a liquidated amount which in the aggregate does not exceed \$1,000,000, and (iv) all matters and exceptions which result from the acts or omissions of Seller or its affiliates in violation of this Agreement from and after the date of the Title Commitment.

3.4 At the Closing, (x) Purchaser may obtain an ALTA Leasehold Owner's Policy of Title Insurance (the **Owner's Policy**) insuring Purchaser's interest in the Ground Lease subject to no liens or encumbrances other than the Permitted Exceptions from Title Insurer; provided Title Insurer shall retain 51% of the premium and the Co-insurer (as defined in the Company Disclosure Letter) shall co-insure the policy (with a "me too" endorsement) and retain 49% of the premium and (y) Seller shall deliver to the Title Insurer such documents and instruments as Title Insurer shall reasonably request in order to permit Title Insurer to issue the Owner's Policy in the manner required pursuant to this Section 3, including, without limitation, one or more title affidavit(s), and evidence of authority and good standing (a copy of each such document or instrument shall be delivered to Purchaser at or prior to Closing).

4. **CLOSING.** The payment of the Purchase Price, the transfer of the Leasehold Interest, and the satisfaction of all other terms and conditions of the transaction contemplated by this Agreement (the "Closing") shall occur at noon Pacific time on the fifth (5th) Business Day following the date upon which (a) Seller notifies Purchaser in writing that Seller has satisfied the conditions precedent to Purchaser's obligation to close under Sections 8.2.1 and 8.2.2, which notice shall be accompanied by copies of the Required Estoppel Certificates, GL Estoppel Certificate and Ground Lease Consent (as such terms are hereafter or hereinbefore defined) in satisfaction thereof, or (b) Purchaser notifies Seller in writing that Purchaser waives any conditions precedent to Purchaser's obligation to close under Sections 8.2.1 and 8.2.2 which then remain outstanding. Seller and Purchaser shall cooperate in good faith to cause the Closing to occur within sixty (60) days following the Effective Date (such date the "Initial Closing Date"); provided, however, in the event that Seller shall be unable to satisfy the conditions precedent to Purchaser's obligation to close under this Agreement, either Seller or Purchaser may elect, by delivery of written notice thereof to the other party hereto received no later than noon Pacific time on the Business Day immediately preceding the Initial Closing Date, to postpone the Closing for a period not to exceed thirty (30) days in the aggregate in order to permit Seller to satisfy such conditions. Notwithstanding anything to the contrary in this Agreement, absent mutual agreement of Seller and Purchaser, the Closing Date shall in no event occur later than the ninetieth (90th) day after the Effective Date (the "**Outside Closing Date**"). The date upon which the Closing actually occurs is referred to herein as the "Closing Date".

4.1 **Seller's Closing Deliveries.** At Closing, Seller shall execute (as necessary) and deliver to Purchaser (either through escrow or as otherwise provided below) each of the documents described below: (i) one original Assignment and Assumption of Lease in the form of **Exhibit P** attached hereto in form acceptable to Title Insurer; (ii) two original counterparts of a bill of sale and assignment and assumption of Assignable Leases, Assignable Service Contracts, Assignable Construction Contracts and Intangible Property, in the form attached hereto as **Exhibit G** (the "**Bill of Sale and General Assignment**"), which Bill of Sale and General Assignment shall include, to the extent any Construction Work is then completed as of the Closing Date, and to the extent assignable without cost to Seller or consent of a third party, an assignment of any warranties, guaranties and other Intangible Property arising under any Assignable Construction Contracts with respect to such then completed Construction Work; (iii) one original notice letter to tenants, substantially in the form attached hereto as **Exhibit H**; (iv) one original notice letter to each vendor or contractor under an Assignable Service Contract or Assignable Construction Contract, substantially in the form attached hereto as **Exhibit I**; (v) Seller's non-foreign affidavit, in the form attached hereto as **Exhibit J**; (vi) one counterpart of the Joint Closing Statement (as defined in **Section 4.3** below); (vii) one counterpart of the final and agreed-upon closing statement prepared by Escrow Agent (the "**Escrow Agent's Closing Statement**"); (viii) evidence of termination of (a) any existing master property management agreement with Equity Commonwealth Management LLC, a Delaware limited liability company ("**EQC Management**"), (b) any existing sub-management agreement with CBRE, Inc., a Delaware corporation ("**Property Manager**") and (c) any Service Contracts identified to be terminated by Seller pursuant to **Section 9.3.2** below (provided, as to this clause (c), such termination shall be effective as set forth in **Section 9.3.2**); (ix) a list of Protected Tenants (as defined in **Section 4.3.7.2** below); (x) such transfer tax forms as are required by law, if any (the "**Transfer Documents**"); (xi) a resignation letter from the "O&M Board" (as defined in the Ground Lease) executed by any employee or agent of Seller that is a representative for Seller on such board; (xii) assignments of Seller's rights to any security deposit that is not in the form of cash, and (xiii) either (x) evidence reasonably satisfactory to Purchaser of the payment by Seller of any accrued parking tax due and payable to the City of Hoboken from January 1, 2011 to the Closing Date (together with any interest or penalties assessed thereon, "**Accrued Parking Tax**") or (y) an indemnity in form reasonably satisfactory to Purchaser from Seller (provided, Seller and Purchaser hereby agree that the indemnity signed at Closing shall in any event include a covenant on the part of Seller to maintain, at all times prior to payment in full of the Accrued Parking Tax, a net worth of no less than \$5,000,000) with respect to any loss, cost, damage or expense Purchaser may incur as a result of Seller's failure to pay any Accrued Parking Tax. To the extent any Service Contract is not assignable, such contract shall not be assigned. To the extent any Construction Contract is a Retained Construction Contract and whether or not the Construction Work thereunder is completed as of the Closing Date, then at Closing the parties shall enter into such agreement or instrument in form and substance as the parties shall reasonably agree pursuant to which Seller shall agree to use reasonable efforts to enforce any rights under the Retained Construction Contract including (x) if the Construction Work thereunder is completed prior to the Closing, the enforcement of any warranty or guaranty issued pursuant to such Retained Construction Contract, and (y) if the Construction Work thereunder is not completed prior to the Closing, the enforcement of the obligation to so complete the Construction Work as contemplated by such Retained Construction Contract, in each instance as Purchaser may request in Purchaser's sole discretion and at Purchaser's sole cost and expense. The Joint Closing Statement and Escrow Agent's Closing Statement may be signed in facsimile or PDF counterparts on the Closing Date. To the extent available, Seller shall leave all of the original Leases, Assignable Service Contracts, Assignable Construction Contracts (and any guaranties and warranties issued pursuant thereto and to be assigned to Purchaser), keys, plans and specifications, licenses and permits pertaining to the Property at the Real Property.

4.2 Purchaser's Closing Deliveries. At Closing, Purchaser shall deliver or cause to be delivered to Seller executed counterparts of the Assignment and Assumption of Lease, the Bill of Sale and General Assignment, the Joint Closing Statement, the Escrow Agent's Closing Statement and the Transfer Documents (if any), together with the Cash Balance described in Section 2.3 above, such evidence of Purchaser's organization, power and authority as Seller or Title Insurer may reasonably request, and a certificate updating Purchaser's representations and warranties as if made on the Closing Date.

4.3 Closing Prorations and Adjustments. The provisions of this Section 4.3 shall survive the Closing. Seller shall prepare a statement of the prorations and adjustments required by this Agreement (the “**Joint Closing Statement**”) and submit it to Purchaser for approval at least two (2) Business Days prior to the Closing Date. The items listed below are to be prorated or adjusted as of the close of business on the Closing Date (it being understood that, for purposes of prorations and adjustments, Seller shall be deemed the owner of the Property on the day immediately preceding the Closing Date and Purchaser shall be deemed the owner of the Property as of the day of the Closing Date; provided, however, that in the event any of the Leases provide that a tenant is to directly pay any of the expenses set forth below in this Section 4.3 to a third party other than Seller, then such amount shall not be prorated).

4.3.1 Taxes. Pursuant to the Ground Lease, Seller does not pay ad valorem real property taxes therefore there shall be no proration of real property taxes.

4.3.2 Rent. To the extent collected by Seller prior to Closing, the “minimum” or “base” rent paid by tenants under the Assignable Leases for the calendar month in which the Closing occurs shall be prorated between Purchaser and Seller on the basis of the number of days of such month the Property will have been owned by Purchaser and Seller, respectively. There shall be no proration of any rent which is delinquent as of the Closing Date. Rent collected on or after the Closing Date shall be applied to such period as the tenant may direct, or if there is no such direction, first to the month of Closing, then to any delinquency existing for the period thereafter and then to any delinquency for the period prior to Closing. Purchaser shall cause any rent applicable to the period prior to Closing to be remitted to Seller if, as, and when collected. At Closing, Seller shall deliver to Purchaser a schedule of all delinquent rent. In the event any delinquent rent is omitted from such schedule, Seller shall not be deemed to have waived its rights to such rent. Purchaser shall include the amount of delinquent rent in the first bills thereafter submitted to the tenants in question after the Closing, and shall continue to do so for three (3) months thereafter. Purchaser shall promptly deliver to Seller a copy of each such bill submitted to tenants. After such three (3) month period following Closing, Seller may pursue remedies directly against delinquent tenants, but may not sue to evict or otherwise dispossess such tenants.

4.3.3 Security Deposits. Purchaser shall receive a credit at Closing in the amount of any unapplied refundable cash security deposits under the Assignable Leases. In addition, Seller shall use commercially reasonable efforts to assign (to the extent assignable) and deliver to Purchaser at Closing any and all letters of credit and other instruments held by Seller as security deposits under Assignable Leases; provided, if such instrument is not assignable, then Seller shall use commercially reasonable efforts to provide Purchaser at Closing a substitute instrument in favor of Purchaser and, unless and until such instrument is so assigned or a substitute instrument is so provided, Seller shall hold such instrument in trust for Purchaser and shall draw upon such instrument and deliver the proceeds thereof to Purchaser as and when requested by Purchaser in writing.

4.3.4 Utilities. Water, electric, telephone and all other utility and fuel charges, fuel on hand (at cost plus sales tax), and any other payments to utility companies shall be prorated. If possible, utility prorations will be handled by final meter readings on the Closing Date. If final readings are not possible, or if any such charges are not separately metered, such charges will be prorated on a daily basis based on the most recent period for which actual costs incurred are available. Utility deposits shall be returned to Seller.

4.3.5 Service Contracts. Amounts due and prepayments under Assignable Service Contracts (other than non-recurring, upfront payments by any vendor to Seller) shall be prorated.

4.3.6 Fees Payable. Assignable license and permit fees, and similar fees and expenses of operation shall be prorated.

4.3.7 Tenant Inducement Costs, Leasing Commissions and Construction Contracts Except as may be set forth in the Company Disclosure Letter:

4.3.7.1 Purchaser shall be responsible for the payment of all of the following Tenant Inducement Costs (as defined below): (a) those specifically identified as Purchaser's obligation on Exhibit K-1 to the Company Disclosure Letter; (b) those payable under a New Lease and not designated as Seller's responsibility in clause (ii) of the next paragraph; and (c) those set forth in a Lease existing as of the date hereof, which, pursuant to the such Lease, are not due and payable prior to the Closing Date. In addition, Purchaser shall reimburse Seller for the amount that Seller pays for any third-party legal services provided in connection with the negotiation and entering into of any New Lease approved or deemed approved by Purchaser in accordance with Section 9.3.1 below and in effect as of the Closing Date. At the Closing Purchaser shall be entitled to a credit against the Purchase Price in the amount shown on Exhibit K-1 to the Company Disclosure Letter with respect to certain free rent set forth thereon for the period from and after Closing ("**Free Rent Credit**").

Seller shall be responsible for the payment of all of the following Tenant Inducement Costs: (i) those specifically identified as Seller's obligations on Exhibit K-1 to the Company Disclosure Letter; and (ii) those paid or payable in connection with any New Lease entered into in accordance with Section 9.3.1 below (in an amount equal to the amount of such costs prorated over the term of such New Lease, with Seller being responsible only for the portion of such costs based on the ratio of base rent payments received by Seller through the Closing Date to the total base rent payable over the term of such New Lease).

“Tenant Inducement Costs” means any amounts required under a Lease to be paid or credited by the landlord thereunder to or for the benefit of the tenant thereunder which is in the nature of a tenant inducement, including specifically, without limitation, tenant improvement costs, lease buyout costs (other than those accruing as a result of a buyout option executed by Purchaser after the Closing Date, which buyout costs shall be Purchaser’s sole and exclusive responsibility), moving, design, refurbishment and club membership allowances, but specifically excluding loss of income resulting from any free rental period (it being agreed that Seller shall bear the loss resulting from any free rental period until the Closing Date and that Purchaser shall bear such loss from and after the Closing Date other than with respect to free rent which is the subject of the Free Rent Credit.

If, as of the Closing Date, Seller shall have paid or provided a credit to the tenant for any Tenant Inducement Costs for which Purchaser is responsible pursuant to this Section 4.3.7, Seller shall be credited with an amount equal to such Tenant Inducement Costs. If, as of the Closing Date, Seller shall not have paid or provided a credit to the tenant for any Tenant Inducement Costs for which Seller is responsible to have paid or provided a credit to the tenant prior to the Closing Date in accordance with the provisions of this Section 4.3.7, Purchaser shall be credited with an amount equal to such Tenant Inducement Costs and Purchaser shall assume the obligation to pay the same.

4.3.7.2 Leasing Commissions. Purchaser shall be responsible for the payment of all of the following leasing commissions: (a) those specifically identified as Purchaser’s obligation on Exhibit K-2 to the Company Disclosure Letter; (b) those paid or payable in connection with any New Lease and not designated as Seller’s responsibility in clause (ii) of the next paragraph; (c) those which could become payable in connection with a Lease existing as of the date hereof which, pursuant to the Brokerage Agreement (as defined in this Section 4.3.7.2), are not due and payable prior to the Closing Date whether in connection with a renewal, extension, expansion, failure to exercise a cancellation option, “must take space” or otherwise under any Lease or New Lease; and (d) to the extent not described above, for any “Protected Tenant” who enters into a lease following Closing, a commission to the listing broker under the Brokerage Agreement (defined below) calculated in accordance with the Brokerage Agreement. **“Protected Tenant”** means any prospective tenant, if such prospective tenant’s entry into a lease after Closing would entitle the listing broker under the Brokerage Agreement to a commission under such Brokerage Agreement.

Seller shall be responsible for the payment of all of the following leasing commissions: (i) those specifically identified as Seller's obligations on **Exhibit K-2** to the Company Disclosure Letter; and (ii) any leasing commissions paid or payable in connection with any New Lease entered into in accordance with **Section 9.3.1** below (in an amount equal to the amount of such commissions prorated over the term of such New Lease, with Seller being responsible only for the portion of such commissions based on the ratio of base rent payments received by Seller through the Closing Date to the total base rent payable over the term of such New Lease).

"Brokerage Agreement" means that certain Brokerage Listing Agreement dated March 31, 2015 between Seller and CBRE, Inc. (as amended by First Amendment to Brokerage Listing Agreement dated March 31, 2016).

If, as of the Closing Date, Seller shall have incurred any leasing commission for which Purchaser is responsible pursuant to this **Section 4.3.7**, Seller shall be credited with an amount equal to such leasing commission. If, as of the Closing Date, Seller shall not have incurred any leasing commission for which Seller is responsible to have paid prior to the Closing Date in accordance with the provisions of this **Section 4.3.7**, Purchaser shall be credited with an amount equal to such leasing commission and Purchaser shall assume the obligation to pay the same.

4.3.7.3 **Construction Contracts.** During the Due Diligence Period Purchaser and Seller shall agree upon the cost necessary to complete all of the Construction Work as identified on **Exhibit K-3** to the Company Disclosure Letter, which cost-to-complete shall be calculated as of the expiration of the Due Diligence Period and delineated on a project-by-project basis; upon such agreement **Exhibit K-3** to the Company Disclosure Letter attached hereto shall be revised to reflect same. Seller shall be responsible for the cost to complete all Construction Work; provided, however if and to the extent the Construction Work is not completed as of the Closing Date, Purchaser shall be credited against the Purchase Price with an amount equal to such agreed upon cost-to-complete then remaining outstanding and Seller shall have no further obligation to cause the same to occur from and after Closing.

4.3.8 **Rentals.** The following rentals paid or payable by Seller under the Ground Lease:

(a) **Annual PILOT Rental.** Annual PILOT Rental (as defined in the Ground Lease) for a calendar year is payable in four quarterly installments on February 1, May 1, August 1 and November 1. Seller shall pay when due all Annual PILOT Rental (as defined in the Ground Lease) due and payable prior to the Closing Date. Annual PILOT Rental paid in the calendar quarter in which Closing occurs shall be prorated by crediting Seller in an amount equal to the amount of such payment multiplied by a fraction the numerator of which is the number of days in the calendar quarter that Purchaser will own the Property and the denominator of which is the number of days in such calendar quarter. Annual PILOT Rental due in the calendar quarter but not paid as of Closing shall be prorated by crediting Purchaser in an amount equal to the amount of such payment multiplied by a fraction the numerator of which is the number of days in the calendar quarter that Seller owned the Property and the denominator of which is the number of days in such calendar quarter.

(b) Basic Rental. Basic Rental (as defined in the Ground Lease) is due in advance on the first day of each calendar month. Seller shall pay when due all Basic Rental due and payable for the calendar month which includes the Closing Date. Basic Rental paid for the calendar month in which Closing occurs shall be prorated by crediting Seller in an amount equal to the amount of such payment multiplied by a fraction the numerator of which is the number of days in the calendar month that Purchaser will own the Property and the denominator of which is the number of days in such calendar month.

(c) Additional Basic Rental. Additional Basic Rental (as defined in the Ground Lease) is due in advance on the first day of each calendar month. Seller shall pay when due all Additional Basic Rental due and payable for the calendar month which includes the Closing Date. Additional Basic Rental paid for the calendar month in which Closing occurs shall be prorated by crediting Seller in an amount equal to the amount of such payment multiplied by a fraction the numerator of which is the number of days in the calendar month that Purchaser will own the Property and the denominator of which is the number of days in such calendar month.

(d) Percentage Rental. Percentage Rental (as defined in the Ground Lease) is due 45 days after each June 30 and December 31 and based upon a percentage of gross revenues for the six month period prior to each June 30 and December 31. If and to the extent Ground Lessor acknowledges either in the Ground Lease Estoppel or Ground Lessor Consent that Purchaser shall not be liable for any obligations under the Ground Lease arising prior to the Closing Date, Percentage Rental shall not be prorated at Closing and after Closing, Seller shall determine the amount of Percentage Rental due Ground Lessor under the Ground Lease for six month period or periods (or portion thereof) during which Seller owned the Property but as of Closing had not yet determined and paid, and shall pay Ground Lessor such amount(s) no later than the date such amount is due. If Ground Lessor shall not so provide such acknowledgment, then at the Closing Purchaser shall receive a credit against the Purchase Price in an amount equal to an estimate (subject to re-proration upon determination of the actual amount) of Percentage Rent which would otherwise be payable by Seller for the prorated portion of the six month period ending on the Closing Date (and based upon the number of days of such six month period the Property will have been owned by Seller) and in such event, after Closing Purchaser shall pay such Percentage Rent as and when due Ground Lessor under the Ground Lease. Purchaser shall indemnify, defend and hold Seller harmless from and against any loss, cost, damage or expense (including attorneys' fees) resulting from failure to pay Ground Lessor any such amount to which Purchaser has been credited pursuant to this Section 4.3.8(c) as of the Closing Date.

(e) O&M Rental. O&M Rental (as defined in the Ground Lease) is due in advance on the first day of each calendar month. Seller shall pay when due all O&M Rental due and payable for the month which includes the Closing Date. O&M Rental paid for the calendar month in which Closing occurs shall be prorated by crediting Seller in an amount equal to the amount of such payment multiplied by a fraction the numerator of which is the number of days in the calendar month that Purchaser will own the Property and the denominator of which is the number of days in such calendar month.

If any item of income or expense set forth in this Section 4.3 is based on an estimate or is to be determined after Closing, then Seller and Purchaser shall make, and each shall be entitled to, an appropriate reparation to each such item promptly when accurate information becomes available. Any amounts due from one party to the other as a result of such reparation shall be paid promptly in cash to the party entitled thereto. Seller and Purchaser hereby covenant and agree to make available to each other for review such records as are necessary to complete such reparations. The provisions of this Section 4.3 shall survive the Closing.

4.4 Tenant Reimbursements. Tenants under the Leases are currently paying Seller certain amounts (referred to herein as "**Tenant Reimbursements**") based on Seller's estimates for real estate taxes and assessments, common area maintenance, operating expenses and similar expenses of Seller (collectively, "**Seller Expenses**").

4.4.1 For the Calendar Year of the Closing. To the extent collected by Seller prior to Closing, Tenant Reimbursements paid by tenants under the Assignable Leases for the applicable lease reconciliation periods in which the Closing occurs shall be prorated between Purchaser and Seller based on the number of days of such applicable lease reconciliation periods the Property will have been owned by Purchaser and Seller, respectively. There shall be no proration of such Tenant Reimbursements which are delinquent as of Closing. Tenant Reimbursements collected on or after the Closing Date shall be applied to such period as the tenant may direct, or if there is no such direction, first to the month of Closing, then to any delinquency existing for the period thereafter and then to any delinquency for the period prior to Closing. Purchaser shall cause any Tenant Reimbursements applicable to the period prior to Closing to be remitted to Seller if, as, and when collected. At Closing, Seller shall deliver to Purchaser a schedule of all delinquent Tenant Reimbursements. In the event any delinquent Tenant Reimbursements are omitted from such schedule, Seller shall not be deemed to have waived its rights to such amounts. Purchaser shall include the amount of delinquent Tenant Reimbursements in the first bills thereafter submitted to the tenants in question after the Closing, and shall continue to do so for three (3) months thereafter. Purchaser shall promptly deliver to Seller a copy of each such bill submitted to tenants. After such three (3) month period, Seller may pursue remedies directly against delinquent tenants, but may not sue to evict or otherwise dispossess such tenants.

Not later than one hundred twenty (120) days after the end of the calendar year in which Closing occurs, Purchaser shall determine the Tenant Reimbursements paid to Seller by tenants and Seller Expenses for the portion of the calendar year in which the Closing occurs that Seller owned the Property. Seller shall provide to Purchaser the information necessary to make such determination. If the amount of Tenant Reimbursements collected by Seller for such year is less than the amount of Seller Expenses for such year, then Purchaser shall promptly remit the difference to Seller. If the amount of Tenant Reimbursements collected by Seller for the calendar year in which the Closing occurs exceeds the amount of Seller Expenses paid by Seller for such year, then Seller shall remit such excess amounts to Purchaser. Upon receipt of such excess amounts, Purchaser shall be thereafter obligated to promptly remit the applicable portion to the particular tenants entitled thereto. Purchaser shall indemnify, defend and hold Seller and Seller's Affiliates harmless from and against any losses, claims, damages and liabilities, including, without limitation, reasonable attorneys' fees and expenses incurred in connection therewith, arising out of or resulting from Purchaser's failure to remit any amounts actually received from Seller to tenants in accordance with the provisions hereof. The provisions of this Section 4.4.1 shall survive Closing.

4.4.2 For Prior Calendar Years. Seller shall be responsible for the reconciliation with tenants of Tenant Reimbursements and Seller Expenses for any calendar year prior to that in which the Closing occurs. If the amount of Tenant Reimbursements collected by Seller for such prior years is less than the amount of Seller Expenses for such period, then Seller shall be entitled to bill such tenants and retain any such amounts due from tenants. If the amount of Tenant Reimbursements collected by Seller for such prior calendar year exceeds the amount of Seller Expenses with respect to such period, then, to the extent required under the terms of the Leases, Seller shall remit such excess amounts to the applicable tenants. In connection with the foregoing, Seller shall be permitted to make and retain copies of all Leases and all billings concerning Tenant Reimbursements for such prior years, and Purchaser covenants and agrees to provide Seller with reasonable access to the books and records pertaining to such Tenant Reimbursements, and to otherwise cooperate with Seller (at no cost to Purchaser) for the purpose of enabling Seller to adequately respond to any claim by tenants for reimbursement of Tenant Reimbursements previously paid by such tenants. The provisions of this Section 4.4.2 shall survive the Closing.

4.4.3 Other Costs. Notwithstanding the foregoing, and except as set forth in the Company Disclosure Letter, if a tenant makes a payment to either Purchaser or Seller with respect to any other amount owed to Seller (for example reimbursement for a tenant improvement overrun) such amount shall be for the account of Seller and if collected by Purchaser, shall be promptly paid to Seller. In addition, if Seller bills certain amounts to a tenant in arrears (for example, reimbursement by a tenant for certain utility costs incurred by Seller or charges for specific services provided by Seller), at Seller's written request, Purchaser shall include the amount of any such arrearages in the first bills thereafter submitted to the tenants in question after the Closing, and shall continue to do so for three (3) months thereafter. Purchaser shall promptly deliver to Seller a copy of each such bill submitted to tenants. If a tenant makes a payment to either Purchaser or Seller with respect to any such arrearage owed to Seller, such amount shall be for the account of Seller and, if collected by Purchaser, shall be promptly paid to Seller. After such three (3) month period, Seller may pursue remedies directly against delinquent tenants for such arrearages, but may not sue to evict or otherwise dispossess such tenants. The provisions of this Section 4.4.3 shall survive the Closing.

4.4.4 Rent Paid in Arrears. For any tenant or other user of the Property that makes rent payments in arrears pursuant to such tenant's or user's lease or other agreement with Seller (including, without limitation, any parking garage operator, if applicable), Purchaser agrees that upon Purchaser's receipt of any rent payment from any such tenant or other user that is for any period of time prior to the Closing Date, Purchaser shall promptly pay to Seller the portion of such payment that applies to the period of time prior to the Closing Date. The provisions of this Section 4.4.4 shall survive the Closing.

4.5 Reservation of Rights to Contest. Notwithstanding anything to the contrary contained in this Agreement, Seller reserves the right to meet with governmental officials and to contest any reassessment or assessment of the Property or any portion thereof and to attempt to obtain a refund for any taxes previously paid related to any tax year concluded prior to the tax year in which the Closing occurs. Seller shall retain all rights with respect to any refund of taxes applicable to any period concluded prior to the tax year in which the Closing Date occurs.

4.6 Transaction Costs. Except as otherwise specifically set forth in this Agreement, the closing costs and other costs incurred in connection with the transactions contemplated by this Agreement shall be paid as follows: (a) Seller shall pay for all transfer taxes, sales and use taxes, documentary stamps and intangible taxes and similar taxes or charges, if any; and (b) Purchaser shall pay for all other closing and other transaction costs whether or not Closing occurs, including, without limitation, (i) all title insurance costs and, including any for extended coverage, endorsements, coinsurance or reinsurance, and any loan policy charges, (ii) all recording charges, (iii) all costs incurred in connection with obtaining the Survey, and (iv) all escrow fees payable to Escrow Agent. Seller and Purchaser shall be responsible for the fees of their respective attorneys.

4.7 Reprorations. Notwithstanding anything contained herein to the contrary, all reprorations contemplated by this Agreement shall be completed within one (1) year of Closing (subject to extension solely as necessary due to the unavailability of final information, but in no event to exceed eighteen (18) months after Closing). The provisions of this Section 4.7 shall survive the Closing.

5. **CASUALTY LOSS AND CONDEMNATION.** If, prior to Closing, the Property, or any part thereof shall be condemned, destroyed, or damaged by fire or other casualty, Seller shall promptly so notify Purchaser. In the event of a Material Loss (as hereinafter defined), Purchaser shall have the option to terminate this Agreement by giving notice to Seller within fifteen (15) days of the date Seller provides notice to Purchaser of the Material Loss (but no later than the Closing). If the condemnation, destruction or damage does not result in a Material Loss, then Seller and Purchaser shall consummate the transaction contemplated by this Agreement notwithstanding such condemnation, destruction or damage. If the transaction contemplated by this Agreement is consummated, then (i) in the case of a condemnation, Purchaser shall be entitled to receive any condemnation proceeds, (ii) in the case of a casualty, Purchaser shall be entitled to receive (A) any proceeds of insurance under any policy(ies) of insurance applicable to the destruction or damage of the Property, (B) the amount of any deductible, and (C) any remaining cost to repair not covered by Seller's insurance (if any); all net of repair costs incurred by Seller, and (iii) Seller shall, at Closing, execute and deliver to Purchaser all customary proofs of loss and other similar items. In addition, in the event Closing occurs, Purchaser shall deliver to Seller at Closing a release in form reasonably satisfactory to Seller whereby Purchaser releases Seller from all ongoing liability and/or claims in connection with such condemnation or casualty. If Purchaser elects to terminate this Agreement in accordance with this Section 5, the Earnest Money shall be returned to Purchaser, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement. For purposes of this Section 5, a "**Material Loss**" means condemnation, damage or destruction that either (x) is reasonably estimated by Seller's insurer or appraiser to cost or be valued at (as the case may be) more than Five Million Dollars (\$5,000,000) as to the Property or any portion thereof, or (y) is sufficient to permit any tenant occupying in excess of 300,000 rentable square feet (the "**Major Tenant**") to terminate its Lease in accordance with the terms thereof and such tenant has notified Seller of the termination of said Lease (whether or not tenant has then vacated the demised premises thereunder).

6. **BROKERAGE.** Seller agrees to pay (pursuant to a separate agreement) upon Closing (but not otherwise) and, upon receipt by Seller of an invoice, a W-9, a lien waiver and any other items required by the Title Insurer, a brokerage commission due to Eastdil Secured Broker Services, Inc. ("**Sale Broker**") for services rendered in connection with the sale and purchase of the Property. Seller shall indemnify and hold Purchaser harmless from and against any and all claims of all brokers and finders (including Sale Broker) claiming by, through or under the indemnifying party and in any way related to the sale and purchase of the Property, this Agreement or otherwise, including, without limitation, attorneys' fees and expenses incurred by the indemnified party in connection with such claim. Purchaser shall indemnify and hold Seller harmless from and against any and all claims of all brokers and finders (other than Sale Broker) claiming by, through or under the indemnifying party and in any way related to the sale and purchase of the Property, this Agreement or otherwise, including, without limitation, attorneys' fees and expenses incurred by the indemnified party in connection with such claim.

7. **DEFAULT AND REMEDIES.**

7.1 Pre-Closing Purchaser's Remedies. Notwithstanding anything to the contrary contained in this Agreement, if Closing does not occur due to a Seller default, then, as Purchaser's sole and exclusive remedy hereunder and at Purchaser's option, either (a) the Earnest Money shall be returned to Purchaser, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement, or (b) upon notice to Seller not more than ten (10) days after Purchaser becomes aware of such failure, and provided an action is filed within thirty (30) days thereafter, Purchaser may seek specific performance of this Agreement, but not damages. Purchaser's failure to seek specific performance as aforesaid shall constitute its election to proceed under clause (a) above.

7.2 Pre-Closing Seller's Remedies. **PURCHASER AND SELLER ACKNOWLEDGE THAT IT WOULD BE EXTREMELY IMPRACTICAL AND DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF PURCHASER FAILS TO CONSUMMATE THE PURCHASE AND SALE CONTEMPLATED HEREIN FOR ANY REASON OTHER THAN SELLER'S DEFAULT HEREUNDER IN ANY MATERIAL RESPECT OR THE FAILURE OF A CONDITION PRECEDENT TO PURCHASER'S OBLIGATION TO CLOSE HEREUNDER. PURCHASER AND SELLER HAVE CONSIDERED CAREFULLY THE LOSS TO SELLER OCCASIONED BY TAKING THE PROPERTY OFF THE MARKET AS A CONSEQUENCE OF THE NEGOTIATION AND EXECUTION OF THIS AGREEMENT, THE EXPENSES OF SELLER INCURRED IN CONNECTION WITH THE PREPARATION OF THIS AGREEMENT AND SELLER'S PERFORMANCE HEREUNDER, AND THE OTHER DAMAGES, GENERAL AND SPECIAL, WHICH PURCHASER AND SELLER REALIZE AND RECOGNIZE SELLER WILL SUSTAIN BUT WHICH SELLER CANNOT AT THIS TIME CALCULATE WITH ABSOLUTE CERTAINTY. BASED ON ALL THOSE CONSIDERATIONS, PURCHASER AND SELLER HAVE AGREED THAT THE DAMAGE TO SELLER IN SUCH EVENT WOULD REASONABLY BE EXPECTED TO BE EQUAL TO THE SUM OF THE EARNEST MONEY. ACCORDINGLY, IF CLOSING DOES NOT OCCUR FOR ANY REASON OTHER THAN SELLER'S DEFAULT HEREUNDER IN ANY MATERIAL RESPECT OR THE FAILURE OF A CONDITION PRECEDENT TO PURCHASER'S OBLIGATION TO CLOSE HEREUNDER, THEN SELLER SHALL HAVE THE RIGHT, AS ITS SOLE AND EXCLUSIVE REMEDY, TO RETAIN THE EARNEST MONEY AS FULL AND COMPLETE LIQUIDATED DAMAGES.**

7.3 Post-Closing Remedies. After Closing, Seller and Purchaser shall, subject to the terms and conditions of this Agreement including without limitation Section 10 below, have such rights and remedies as are available at law or in equity, except that neither Seller nor Purchaser shall be entitled to recover from the other consequential or special damages.

8. CONDITIONS PRECEDENT.

8.1 Due Diligence Period. Purchaser has had the opportunity to inspect the Property, obtain any necessary internal approvals to the transaction, and satisfy itself as to all matters relating to the Property, including, but not limited to, environmental, engineering, structural, financial, title and survey matters and has determined that the Property is suitable for its purposes and therefore Purchaser may not terminate this Agreement except pursuant to an express provision contained in this Agreement which permits Purchaser to elect to terminate this Agreement. Purchaser acknowledges Purchaser's entry onto the Property and any inspection thereof, whether prior to the Effective Date or, upon Seller's consent, on or after the Effective Date, have been and are subject to the following: (a) any entry or inspection is and shall remain subject to the rights of tenants under the Leases and other occupants and users of the Property and Purchaser shall use reasonable efforts to minimize interference with tenants and Seller's operation of the Property, (b) an entry or inspection shall not be undertaken without forty-eight (48) hours' prior notice to Seller and with Seller's consent, not to be unreasonably withheld, (c) Seller's representative shall have the right to be present at any or all entries or inspections, (d) Purchaser nor its agents or representatives shall contact any tenants without the prior written consent of Seller, and Purchaser shall permit Seller to participate in any such contact, (e) no inspection shall involve the taking of samples or other physically invasive procedures without the prior written consent of Seller in its sole discretion, (f) upon the completion of any inspection or test, Purchaser shall restore the Property to its condition prior to such inspection or test, (g) Purchaser shall indemnify, defend (with counsel reasonably acceptable to Seller) and hold Seller and its employees, tenants and agents harmless from and against any and all loss, cost, expense, liability, damage, cause of action or claim (including, without limitation, attorneys' fees incurred in connection therewith) arising out of or resulting from Purchaser's exercise of its rights under this Agreement, including, without limitation, its prior or subsequent right of entry upon and inspection and testing of the Property as provided for in this Section 8.1, and such indemnity shall survive the Closing and any termination of this Agreement (provided, however, in no event shall Purchaser be liable for any damages solely as a result of Purchaser's discovery of any pre-existing conditions affecting the Property), and (h) Purchaser shall continue in full force and effect all insurance from the companies and in the amounts and form as previously disclosed by Purchaser to Seller prior to Purchaser's initial entry onto the Property.

8.2 Estoppel Certificates.

8.2.1 As a condition to Purchaser's obligation to close hereunder, Purchaser shall have received an estoppel certificate on or before the Outside Closing Date in the form and content as set forth herein (the "**Estoppel Certificates**") from (a) the Major Tenant, and (b) the "**Required Other Tenant**" (as defined in the Company Disclosure Letter, and (c) one of the other two tenants (other than the tenants identified in clause (a) and (b) above) whom occupy at least 20,000 rentable square feet (each such tenant described in clause (c), a "**Required Non Major Tenant**" and together with tenants identified in clauses (a) and (b) hereof, the "**Required Tenants**"; and the aforesaid acceptable Estoppel Certificates to be delivered are referred to collectively as the "**Required Estoppel Certificates**"); provided that in the event that Seller delivers certificates for only one (1) of the two (2) Required Non Major Tenants, Seller shall deliver to Purchaser a certificate, in substantially the same form as the certificate attached hereto as Exhibit R ("**Seller Estoppel Certificate**" and in such event the term "**Required Estoppel Certificates**" shall include the Seller Estoppel Certificate), covering the particular tenants necessary so that Purchaser shall be deemed to have received, at Closing, Estoppel Certificates and/or a Seller Estoppel Certificate with respect to the Required Tenants. In the event that Seller is required to deliver a Seller Estoppel Certificate, each statement therein shall survive for a period terminating on the earlier to occur of (i) the date on which Purchaser has received an executed Estoppel Certificate signed by the

tenant under the Lease in question, or (ii) one hundred eighty (180) days from the Closing Date. If Purchaser receives an Estoppel Certificate that contains some but not all of the statements set forth in the Estoppel Certificate (a "**Partial Certificate**") and Seller provides a Seller Estoppel Certificate for such tenant, then the Seller Estoppel Certificate may omit statements contained in the Partial Certificate; provided, however in no event may a Partial Certificate replace a Required Certificate to the extent same is required pursuant to the terms of this Section 8.2.1. Seller shall use commercially reasonable efforts to obtain Estoppel Certificates from all tenants under Leases in effect as of the Closing Date, and shall deliver to all tenants for execution and Estoppel Certificate in the form of Exhibit L attached hereto (the "**Form Tenant Estoppel Certificate**") no later than fourteen (14) days after Seller requests the GL Estoppel Certificate (as hereafter defined). An Estoppel Certificate shall not be deemed an unacceptable Estoppel Certificate for purposes of this Section 8.2 if it (a) contains the qualification by the tenant of any of items (4) and/or (9) on the Form Estoppel Certificate as being subject to its knowledge or as being subject to any similar qualification, or (b) does not contain any more information than that which the tenant is required to give in any such certificate pursuant to its Lease, but in all instances is certified to Purchaser and its successors and assigns. In the event that Seller does not provide to Purchaser as of the then scheduled Closing Date all of the Required Estoppel Certificates for each Required Tenant, Purchaser may, by written notice to Seller given on the then scheduled Closing Date, either (A) elect not to purchase the Property, in which event the Earnest Money shall be returned to Purchaser, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement, or (B) elect to close notwithstanding Seller's inability to provide the Required Estoppel Certificates, in which event Purchaser shall be deemed to have waived the condition contained in this Section 8.2.1. If Purchaser fails to deliver such written notice as described above, Purchaser shall be deemed to have elected item (B) above. If any Estoppel

Certificate contains statements confirming any of Seller's representations or warranties relating to the Leases, Rent Roll (as hereafter defined) or Delinquency Schedule (as hereafter defined), then Seller shall be deemed not to have made such representations or warranties as to the applicable Lease. If any Estoppel Certificate or Seller Estoppel Certificate contains statements or allegations that a default or potential default exists on the part of Seller under the Lease in question or contains information inconsistent with any representations of Seller contained in this Agreement and Purchaser elects to close notwithstanding the existence of such statements, allegations or information, then such Estoppel Certificates or Seller Estoppel Certificate, as applicable, shall be deemed acceptable for purposes of this Section, notwithstanding the existence of such allegations, statements or information, and Seller shall have no liability to Purchaser hereunder with respect to the existence of such allegations, statements or information.

8.2.2 As a condition to Purchaser's obligation to close hereunder, Purchaser shall have received (a) an estoppel certificate (the "**GL Estoppel Certificate**") on or before the Outside Closing Date in substantially the form and content as attached hereto as **Exhibit M** from Ground Lessor (or as modified as described in the Company Disclosure Letter) and (b) the Ground Lease Consent. Notwithstanding anything in this Agreement to the contrary, upon delivery of the GL Estoppel Certificate, Seller shall be released from any liability under Seller's representations and warranties concerning the information contained in such GL Estoppel Certificate to the extent the same is consistent with, or more favorable than, the information contained in Seller's representations and warranties. In the event that Seller does not provide to Purchaser as of the then scheduled Closing Date the GL Estoppel Certificate and Ground Lease Consent, Purchaser may, by written notice to Seller given on the then scheduled Closing Date, either (A) elect not to purchase the Property, in which event the Earnest Money shall be returned to Purchaser, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement, or (B) elect to close notwithstanding Seller's inability to provide the GL Estoppel Certificate and Ground Lease Consent, in which event Purchaser shall be deemed to have waived the condition contained in this Section 8.2.2. If Purchaser fails to deliver such written notice as described above, Purchaser shall be deemed to have elected item (B) above.

8.3 Subordination, Non-Disturbance and Attornment Agreements. Purchaser and Seller agree that nothing contained in this Section 8.3 shall constitute a condition to Purchaser's obligation to close hereunder. Purchaser may, at its election, prepare a subordination, non-disturbance and attornment agreement (each, an "**SNDA**") for any tenant under a Lease. If Purchaser prepares and delivers an SNDA to Seller on or before the date which is fifteen (15) days prior to the then scheduled Closing Date, then Seller shall include such SNDA in Seller's delivery of the Form Tenant Estoppel Certificate to the applicable tenant (or separately deliver such SNDA to the applicable tenant). Whether or not Purchaser delivers the SNDAs to Seller on or before said date, Seller shall have no obligation with respect to the SNDAs other than to contact the tenants to request the execution and delivery of the SNDAs from the tenants in the same manner as Seller contacts the tenants to request the execution and delivery of the Estoppel Certificates; provided, however, that if any tenant is unwilling to execute and deliver an SNDA or an Estoppel Certificate as a result of the SNDA, Seller may instruct such tenant to only execute and deliver the Estoppel Certificate.

8.4 Accuracy of Seller's Representations and Warranties. As a condition to the obligations of Purchaser to close hereunder, each of Seller's representations and warranties set forth in Section 9.1 below shall be materially true and correct as of the then scheduled Closing Date (or shall be materially true and correct subject to any change thereto resulting from any actions taken by Seller permitted under Section 9.3 or otherwise under this Agreement). If the foregoing condition is not satisfied and (a) such failure would result in a material adverse effect on the Property or Purchaser (it being acknowledged and agreed by the parties that (x) with respect to Seller's representations and warranties set forth in Section 9.1 below, other than subsections 9.1.1, 9.1.2, 9.1.5, 9.1.6, 9.1.7 and 9.1.8 (collectively, the "**Seller's Fundamental Representations**"), only a failure of the foregoing condition that relates to any matter that gives rise to, or could reasonably be expected to give rise to, any loss, damage, liability, cost or expense (including the diminution in value of the Property) (a "**Loss**") in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), and (y) with respect to Seller's Fundamental Representations, any material inaccuracy regardless of the amount of the Loss suffered (or reasonably expected to suffer) by Purchaser or the Property, shall, in either instance, be deemed to have a material adverse effect on the Property and Purchaser) and (b) Seller has not cured such failure as of the Outside Closing Date (which cure may include causing the applicable representation(s) and warranty(ies) to become true and correct or crediting Purchaser at Closing for the amount of the Loss), then Purchaser, as Purchaser's sole remedy, shall have the right to terminate this Agreement and receive the return of the Earnest Money by delivering written notice thereof to Seller on or before the earlier of (i) the Closing Date or (ii) the fifth (5th) Business Day after Purchaser obtains knowledge or receives written notice of such failure, and upon timely delivery of such written notice to Seller, this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement. If Purchaser does not terminate this Agreement pursuant to its rights under this Section 8.4, then such representations and warranties shall be deemed modified to take into account any such fact of which Purchaser was aware prior to or at Closing. In the event Purchaser closes with knowledge that a representation or warranty is untrue, Purchaser is prohibited from making any claims against Seller as a result thereof.

8.5 Board Approval. As a condition precedent to Seller's obligation to close hereunder, the Board of Trustees, Executive Committee or Investment Committee of the Board of Trustees, or another committee of the Trust (an affiliate of Seller) shall have approved the transactions contemplated herein ("**Board Approval**"). In the event Seller notifies Purchaser in writing on or before April 26, 2016 that such approval has not been obtained, Seller shall return and/or cause to be returned to Purchaser the Earnest Money, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement.

8.6 Accuracy of Purchaser's Representations and Warranties. As a condition to the obligations of Seller to close hereunder, each of Purchaser's representations and warranties set forth in Section 9.4 below shall be materially true and correct as of the Closing, and the failure of such condition shall be deemed a breach by Purchaser hereunder entitling Seller to exercise the remedies set forth in Section 7.2.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS.

9.1 Seller's Representations and Warranties. Subject to Section 9.5 below, Seller hereby represents and warrants to Purchaser as to the following matters, as of the Effective Date:

9.1.1 Organization and Authority. Seller is duly organized and in good standing under the laws of the state of its organization and has the authority to conduct business in the State of New Jersey. Subject to obtaining Board Approval, Seller has the power and authority under its organizational documents to sell, transfer, convey and deliver the Property to be sold and purchased hereunder, and all action and approvals required thereunder have been duly taken and obtained.

9.1.2 No Conflict. Subject to obtaining Board Approval, the execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of Seller's organizational documents.

9.1.3 Condemnation. To Seller's knowledge, Seller has not received from any governmental authority any written notice that any condemnation action has been filed against the Property or any part thereof no such condemnation action is threatened in writing against the Property or any part thereof.

9.1.4 Litigation. Except as set forth on Exhibit N attached hereto, there are no arbitrations, governmental investigations, filed actions or suits nor any order, decree or judgment in progress, pending or in effect or threatened in writing, against Seller with respect to its ownership or operation of the Property that would materially and adversely affect Purchaser or have a material adverse effect on the Property or otherwise be binding on Purchaser or the Property from and after the Closing.

9.1.5 Enforceability. This Agreement is a valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights and by general principles of equity (whether applied in a proceeding at law or in equity).

9.1.6 FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

9.1.7 No Bankruptcy. Seller has not (a) made a general assignment for the benefit of creditors, (b) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (c) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (e) admitted in writing its inability to pay its debts as they come due, or (f) made an offer of settlement, extension or composition to its creditors generally.

9.1.8 Executive Order.

(a) Seller hereby represents and warrants that Seller is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001) (the "**Order**") and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "**Orders**").

(b) Seller hereby represents and warrants that neither Seller nor any beneficial owner of Seller other than any indirect beneficial owners of Seller whom have acquired such interest by its acquisition of shares in a publicly held company listed on an Exchange (hereafter defined):

(i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "**Lists**");

(ii) is a person who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or

(iii) is owned or controlled by, or acts for or on behalf of, any person on the Lists or any other person who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

(c) Seller hereby covenants and agrees that if Seller obtains knowledge that Seller or any of its beneficial owners (other than any indirect beneficial owners of Seller whom have acquired such interest by its acquisition of shares in a publicly held company listed on an Exchange) becomes listed on the Lists or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Seller shall immediately notify Purchaser in writing, and in such event, Purchaser shall have the right to terminate this Agreement without penalty or liability to Purchaser immediately upon delivery of written notice thereof to Seller. In such event, the Earnest Money shall be returned to Purchaser, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement.

9.1.9 Leases. Seller makes the representations and warranties regarding the Leases as are set forth in the Company Disclosure Letter.

9.1.10 Rent Roll and Delinquency Report. The rent roll (“**Rent Roll**”) dated April 14, 2016 and the aged delinquencies arrearages schedule (“**Delinquency Schedule**”) dated April 20, 2016 delivered to Purchaser are the rent roll and rent arrearages schedule used by Seller in the ordinary course of operating Seller’s business.

9.1.11 Service Contracts. To Seller’s Knowledge, Seller has not entered into any management agreement, or agreement for provision of services or supplies, or other contract which will be binding on Purchaser or the Property after the Closing except for those contracts and agreements which shall not be assigned to Purchaser and those identified on **Exhibits C, D** and **O** to the Company Disclosure Letter. To Seller’s knowledge, true, correct and complete copies of all Assignable Service Contracts, Assignable Construction Contracts and Utility Agreements, and all amendments thereto, have heretofore been delivered to Purchaser. To Seller’s knowledge, the Utility Agreements are in full force and effect and Seller has not given or received either (x) any written notices of default under any Utility Agreement that has not been cured, or (y) any written notice of termination with respect to any Utility Agreement. None of Seller, EQC Manager or Property Manager is currently undertaking any other material capital improvements at the Property except as described on **Exhibit K-3** to the Company Disclosure Letter.

9.1.12 Tax Proceeding. Seller has not submitted an application for any tax reduction, reassessment, or special assessment that is outstanding, and Seller has not received any written notice that any of the foregoing proceedings are pending.

9.1.13 No Options. (a) Seller has not given any person or entity (and to Seller’s knowledge no person or entity has) a right of first refusal, right of first offer or other option to purchase the Property, other than Purchaser pursuant to the terms of this Agreement. (b) Other than that certain Right of First Offer Agreement dated January 24, 2002 between Seller (as successor-in-interest to Block A South Waterfront Development L.L.C.), as grantor, and Marsh & McLennan Companies, Inc., as grantee (the “**ROFO**”), a true and complete copy of which (together with any amendments or modifications thereof), to Seller’s knowledge, has previously been made available to Purchaser, Seller has not given any person or entity (and to Seller’s knowledge no person or entity has) a right of first refusal, right of first offer or other option to lease all or any portion of the Property except as set forth in the Leases. To Seller’s knowledge, within the twelve (12) month period prior to the Effective Date, Seller has not received any written notice of default or waiver or rights by Marsh & McLennan Companies, Inc. under the ROFO to lease space in the Property.

9.1.14 No Employees. There are no persons employed by Seller, EQC Manager or Property Manager whom Purchaser will be obligated to employ from and after the Closing. There are no union contracts, collective bargaining or similar agreements or arrangements with respect to the Property between Seller (or, to Seller's knowledge, Seller's predecessor in interest) and any labor union. All employees involved in operation and maintenance of the Property are employed by Property Manager.

9.1.15 ERISA. Seller is not (and is not acting on behalf of) an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is the subject to Title I of ERISA, a "plan" defined in and subject to Section 4975 of the Internal Revenue Code of 1986, as amended, or an entity deemed to hold "plan assets" of either of the foregoing.

All references in this Agreement to "**Seller's Knowledge**" or words of similar import (whether or not such words may be capitalized), shall refer only to the conscious actual (and not implied or constructive) knowledge of the Seller's Representative and shall not be construed to refer to the knowledge of any other member, officer, director, trustee, shareholder, venturer, consultant, employee, agent, property manager or representative of Seller, its partners or members (including without limitation Seller's counsel, Property Manager or any broker), or of any affiliate of any of the foregoing, or to impose or have imposed upon the Seller's Representative any duty to investigate the matters to which such knowledge, or the absence thereof, pertains (except that Seller's Representative has requested that the individual employee of Property Manager with direct responsibility for managing the Property provide Seller's Representative with information known to such individual that is salient to the representations given in this Section 9.1 above). There shall be no personal liability on the part of the Seller's Representative or any employee of Property Manager arising out of any representations or warranties made herein. All references herein to "written notice" having been given to Seller shall include only those notices received by the Seller's Representative. For purposes hereof, Seller's Representative means David Weinberg and Allen Samuel.

9.2 Representations Remade. As of Closing, Seller shall be deemed to remake and restate the representations set forth in Section 9.1, except that the representations may be updated at or prior to the Closing Date by delivering written notice to Purchaser that any of Seller's representations or warranties contained herein is untrue or incorrect. The condition set forth in Section 8.4 shall not be deemed to have failed if any representation or warranty becomes untrue or incorrect due to (i) new Service Contracts or amendments to Service Contracts entered into in accordance with this Agreement or Service Contracts that have expired by their stated terms, (ii) new Construction Contracts or amendments to Construction Contracts entered into in accordance with this Agreement, (iii) all work being complete and all amounts due the contractor being paid with respect to any Construction Contract, (iv) new Leases or amendments to Leases entered into in accordance with this Agreement or Leases which have expired by their own terms, (v) rent prepayments for which Purchaser receives a credit at Closing, (vi) any tenant initiating an audit of pass through expenses, (vii) changes to the Rent Roll or (viii) changes to Seller's obligations identified on Exhibits K-1, K-2 or K-3 to the Company Disclosure Letter take into account payments actually made or the actual completion of work; provided that, in each instance under clauses (i) through (viii), the representation or warranty did not become untrue or incorrect as a result of any act taken by Seller in violation of this Agreement or omission of Seller in violation of this Agreement.

9.3 Covenants. Seller hereby covenants and agrees with Purchaser as to the following matters.

9.3.1 New Leases. For purposes of this Agreement, any Lease entered into after the Effective Date and any modification, amendment, restatement or renewal of any existing Lease entered into after the Effective Date, shall be referred to as a “**New Lease**”. Until the expiration of the Due Diligence Period, Seller may enter into any New Leases without Purchaser’s consent, so long as Seller delivers a copy of any New Leases to Purchaser prior to the date which is five (5) Business Days prior to the expiration of the Due Diligence Period. Following the expiration of the Due Diligence Period, Seller shall not enter into any New Lease (other than an amendment, restatement, modification or renewal of any existing Lease pursuant to a unilateral right granted the tenant under such existing Lease) without Purchaser’s prior written consent, which will not be unreasonably withheld, conditioned or delayed. If Purchaser does not respond in writing to Seller’s request for approval or disapproval of a New Lease within five (5) Business Days after Purchaser’s receipt of Seller’s request, Purchaser shall be conclusively deemed to have approved of such New Lease.

9.3.2 Service Contracts. After the Effective Date, Seller shall not enter into any new Service Contracts which would be binding on Purchaser, or cancel, materially modify or renew any existing Service Contracts which would be binding on Purchaser, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed, unless such new Service Contracts are cancelable by Seller upon thirty (30) days’ notice without penalty or liability. If Purchaser fails to respond to Seller’s request for consent with respect to any such action within five (5) Business Days after receipt of Seller’s request, such consent shall be deemed given. Upon the written request of Purchaser delivered no later than five (5) days prior to the then scheduled Closing Date, Seller shall deliver to vendors under Service Contracts specified by Purchaser, on the Closing Date, notices of termination of such Service Contracts terminating such Service Contracts in accordance with the terms thereof at no cost to Seller (it being understood and agreed that such Service Contracts shall remain in full force and effect with respect to the Property, and that Purchaser shall assume the costs and obligations of Seller thereunder in accordance with the terms of this Agreement, from the Closing Date until such date as such termination is effectuated in accordance with the terms of the applicable Service Contracts); provided that Seller shall cooperate with Purchaser in good faith to effectuate the termination of such Service Contracts as soon as practicable after Closing.

9.3.3 Operations. After the Effective Date, Seller shall operate the Property in the normal course of Seller's business and maintain the Property in substantially the same condition as of the Effective Date, ordinary wear and tear excepted, and subject to Section 5 above. Notwithstanding anything in the preceding sentence to the contrary, in no event shall Seller be required to make any capital repairs, replacements or improvements to the Property except as may be required by the Leases to be made prior to the Closing Date.

9.3.4 Other Agreements. After the Effective Date, and except as required by law or by any of the Permitted Exceptions or as otherwise permitted under this Agreement, Seller shall not become party to agreements granting an easement or right-of-way on, under or about the Property, and Seller shall not become party to any agreements granting easements or rights-of-way in favor of the Property or otherwise encumber, or grant interests in, the Property.

9.3.5 Ground Lease. From and after the Effective Date, Seller shall (a) not modify, amend or terminate the Ground Lease nor deliver notice to Ground Lessor causing same, and (b) deliver to Purchaser a copy of any material notice delivered or received from Ground Lessor.

9.3.6 Notices. From and after the Effective Date, Seller shall promptly upon its receipt deliver to Purchaser a copy of any written notice received from (x) any governmental authority relating to the Property which may have (or describe matters that may have) a material adverse effect upon the Property or result in a material adverse change to or breach of a representation or warranty made by Seller hereunder, and (y) default notices from any tenant, vendor or other party under any Lease, Service Contract, Utility Agreement, Construction Contract or Brokerage Agreement.

If Seller fails to perform any of the covenants contained in this Section 9.3 hereof and either Purchaser receives written notice thereof from Seller prior to Closing or Purchaser shall have actual knowledge of a default by Seller under this Section 9.3 prior to Closing, Purchaser shall have the rights and remedies available to Purchaser under Section 7.1 hereof, and if Purchaser elects to close, then such default by Seller shall be deemed to be waived by Purchaser at the Closing, and to the extent such default by Seller is the entering into by Seller of any agreement in violation of Section 9.3.1, Section 9.3.2, or Section 9.3.4 hereof, Purchaser shall at Closing accept an assignment of Seller's rights thereunder (to the extent assignable) and assume the obligations of Seller thereunder arising or accruing after the Closing Date.

9.4 Purchaser's Representations and Warranties. Subject to Section 9.5 below, Purchaser represents and warrants that:

9.4.1 ERISA. Purchaser's rights under this Agreement, the assets it shall use to acquire the Property and, upon its acquisition by Purchaser, the Property itself, do not and shall not constitute plan assets within the meaning of 29 C.F.R. §2510.3-101, and Purchaser is not a "governmental plan" within the meaning of Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended, and the execution of this Agreement and the purchase of the Property by Purchaser is not subject to state statutes regulating investments of and fiduciary obligations with respect to governmental plans.

9.4.2 Organization and Authority. Purchaser is duly organized and in good standing under the laws of the state of its organization. Purchaser has the power and authority under its organizational documents to perform its obligations hereunder, and all action and approvals required thereunder have been duly taken and obtained.

9.4.3 No Conflict. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of Purchaser's organizational documents.

9.4.4 No Bankruptcy. Purchaser has not (a) made a general assignment for the benefit of creditors, (b) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (c) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of Purchaser's assets, (e) admitted in writing its inability to pay its debts as they come due, or (f) made an offer of settlement, extension or composition to its creditors generally.

9.4.5 Executive Order.

(a) Purchaser hereby represents and warrants that Purchaser is in compliance with the Orders.

(b) Purchaser hereby represents and warrants that neither Purchaser nor any beneficial owner of Purchaser, other than any indirect beneficial owners of Purchaser whom have acquired such interest by its acquisition of shares in a publicly held company listed on an Exchange (as hereafter defined):

(i) is listed on the Lists;

contained in the Orders; or

(ii) is a person who has been determined by competent authority to be subject to the prohibitions

(iii) is owned or controlled by, or acts for or on behalf of, any person on the Lists or any other person who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

(c) Purchaser hereby covenants and agrees that if Purchaser obtains knowledge that Purchaser or any of its beneficial owners (other than any indirect beneficial owners of Purchaser whom have acquired such interest by its acquisition of shares in a publicly held company listed on an Exchange) becomes listed on the Lists or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Purchaser shall immediately notify Seller in writing, and in such event, Seller shall have the right to terminate this Agreement without penalty or liability to Purchaser immediately upon delivery of written notice thereof to Purchaser. In such event, Seller shall return and/or cause to be returned to Purchaser the Earnest Money, at which time this Agreement shall, without further action of the parties, terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement.

The terms “**Governmental Authority**” and “**Governmental Authorities**” mean the United States of America, the state, the county and city where the Property is located, and any other political subdivision in which the Property is located or that exercises jurisdiction over the Property, and any agency, department, commission, board, bureau, property owners association, utility district, flood control district, improvement district, or similar district, or other instrumentality of any of them.

9.4.6 Enforceability. This Agreement is a valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights and by general principles of equity (whether applied in a proceeding at law or in equity).

9.4.7 FCPA. Neither Purchaser nor any of its subsidiaries or affiliates (i) has violated or is in violation of any provision of any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any applicable provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, or any other similar law, including, in each case, the rules and regulations thereunder, (ii) has taken, is currently taking or will take any action in furtherance of an offer, payment, gift or anything else of value, directly or indirectly, to any person while knowing that all or some portion of the money or value will be offered, given or promised to anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage or (iii) has otherwise made any bribe, rebate, payoff, influence payment, unlawful kickback or other unlawful payment.

9.5 Survival. Purchaser's right to make a claim after Closing with respect to any breach of a representation or warranty set forth in Section 9.1, shall survive the Closing, but only as to claims of which Purchaser notifies Seller in writing within one hundred eighty (180) days after Closing (or such shorter period of time to the extent Purchaser receives an Estoppel Certificate which obviates any or all of Seller's representations and/or warranties with respect to any Lease in accordance with Section 8.2 above), and not otherwise, and provided that any suit must be brought within thirty (30) days after the expiration of such one hundred eighty (180) day period. Seller's right to make a claim after Closing with respect to a breach of a representation or warranty set forth in Section 9.4 shall survive the Closing, provided Subsections 9.4.2 and 9.4.3 shall only survive the Closing as to claims of which Seller notifies Purchaser in writing within one hundred eighty (180) days after Closing and provided that any suit must be brought within thirty (30) days after the expiration of such one hundred eighty (180) day period.

9.6 Employee Lists. On or before the Effective Date, Seller shall provide to Purchaser a written list of those employees serving the Property all of whom will be terminated as of Closing (the "**Employee List**") and, on or before the end of the Due Diligence Period, Purchaser agrees to provide to Seller the names of employees from the Employee List to whom offers of employment will be proffered upon Closing, if any.

9.7 Utility Agreements. Seller is a party to each of the utility service agreements listed on Exhibit O to the Company Disclosure Letter (the "**Utility Agreements**"). Seller agrees to assign and Purchaser agrees to assume each of the Utility Agreements promptly upon receipt of any necessary consents of the applicable service provider required thereunder on such forms as may be reasonably required by the applicable service provider, but in no event shall such assignment occur prior to Closing. Seller and Purchaser agree to execute such documents as may be reasonably requested by the applicable service provider in connection therewith, including, without limitation, execution of a replacement service agreement upon substantially the same material terms and conditions as provided in the Utility Agreements, in lieu of any assignment of the existing Utility Agreement. Promptly after the expiration of the Due Diligence Period, Seller shall request and use commercially reasonable efforts to obtain the applicable service provider's consent to the assignment of the Utility Agreements to Purchaser as contemplated by the terms hereof. Purchaser agrees to provide such information as is reasonably requested by the applicable service providers and to reasonably cooperate with Seller in connection with obtaining such consents. From and after the Closing through the date of assignment (or replacement, if applicable) of the applicable Utility Agreements, Seller and Purchaser agree not to cause or permit any of the Utility Agreements to be terminated and Purchaser shall be responsible for all costs, charges and obligations arising under the Utility Agreements first arising from and after the Closing. Purchaser shall promptly pay all invoices relating to the period from and after the Closing issued by the applicable service provider directly to such service provider or, if directed by Seller, to Seller to reimburse Seller for amounts paid or to be paid by Seller under the Utility Agreements, prior to same becoming delinquent. The fees imposed by the applicable service provider in connection with such consents and assignments shall be split equally between Seller and Purchaser, provided that each party shall bear its own costs and expenses incurred in connection therewith.

9.8 Brokerage Commissions. Purchaser agrees that if Purchaser or any of its affiliates enter into any leasing, brokerage or similar agreements with any of the brokers or affiliates thereof who are a party to the Brokerage Agreement (collectively, the “**Leasing Broker**”) for the Property, such leasing, brokerage or similar agreements (each, a “**New Agreement**”) must contain a provision that the applicable New Agreement supersedes and replaces in its entirety any and all prior leasing, brokerage or similar agreements between such Leasing Broker and Purchaser or any previous owner of the applicable Property that is the subject of the New Agreement.

10. LIMITATION OF LIABILITY. Notwithstanding anything to the contrary contained herein, if the Closing shall have occurred (and Purchaser shall not have waived, relinquished or released any applicable rights in further limitation), then (a) the aggregate liability of Seller arising pursuant to or in connection with the representations, warranties, indemnifications, covenants or other obligations (whether express or implied) of Seller under this Agreement (or any document executed or delivered in connection herewith) shall not exceed Two Million Dollars (\$2,000,000) in the aggregate (the “**Liability Limitation**”) and (b) no claim by Purchaser alleging a breach by Seller of any representation, warranty, indemnification, covenant or other obligation of Seller contained herein (or in any document executed or delivered in connection herewith) may be made, and Seller shall not be liable for any judgment in any action based upon any such claim, unless and until such claim, either alone or together with any other claims by Purchaser against Seller alleging a breach by Seller of any representation, warranty, indemnification, covenant or other obligation of Seller contained herein (or in any document executed or delivered in connection herewith), is for an aggregate amount in excess of One Hundred Thousand Dollars (\$100,000) (the “**Floor Amount**”), in which event Seller’s liability respecting any final judgment concerning such claim or claims shall be for the entire amount thereof, subject to the limitation set forth in clause (a) above; provided, however, that if any such final judgment is for an amount that is less than or equal to the Floor Amount, then Seller shall have no liability with respect thereto. No constituent partner or member in or agent of Seller, nor any advisor, trustee, director, officer, member, partner, employee, beneficiary, shareholder, participant, representative or agent of any entity that is or becomes a constituent partner or member in Seller or an agent of Seller (including, but not limited to, the Trust and EQC Management) (collectively, “**Seller’s Affiliates**”) shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or pursuant to the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter, and Purchaser and its successors and assigns and, without limitation, all other persons and entities, shall look solely to Seller’s interest in the Property for the payment of any claim or for any performance, and Purchaser, on behalf of itself and its successors and assigns, hereby waives any and all such personal liability. Notwithstanding anything to the contrary contained in this Agreement, neither the negative capital account of any constituent partner or member in Seller, nor any obligation of any constituent partner or member in any entity owning an interest (directly or indirectly) in Seller to restore a negative capital account or to contribute capital to Seller (or any entity owning an interest, directly or indirectly, in any other constituent partner or member of Seller), shall at any time be deemed to be the property or an asset of Seller or any such other partner or member (and neither Purchaser nor any of its successors or assigns shall have any right to collect, enforce or proceed against or with respect to any such negative capital account of such party’s obligations to restore or contribute). The provisions of this Section 10 shall survive the Closing and any termination of this Agreement.

11. MISCELLANEOUS.

11.1 Entire Agreement. All understandings and agreements heretofore had between Seller and Purchaser with respect to the Property are merged in this Agreement, which alone fully and completely expresses the agreement of the parties.

11.2 Assignment. Except as provided in Section 11.12 below, neither this Agreement nor any interest hereunder shall be assigned or transferred by Purchaser without the prior written consent of Seller. Seller may assign or otherwise transfer its interest under this Agreement to any of Seller's Affiliates which acquires all Seller's right, title and interest in and to the Property in existence as of the Effective Date. Upon any such assignment by Purchaser, the named Purchaser herein shall not be relieved of any subsequently accruing liability under this Agreement and shall remain liable for all obligations of "Purchaser". Upon any such assignment by Seller, the named Seller herein shall not be relieved of any liability under this Agreement and shall remain liable, on a joint and several basis with said assignee for all obligations of "Seller" hereunder. Subject to the foregoing, this Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser and their respective successors and permitted assigns.

11.3 Modifications. This Agreement shall not be modified or amended except in a written document signed by Seller and Purchaser.

11.4 Time of Essence. Time is of the essence of this Agreement. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which the period of time runs shall be excluded, and the last day of such period shall be included unless it is a Business Day, in which event the period shall be deemed to run until the next Business Day. For purposes hereof, "**Business Day**" shall mean any day which is not a Saturday, Sunday or federal holiday.

11.5 Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the state in which the Property is located.

11.6 Notices. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing and delivered personally or by facsimile transmission with confirmed receipt, or by overnight courier (such as Federal Express), addressed as follows below. All notices given in accordance with the terms hereof shall be deemed given when received (on the day delivered if delivered before 5:00 p.m. Chicago time and the next Business Day if delivered after such time) or upon refusal of delivery. Either party hereto may change the address for receiving notices, requests, demands or other communication by notice sent in accordance with the terms of this Section 11.6.

If to Seller:

c/o Equity Commonwealth Management LLC
Two North Riverside Plaza
Suite 2100
Chicago, Illinois 60606
Attention: Allen Samuel
Telephone: (312) 646-2828
Facsimile: (312) 646-2996
c/o Equity Commonwealth Management LLC
Two North Riverside Plaza
Suite 2100
Chicago, Illinois 60606
Attention: Brooke Kenevan
Telephone: (312) 646-2817
Facsimile: (312) 646-2996

and to:

c/o Neal Gerber & Eisenberg LLP
2 North LaSalle Street
19th Floor
Chicago, Illinois 60602
Attention: Douglas J. Lubelchek
Telephone: 312-269-5255
Facsimile: 312-750-6506

If to Purchaser:

c/o Mack-Cali Realty Acquisition Corp.
343 Thornall Street
Edison, New Jersey 08837-2206
Attention: Ricardo Cardoso, Executive Vice President and Chief Investment Officer
Facsimile: (732) 205-9015
Email: RCardoso@mack-cali.com

with a copy to:

c/o Mack-Cali Realty Acquisition Corp.
343 Thornall Street
Edison, New Jersey 08837-2206
Attention: Senior Vice President and
Senior Associate General Counsel
Facsimile: (732) 205-9015
Email: DWagner@mack-cali.com

And with a copy to:

Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
Attention: Robert J. Ivanhoe, Esq.
Facsimile: (212) 805-9333
Email: ivanhoe@gtlaw.com

11.7 "AS IS" SALE. ACKNOWLEDGING THE PRIOR USE OF THE PROPERTY AND PURCHASER'S OPPORTUNITY TO INSPECT THE PROPERTY, PURCHASER AGREES, SUBJECT TO THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 9.1 ABOVE, TO TAKE THE PROPERTY "AS-IS," "WHERE-IS," AND WITH ALL FAULTS AND CONDITIONS THEREON. ANY INFORMATION, REPORTS, STATEMENTS, DOCUMENTS OR RECORDS (COLLECTIVELY, THE "DISCLOSURES") PROVIDED OR MADE TO PURCHASER OR ITS CONSTITUENTS BY SELLER OR ANY OF SELLER'S AFFILIATES SHALL NOT BE REPRESENTATIONS OR WARRANTIES. PURCHASER HAS NOT AND SHALL NOT RELY ON SUCH DISCLOSURES, BUT RATHER, PURCHASER SHALL RELY ONLY ON ITS OWN INSPECTION OF THE PROPERTY. PURCHASER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS IS". PURCHASER ACKNOWLEDGES AND AGREES THAT, SUBJECT TO THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 9.1 ABOVE, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (E) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; OR (F) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING TERMITES OR WASTES, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., OR ANY HAZARDOUS SUBSTANCE, AS DEFINED BELOW. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER, UNLESS OTHERWISE REQUIRED BY LAW, IS UNDER NO DUTY TO MAKE ANY AFFIRMATIVE DISCLOSURES REGARDING ANY MATTER WHICH MAY BE KNOWN TO SELLER.

PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO ANY MATTER RELATING TO THE PROPERTY INCLUDING BUT NOT LIMITED TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS.

PURCHASER, UPON CLOSING, SHALL BE DEEMED ON BEHALF OF ITSELF AND ITS AFFILIATES, SUCCESSORS AND ASSIGNS TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S AFFILIATES) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT, COST RECOVERY, CONTRIBUTION OR OTHERWISE), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH SUCH PARTIES MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S AFFILIATES) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS (INCLUDING, WITHOUT LIMITATION, FUNGI, MOLD OR MILDEW), VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY INCLUDING, WITHOUT LIMITATION, PURSUANT TO THE STATUES IN EFFECT IN THE STATE IN WHICH THE PROPERTY IS LOCATED OR ANY OTHER FEDERAL, STATE, OR LOCAL ENVIRONMENTAL OR HEALTH AND SAFETY LAW OR REGULATION, THE EXISTENCE OF ANY HAZARDOUS MATERIAL OR CHEMICAL WHATSOEVER, ON, AT, TO, IN, ABOVE, ABOUT, UNDER, FROM OR IN THE VICINITY OF THE PROPERTY AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS WHATSOEVER REGARDING THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH PURCHASER IS PRESENTLY UNAWARE AND OF WHICH PURCHASER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY PURCHASER, WOULD MATERIALLY AFFECT PURCHASER'S RELEASE OF SELLER.

TO THE EXTENT PERMITTED BY LAW, PURCHASER HEREBY AGREES, REPRESENTS AND WARRANTS THAT PURCHASER REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW UNKNOWN TO PURCHASER MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGES, COSTS, LOSSES AND EXPENSES WHICH ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND PURCHASER FURTHER AGREES, REPRESENTS AND WARRANTS THAT THE WAIVERS AND RELEASES CONTAINED HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON BY PURCHASER IN LIGHT OF THAT REALIZATION AND THAT PURCHASER NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE AND ACQUIT SELLER AND SELLER'S AFFILIATES FROM ANY SUCH UNKNOWN CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGES, COSTS, LOSSES AND EXPENSES.

"Hazardous Materials" or "Hazardous Substances" - shall mean (i) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including, but not limited to, substances defined as "hazardous wastes," "hazardous materials," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," "toxic pollutants", or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §5101 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, et seq.; the Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act ("CAA"), 42 U.S.C. § 7401 et seq.; and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinance now or hereafter in effect relating to environmental matters; and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any environmental law, now or hereafter in effect, including but not limited to (A) petroleum, (B) refined petroleum products, (C) waste oil, (D) waste aviation or motor vehicle fuel and their byproducts, (E) asbestos, (F) lead in water, paint or elsewhere, (G) radon, (H) Polychlorinated Biphenyls (PCB's), (I) ureaformaldehyde, (J) volatile organic compounds (VOC), (K) total petroleum hydrocarbons (TPH), (L) benzene derivative (BTEX), and (M) petroleum byproducts.

The provisions of this Section 11.7 shall survive Closing or any termination of this Agreement.

11.8 TRIAL BY JURY; RESCISSION. IN ANY LAWSUIT OR OTHER PROCEEDING INITIATED BY EITHER PARTY UNDER OR WITH RESPECT TO THIS AGREEMENT, EACH OF SELLER AND PURCHASER WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. ALSO, PURCHASER WAIVES ANY RIGHT TO SEEK RESCISSION OF THE TRANSACTION PROVIDED FOR IN THIS AGREEMENT.

11.9 Confidentiality. Seller acknowledges that following the Effective Date and confirmation from Seller that Seller has obtained Board Approval (which confirmation shall be given on the Business Day of receipt of Board Approval), Purchaser (or its indirect beneficial owner) shall disclose a copy of this Agreement in connection with its filing of an 8-K in order to announce the acquisition of the Property as required by applicable law or due to Purchaser's (or its indirect beneficial owner) status as a publicly held company listed on an Exchange. Notwithstanding the foregoing, without the prior written consent of Seller, and unless the Closing occurs, Purchaser shall not disclose to any third party the results of any inspections or studies undertaken in connection herewith or otherwise furnish the Information (as hereinafter defined), provided, however, that the foregoing shall not be construed to prevent Purchaser from making (without the consent of the other party) any disclosure (x) required by any applicable law or regulation or judicial process, including, without limitation the disclosure requirements of any direct or indirect beneficial owner of Purchaser or Seller due to said entity's status as a publicly held company listed on an Exchange, and (y) to affiliates of Purchaser and its and their respective partners, investors, potential investors, lenders, potential lenders, potential property managers, attorneys, employees and agents ("**Purchaser's Representatives**") who are actively and directly participating in, or solicited by to participate in, the evaluation of the Property, the negotiation of this Agreement, the appraisal, investigation or financing of the purchase or acquisition of the Property, or the prospective leasing of the Property (including, as it relates to such prospective leasing, the evaluation of the scope and cost of any anticipated tenant or landlord improvements following Purchaser's acquisition of the Property). For purposes hereof, "**Information**" shall mean and shall be deemed to include, without limitation, the following written or oral information (A) provided by or on behalf of Seller to Purchaser or Purchaser's Representatives, or (B) otherwise obtained by Purchaser or Purchaser's Representatives either prior to or following the Effective Date: (i) all documentation and/or information described in or relating to Section 1 of this Agreement, including, without limitation, Leases, Tangible Personal Property, Service Contracts, and all other information regarding the operation, ownership, maintenance, management, or occupancy of the Property; (ii) the Survey; and (iii) any reports, tests, or studies (together with the results of such studies and tests obtained or provided by, or on behalf of, Seller).

Notwithstanding the foregoing, Seller's delivery and Purchaser's use of the Information are subject to the following terms: Purchaser shall (i) accept and hold all Information in strict confidence in accordance with the terms of this Agreement; (ii) not copy, reproduce, distribute or disclose the Information to any third party other than Purchaser's Representatives, except as permitted in the preceding paragraph; (iii) not use the Information for any purpose other than in connection with the transactions contemplated hereunder; and (iv) not use the Information in any manner detrimental to Seller or the Property. Purchaser agrees to transmit the Information only to those Purchaser's Representatives who are actively and directly participating in the evaluation of the acquisition of the Property, who are informed of and who have agreed to comply with the terms of this Section 11.9 of this Agreement and who are instructed not to make use of the Information in a manner inconsistent herewith. Purchaser shall be responsible for any breach of the terms of this Agreement by Purchaser's Representatives or any other person to whom the Information is communicated. Purchaser agrees to indemnify, defend and hold Seller, and Seller's Affiliates harmless against all losses, claims, suits, damages and liabilities resulting from Purchaser's breach of this Section 11.9, as well as any breach thereof by Purchaser's Representatives, which indemnification shall survive the Closing or termination of this Agreement.

11.10 Reports. If for any reason Purchaser does not consummate the Closing, then Purchaser shall, upon Seller's written request, assign and transfer to Seller all of its right, title and interest in and to any and all studies, reports, surveys and other information, data and/or documents relating to the Property or any part thereof prepared by or at the request of Purchaser, its employees and agents, and shall deliver to Seller copies of all of the foregoing.

11.11 Reporting Person. Seller and Purchaser hereby designate Escrow Agent to act as and perform the duties and obligations of the "reporting person" with respect to the transaction contemplated by this Agreement for purposes of 26 C.F.R. Section 1.6045-4(e)(5) relating to the requirements for information reporting on real estate transactions. In this regard, Seller and Purchaser each agree to execute at Closing, and to cause Escrow Agent to execute at Closing, a Designation Agreement, designating Escrow Agent as the reporting person with respect to the transaction contemplated by this Agreement.

11.12 Section 1031 Exchange. Either party may structure the disposition or acquisition of the Property, as the case may be, as a like-kind exchange under Internal Revenue Code Section 1031 at the exchanging party's sole cost and expense. The other party shall reasonably cooperate therein, provided that such other party shall incur no material costs, expenses or liabilities in connection with the exchanging party's exchange. If either party uses a qualified intermediary to effectuate an exchange, any assignment of the rights or obligations of such party hereunder shall not relieve, release or absolve such party of its obligations to the other party. The exchanging party shall indemnify, defend and hold harmless the other party from all liability in connection with the indemnifying party's exchange, and the indemnified party shall not be required to take title to or contract for the purchase of any other property. The provisions of this Section 11.12 shall survive the Closing.

11.13 Press Releases. Notwithstanding anything to the contrary contained herein, prior to Closing, neither party shall issue a press release relating to the transaction contemplated hereby, without the prior written consent of the other party, not to be unreasonably withheld (provided, the foregoing shall not apply to the 8-K filing described in the first sentence of Section 11.9). Upon or after the Closing, each of Seller and Purchaser may issue a press release disclosing the sale of the Property, including the identity of the party issuing the release, a description of the Property, the aggregate capitalization rate associated with the sale of the Property and the Purchase Price, but otherwise the parties hereto shall not issue any press releases with respect to the transactions contemplated hereby or consummated in accordance with the terms hereof except upon the mutual agreement of the parties as to the form and content of such press release (with consent not to be unreasonably withheld, conditioned, or delayed by either party). In addition, notwithstanding anything to the contrary contained herein, each of Seller and Purchaser shall be permitted to make disclosures in accordance with, or required by, the disclosure requirements applicable due to an indirect beneficial owner of Seller's or Purchaser's, as applicable, status as a publicly-held company listed on the New York Stock Exchange or any other securities exchange (an "**Exchange**") (including, but not limited to, disclosure in accordance with, or required by, the rules of, or any listing agreement with, an Exchange).

11.14 Counterparts. This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signatures of less than all of the parties, and all of which shall be construed together as but a single instrument. Each counterpart may be delivered by electronic mail or facsimile transmission.

11.15 Construction. This Agreement shall not be construed more strictly against Seller merely by virtue of the fact that the same has been prepared by Seller or its counsel, it being recognized both of the parties hereto have contributed substantially and materially to the preparation of this Agreement.

11.16 Attorneys' Fees. In the event of litigation between the parties with respect to this Agreement or the transaction contemplated hereby, the prevailing party therein shall be entitled to recover from the losing party all of its costs of enforcement and litigation, including, but not limited to, its reasonable attorneys' and paralegal fees, witness fees, court reporters' fees and other costs of suit.

11.17 No Memorandum of Agreement. This Agreement or any notice or memorandum hereof shall not be recorded in any public record. A violation of this prohibition shall constitute a default by Purchaser.

11.18 Severability. If any portion of this Agreement becomes or is held to be illegal, null or void or against public policy, for any reason, the remaining portions of this Agreement will not be affected thereby and will remain in force and effect to the fullest extent permissible by law.

11.19 New Jersey Bulk Sales. Purchaser shall have the right to comply with N.J.S.A. 54:32 B-22 (c) and N.J.S.A54:50-38 by delivering a Notification of Sale, Transfer or Assignment in Bulk (Form C-9600) (the "**Tax Notification**") to the Director of the Division of Taxation of the State of New Jersey (the "**Director**") (together with a copy of this Agreement) by registered or certified mail or overnight delivery at least fifteen (15) business days prior to Closing. Seller shall cooperate in connection with such compliance and shall provide all information necessary for Purchaser to complete the Tax Notification and provide Purchaser with a completed Asset Transfer Tax Declaration (Form A5002) (the "**TTD**") which shall be submitted to the Director together with the Tax Notification. If the Director informs Purchaser that a possible claim for taxes, including any interest and penalties thereon, exists (the "**Claim**") and the amount thereof (the "**Deficiency**"), then Purchaser and Seller shall Close as scheduled and without delay and an amount equal to the Deficiency shall be withheld from Seller's proceeds at Closing (the "**Tax Escrow**"), which Tax Escrow shall be held in escrow by the Escrow Agent (which, for purposes of the Tax Escrow, will also be called in this Agreement the "**Bulk Sales Tax Escrowee**"). Any fees of the Bulk Sales Tax Escrowee with regard to the Tax Escrow shall be borne equally by Seller and Purchaser. The terms and conditions of such escrow shall be those set forth in this Section 11.19, together with (to the extent not inconsistent with this Section 11.19) the other protections for the Escrow Agent that are expressly set forth elsewhere in this Agreement. The Tax Escrow shall be maintained until such time as (i) the Director demands, in writing, from the Escrow Agent, payment out of the Tax Escrow for any State tax debts that exist and/or a payment for the Seller's declared estimated tax on the gain from the transfer of Property (the "**Demand**") and the requirements of sub-paragraphs (a) or (b) below have been satisfied, or, (ii) if the Seller has no State tax debts, the Director issues a letter of tax clearance to the Purchaser (who shall immediately provide copies of same to the Seller and the Escrow Agent in accordance with the notice provisions hereof) permitting the release of the Tax Escrow to Seller (the "**Clearance Letter**").

(a) (i) upon receipt of the Demand, the Escrow Agent shall provide a copy of the Demand to Seller and its counsel in accordance with the notice provisions hereof and upon providing same, unless the Seller provides written notice of objection to payment of the amount required within five (5) business days of receipt of the Demand (the "**Objection Notice**"), is authorized to pay over to the Division of Taxation the amount required in the Demand; or (ii) upon receipt of the Clearance Letter, the Escrow Agent shall release the Escrow Deposit to the Seller.

(b) In the event that Seller issues an Objection Notice, the Escrow Agent shall continue to hold the Escrow Deposit in the Escrow Account, notwithstanding the Demand, so long as the Seller is diligently pursuing reconsideration of the Demand by the Division until such time as (i) a notice of the intent to impose a lien on the Subject Property (the "**Lien Notice**") is issued by the Director; or (ii) a denial of Seller's request for reconsideration (the "**Reconsideration Denial**") is issued by the Director; or (iii) a revised Demand (the "**Revised Demand**") is issued by the Director or (iv) a Clearance Letter is issued. In the event that a Lien Notice or Reconsideration Denial is issued, the Escrow Agent is authorized to pay over to the Division the amount required in the Demand. In the event that a Revised Demand or Clearance Letter is issued, the Escrow Agent shall proceed as provided for in sub-paragraph (b) above as required with respect to the issuance of a Clearance Letter or a Demand (treating the Revised Demand as a "Demand" pursuant to sub-paragraph (b)). When any payments are made by the Escrow Agent pursuant to (i)-(iii) above, at the option of Seller, such payment must be accompanied by a writing from Seller to the Division indicating that such payment is made under protest and reserving Seller's rights.

(c) In the event that the Demand or any Revised Demand requires payment to the Division of less than all of the Escrow Deposit, upon the written advice of the Division to do so (the "**Balance Clearance Letter**"), the Escrow Agent is authorized to release the remaining portion of the Tax Escrow held by the Escrow Agent to the Seller. This Section 11.19 shall survive the closing.

[signature page follows next]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the date first above written.

SELLER:

HUB PROPERTIES TRUST, a Maryland real estate investment trust

By: /s/ David S. Weinberg
Name: David S. Weinberg
Title: EVP & COO

PURCHASER:

111 RIVER REALTY L.L.C. a New Jersey limited liability company

By: Mack – Cali Realty, L.P., sole member
By: Mack – Cali Realty Corporation,
general partner

By: /s/ Gary T. Wagner
Name: Gary T. Wagner
Title: Chief Legal Officer

LIST OF EXHIBITS

A-1	Ground Lease
A-2	Legal Description
B	List of Excluded Tangible Personal Property
C	Omitted
D	Omitted
E	Escrow Agreement
F	Permitted Exceptions
G	Bill of Sale and General Assignment
H	Notice to Tenants
I	Notice to Vendors
J	Non-Foreign Affidavit
K	Omitted
L	Form Tenant Estoppel Certificate
M	Form GL Estoppel Certificate
N	Litigation Matters
O	Omitted
P	Assignment and Assumption of Lease
Q	Omitted
R	Form Seller Estoppel

EXHIBIT A-1

GROUND LEASE

Lease and Development Agreement among City of Hoboken, the Port Authority of New York and New Jersey (such parties, together, "Ground Lessor") and Block A South Waterfront Development, L.L.C. dated September 29, 2000.

First Amendment to Phase I Lease and Development Agreement dated June 1, 2001.

Assignment of Lease with Assumption and Consent dated June 26, 2002.

Assignment and Assumption of Ground Lease dated March 31, 2004.

Assignment of Lease dated August 11, 2009.

EXHIBIT A-2

LEGAL DESCRIPTION

111 River Street, Hoboken, NJ

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Hoboken, County of Hudson, State of New Jersey,

PARCEL 1 (Lot 1, Block 231.2):

BEGINNING at a point in a line 70.00 feet east of and parallel with the westerly line of River Street where the same is intersected by the northerly line of First Street (50 feet wide) projected easterly and running; thence

1. North 13 degrees 04 minutes 29 seconds East along said line 70.00 feet East of westerly line of River Street, a distance of 212.50 feet to a point; thence
2. South 76 degrees 55 minutes 31 seconds East parallel with the northerly line of First Street a distance of 112.50 feet to a point; thence
3. South 13 degrees 04 minutes 29 seconds West parallel with the westerly line of River Street a distance of 212.50 feet to a point in the northerly line of First Street projected easterly; thence
4. North 76 degrees 55 minutes 31 seconds West along said northerly line of First Street, a distance of 112.50 feet to the point and place of BEGINNING.

PARCEL 2 (Lot 2 Block 231.2):

BEGINNING at a point in the northerly line of First Street (50 feet wide) projected Easterly, a distance of 182.50 feet easterly as measured along the northerly line of First Street projected easterly from a point formed by the intersection of the northerly line of First Street with the westerly line of River Street and running, thence

5. North 13 degrees 04 minutes 29 seconds East parallel with the westerly line of River Street, a distance of 212.50 feet to a point; thence
6. South 76 degrees 55 minutes 31 seconds East and parallel with the northerly line of First Street projected easterly, a distance of 112.50 feet to a point; thence
7. South 13 degrees 04 minutes 29 seconds West parallel with the westerly line. of River Street a distance of 212.50 feet to a point in the northerly line of First Street projected easterly; thence

8. North 76 degrees 55 minutes 31 seconds West and along the northerly line of First Street projected easterly, a distance of 112.50 feet to a point and place of BEGINNING.

As shown on a map of survey prepared by Bock & Clark's National Surveyors Network dated February 5, 2004, revised February 18, 2004 and last revised March 22, 2004.

TOGETHER with all right, title and interest of the "Developer/Lessee" in and to the Phase I Lease and Development Agreement by and between The City of Hoboken and The Port Authority of New York and New Jersey and Block A South Waterfront Development, LLC dated September 29, 2000 and recorded in the Hudson County Clerk/Register's Office on October 3, 2000 in Deed Book 5690 Page 98, as amended by that First Amendment to Phase I Lease and Development Agreement dated June 1, 2001, recorded on June 20, 2001 in Deed Book 5823, Page 234, as assigned by an Assignment of Lease with Assumption and Consent by and among The City of Hoboken, The Port Authority of New York and New Jersey and Block A South Waterfront Development, L.L.C., and Phased Block A South Waterfront Development, L.L.C., dated June 26, 2002, recorded July on July 9, 2002 in Deed Book 6012, Page 312, as assigned by an Assignment and Assumption of Ground Lease by and among The City of Hoboken, The Port Authority of New York and New Jersey, Phase I Block A South Waterfront Development, L.L.C. and Waterfront Corporate Center Realty Corporation, dated March 31, 2004, recorded on April 22, 2004 in Book 7271, Page 102.

EXHIBIT B

LIST OF EXCLUDED TANGIBLE PERSONAL PROPERTY

111 River Street, Hoboken, NJ

NONE

B-1

EXHIBIT C

OMITTED

111 River Street, Hoboken, NJ

EXHIBIT D

OMITTED

111 River Street, Hoboken, NJ

EXHIBIT E

ESCROW AGREEMENT

111 River Street, Hoboken, NJ

EARNEST MONEY ESCROW INSTRUCTIONS

Escrow Officer: _____
Escrow No.: _____
Phone No.: _____
Facsimile No.: _____
Address: _____
Date: _____

The amount of _____ (\$ _____) together with any additional earnest money deposit hereafter made by Purchaser, the "Escrow Deposit") is deposited with the _____ office of _____ in escrow by _____ the "Purchaser" under that certain Real Estate Sale Agreement (as amended, the "Agreement"), dated _____, 20__ with _____ ("Seller").

As escrowee, you are hereby directed to hold, deal with and dispose of the Escrow Deposit in accordance with the following terms and conditions:

1. You are to hold the Escrow Deposit until: (a) you are in receipt of a joint order by the undersigned Seller and Purchaser as to the disposition of the Escrow Deposit; or (b) you are in receipt of a written demand (the "Demand") from either Seller or Purchaser for the payment of the Escrow Deposit or any portion thereof. Upon receipt of any Demand, you are directed to so notify the other party, enclosing a copy of the Demand. If within five (5) days after the non-demanding party has received or is deemed to have received your notice of your receipt of the Demand, you have not received from the non-demanding party its notice of objection to the Demand, then you are to disburse the Escrow Deposit as requested by the Demand. If within said five-day period you receive from the non-demanding party its notice of objection to the Demand, then you are directed to notify the other party, enclosing a copy of the notice of objection, and you are to continue to hold the Escrow Deposit until you are in receipt of a joint order as aforesaid, but after sixty (60) days you may deposit the Escrow Deposit with a Court of competent jurisdiction.
2. Notwithstanding the foregoing, as escrowee, you are hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any Court, and in case you obey or comply with any such order, judgment or decree of any Court, you shall not be liable to either of the parties hereto or any other person or entity by reason of such compliance, notwithstanding any such order, judgment or decree be entered without jurisdiction or be subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding these Escrow Instructions, to which you are or may at any time be a party, the undersigned Seller and Purchaser agree that the non-prevailing party shall pay to you upon demand all reasonable costs and expenses incurred by you in connection herewith.

3. Any escrow fee to be charged by you is to be borne by Purchaser.
4. As escrowee, you shall invest the Escrow Deposit in an interest-bearing savings or money market account or short term U.S. Treasury Bills or similar cash equivalent securities, as Purchaser and Seller may direct. Any interest earned on the Escrow Deposit, after you deduct your customary investment charges, shall become and be deemed to be a part of the Escrow Deposit.
5. All notices or other communications hereunder shall be in writing and shall be personally delivered or sent by overnight courier (such as Federal Express), by facsimile transmission or by first class United States Mail, postage prepaid, registered or certified (return receipt requested) to the respective addresses for the Seller, Purchaser and escrowee as herein provided. A notice is given on the date it is personally delivered, sent by overnight courier or facsimile transmission, or deposited with the United States Mail for delivery as aforesaid. A notice is received on the date it is personally delivered, the date sent if sent by facsimile transmission, the day after sent if sent by overnight courier or facsimile transmission or, if sent by mail as aforesaid, on the date noted on the return receipt.
6. Seller and Purchaser may act hereunder either directly or through their respective attorneys:
Seller's attorney is:

Purchaser's attorney is:
7. These Escrow Instructions are being entered into to implement the Agreement and shall not (nor be deemed to) amend, modify or supersede the Agreement or act as a waiver of any rights, obligations or remedies set forth therein; provided, however, that you may rely solely upon these Escrow Instructions.

8. In case of any suit or proceeding at law or in equity regarding the Escrow Deposit or these Escrow Instructions, the non-prevailing party shall pay the prevailing party all costs and expenses (including, but not limited to, attorney's fees) incurred by the prevailing party, and if such prevailing party shall recover judgment in any such suit or proceeding, such costs and expenses (including but not limited to attorneys' fees) shall be included in and as a part of such judgment.
9. Seller and Purchaser each hereby authorize Escrowee to designate the investment depository of the Escrow Deposit to act as and perform the duties and obligations of the "reporting person" with respect to the transaction contemplated by the Agreement for purposes of 26 C.F.R. Section 1.6045-4(e)(5) relating to the requirements for information reporting on real estate transaction closed on or after January 1, 1991.
10. These Escrow Instructions may be signed in any number of counterparts each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

SELLER:

By:
Name:
Title:

Address:
c/o Equity Commonwealth Management LLC
Two North Riverside Plaza, Suite 600
Chicago, Illinois 60606

PURCHASER:

By:
Name:
Title:

Address:

ESCROW AGENT:

By: _____
Title:

EXHIBIT F

PERMITTED EXCEPTIONS

111 River Street, Hoboken, NJ

1. Those matters identified on Exhibit F-1 attached hereto.
2. Acts of Purchaser, and those claiming by, through and under Purchaser.
3. General and special taxes and assessments delinquent lien not yet due and payable as of the Closing Date.
4. Rights of tenants in possession, as tenants only, under unrecorded leases.
5. Zoning, building and other governmental and quasi-governmental laws, codes and regulations.
6. Water rights, claims or title to water.
7. Liens or possible liens arising from work contracted for, or performed by, tenants under Leases, which tenants are not in monetary default beyond any notice and grace period thereunder.
8. Liens or possible liens arising from work contracted for under Assignable Construction Contracts, payment for which work is the responsibility of Purchaser pursuant to this Agreement.
9. The Ground Lease.
10. Unrecorded Right of First Offer Agreement dated January 24, 2002 between Block A South Waterfront Development LLC and Marsh & McLennan Companies, Inc.

EXHIBIT F-1

IDENTIFIED PERMITTED EXCEPTIONS

111 River Street, Hoboken, NJ

1. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
2. Subsurface conditions and/or encroachments not disclosed by an instrument of record.
3. Lien of unpaid taxes, PILOT program charges, and assessments for the year 2016. Taxes are fully exempt. PILOT program charges paid through the 2nd quarter of 2016. Subsequent PILOT program charges not yet due and payable. Water paid through _____. Sewer paid through _____.
4. Private rights, if any, of utility and cable companies in the bed of River Street, now vacated, as evidenced by Ordinance contained in Vacations Book 5 Page 114.
5. Covenants, Conditions, Development Agreement, Easements as described and defined in Deed recorded in Deed Book 4894 at Page 104 and amended by Second Amendment to Municipal Development Agreement recorded in Deed Book 5827 Page 28.
6. Terms, conditions and provisions contained in Lease and Development Agreement by and between The City of Hoboken and The Port Authority of New York and New Jersey, as fee owner and lessor, respectively and Block A South Waterfront Development, L.L.C. as developer and lessee as described and defined in Deed Book 5690, Page 98, as amended and assigned as follows:
 - a. First Amendment to Phase I Lease and Development Agreement as contained in Book 5823 Page 234.
 - b. Assignment of Lease with Assumption and Consent as contained in Book 6012, Page 312.
 - c. Assignment and Assumption of Ground Lease as contained in Book 7271, Page 102.
 - d. Assignment of Lease as contained in Book 8681, Page 297.

e. Assignment of Lease as contained in Book ____, Page ____ (to be forthwith recorded).

7. Terms and conditions of Memorandum of Lease by and between Block A South Waterfront Development L.L.C., as landlord and Sumitomo Trust & Banking Co. (USA), as tenant recorded in Deed Book 5893 Page 303.
8. Memorandum of Right of First Offer Agreement as contained in Book 5944 Page 134.
9. Agreement Regarding Tenant Leases as contained in Deed Book 7271 Page 113.
10. Subordination Non-Disturbance and Attornment Agreement as contained in Deed Book 9061 Page 925.
11. Deed Notice (New Jersey Department of Environmental Protection) as described and defined by instrument recorded in Deed Book 7133 at Page 108.
12. Terms, conditions and provisions contained in the Riparian Grant in favor of German Transatlantic Steam Navigation Co., Frederick Kuhne, Trustee filed November 9, 1872 in Liber Book A Page 103, with the New Jersey Tidelands Management Bureau (Tidelands Map #693-2172).
13. Subject to the rights of any tenants, as tenants only, under written leases only, with no options to purchase or rights of first refusal.
14. Premises herein are benefited by tax exemption. Title policy excepts the lien which may attach by reason of any restoration of property taxes resulting from the transfer of title by the fee owner entitled to said exemption, or the failure of the fee owner to comply with the terms and conditions of any agreement with the municipality regarding the exemption, including, without limitation, the retroactive imposition of taxes.

EXHIBIT G

BILL OF SALE AND GENERAL ASSIGNMENT

111 River Street, Hoboken, NJ

This instrument is executed and delivered to be effective as of _____, 20__, by and between [SELLER] (**Seller**), and [PURCHASER] (**Purchaser**), covering the real property described in Exhibit A attached hereto (**Real Property**), commonly known as “[NAME]” (the **Building**).

1. Sale of Personal Property. For good and valuable consideration, Seller hereby sells, transfers, sets over and conveys to Purchaser all of Seller’s right, title, and interest in and to the tangible personal property owned by Seller that is located on the Real Property and used solely in connection therewith (the **Tangible Personal Property**), other than the items described on the list attached hereto as Exhibit B.

2. Assignment of Leases and Service Contracts. For good and valuable consideration, Seller hereby assigns, transfers, sets over and conveys to Purchaser, to the extent applicable to the period from and after the date hereof, (i) all of Seller’s right, title and interest in and to the leases (**Leases**) and security deposits (**Security Deposits**) described in Exhibit C attached hereto relating to the Real Property but reserving unto Assignor all uncollected rent attributable to the period prior to the date hereof pursuant to Section 4.3 of that certain Real Estate Sale Agreement for the Property by and between Assignor and Assignee (as may have been amended from time to time, the “Agreement”), (ii) the service contracts described in Exhibit D attached hereto (the **Service Contracts**), (iii) the contracts described in Exhibit E attached hereto (the **Construction Contracts**), and (iv) to the extent assignable, all right, title and interest of Seller in and to (a) all site plans, construction and development drawings, plans and specifications for or relating to the Real Property, if any (b) all sewer and water permits and licenses, building permits, certificates of occupancy, demolition and excavation permits, curb cut and right-of-way permits, drainage rights, permits, licenses and similar or equivalent private and governmental documents of every kind and character whatsoever pertaining or applicable to or in any way connected with the development, construction, ownership, or operation of the Real Property, if any, (c) all warranties, guarantees, and bonds (express or implied) of any contractor, manufacturer, materialman or other third party pertaining or applicable to or in any way connected with the development, construction, ownership or operation of the Real Property, if any and (iv) all trade names and general intangibles relating to the Real Property, including, without limitation rights, if any, to the name “Waterfront Corporate Center I” but excluding the name of Seller or any of its affiliates or derivations thereof (collectively, the **Intangible Property**). Purchaser hereby accepts such assignment and hereby assumes and agrees to be bound by and to perform, as of the date hereof, Seller’s obligations, covenants and agreements under the Leases, Service Contracts, Construction Contracts and Intangible Property, and Purchaser further assumes all liability of Seller for the proper refund or return of the Security Deposits if, when, and as required by the terms of the Leases or otherwise by law. In addition, Purchaser agrees to pay all brokerage fees and leasing commissions payable from and after the date hereof in connection with any of the Leases, including any fees or commissions payable upon the renewal or extension of any of the Leases.

3. Exclusions. Notwithstanding the foregoing, Seller hereby expressly excludes all property owned by tenants or other users or occupants of the Property, all rights with respect to any refund of taxes applicable to any period prior to the date hereof, all rights to any insurance proceeds or settlements for events occurring prior to the date hereof, subject to Section 5 of the Agreement, all property owned by Seller's property manager.

4. Successors and Assigns. This instrument is binding upon, and shall inure to the benefit of Seller and Purchaser and their respective heirs, legal representatives, successors and assigns.

5. Power and Authority. Each of Purchaser and Seller represents and warrants to the other that it is fully empowered and authorized to execute and deliver this instrument, and that the individual signing this instrument on its behalf is fully empowered and authorized to do so.

6. Attorneys' Fees. In the event of litigation between the parties with respect to this Assignment, the prevailing party therein shall be entitled to recover from the losing party all of its costs of enforcement and litigation, including, but not limited to, its reasonable attorneys' and paralegal fees, witness fees, court reporters' fees and other costs of suit.

7. Limitation on Liability. Seller's liability hereunder shall, at all times, be subject to the limitations set forth in Section 10 of that certain Real Estate Sale Agreement between Purchaser and Seller dated _____, 2016.

8. Counterparts. This Assignment may be signed in any number of counterparts each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[signature page follows next]

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed effective as of the date written above.

SELLER:

[SELLER]

By:
Name:
Its:

PURCHASER:

[PURCHASER]

By:
Name:
Its:

EXHIBIT H

NOTICE TO TENANTS

111 River Street, Hoboken, NJ

_____, 20__

Re: Sale of [NAME], [CITY], [STATE] (the "**Property**")

Dear Tenant:

This is to notify you that the Property has been sold to [PURCHASER] ("Purchaser") and that _____ has been retained by the Purchaser as managing agent of the building. Any security or other deposits and any prepaid rents under your lease have been transferred to the new owner.

Until further notice, all correspondence and notices shall be directed, and all rents, additional rents and other charges under the Lease shall be paid to Purchaser at the following addresses

For All Notices:

with a copy to:

For all rental payments and other charges:

If payment is made by check:

or, if payment is to be made by wire transfer, pursuant to the following instructions:

Account Name: _____

Bank: _____

Account Number: _____

Bank ABA Number: _____

If applicable, Purchaser and Purchaser's lender (_____) should be named as additional insureds under applicable insurance policies to be maintained by you in accordance with the terms of your Lease.

Please contact us if you have any questions regarding the foregoing

Very truly yours,
[SELLER]

By:
Name:
Its:

EXHIBIT I

NOTICE TO VENDORS

111 River Street, Hoboken, NJ

_____, 20__

Re: Sale of [NAME], [CITY], [STATE] (the "**Property**")

Dear Contractor:

This is to notify you that the Property has been sold to [PURCHASER] ("Purchaser"). Purchaser has assumed all of the obligations of the undersigned under the contract with you as of the date hereof.

Until further notice, all correspondence, notices and invoices for services performed from and after the date hereof shall be directed to the Purchaser at the following address:

For All Notices:

with a copy to:

If applicable, Purchaser and Purchaser's lender (_____) should be named as additional insureds under applicable insurance policies to be maintained by you in accordance with the terms of your Contract.

Please contact us if you have any questions regarding the foregoing

Very truly yours,
[SELLER]

By: __
Name: _____
Its: _____

EXHIBIT J

CERTIFICATE OF NON-FOREIGN STATUS

111 River Street, Hoboken, NJ

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. 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. _____, a _____ (“Transferor”), is the owner for U.S. tax purposes of the property commonly known as _____. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Transferor, the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor’s U. S. employer identification number is _____;
3. Transferor’s office address is Two North Riverside Plaza, Suite 600, Chicago, Illinois 60606; and
4. Transferor is not a “disregarded entity” as defined in IRS Regulation 1.1445-2(b)(2)(iii).

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

[TRANSFEROR]

By: _____
Name: _____
Its: _____

EXHIBIT K

OMITTED

K-1

EXHIBIT L

FORM TENANT ESTOPPEL CERTIFICATE

111 River Street, Hoboken, NJ

[SELLER]
Two North Riverside Plaza, Suite 600
Chicago, Illinois 60606
Attn: _____

[PURCHASER]
[PURCHASER'S ADDRESS]

[PURCHASER'S LENDER]
[PURCHASER'S LENDER'S ADDRESS]

Ladies and Gentlemen:

At the request of [SELLER] ("**Landlord**"), made in connection with the proposed sale of the property located at _____, in [CITY], [STATE] (the "**Property**") and Landlord's interest in the "**Lease**" (as hereinafter defined) to [PURCHASER] ("**Purchaser**"), the undersigned hereby certifies to Landlord, Purchaser and Purchaser's lender, if any, as follows:

1. The undersigned is the tenant under a lease with Landlord, dated _____, ___, [as amended by _____, dated _____, ___ (collectively, the "**Lease**")][(the "**Lease**")]] for suite(s) _____ on the _____ floor(s) at the Property (the "**Premises**").
2. The Lease sets forth the entire agreement between Landlord and the undersigned with respect to the Premises, is in full force and effect and has not been amended, modified or extended.
3. The monthly [base][minimum] rent of \$ _____ due under the Lease has been paid through the date hereof, and all additional rent (consisting of \$ _____ per month for estimated operating expenses and estimated real estate taxes) due under the Lease has been paid through the date hereof.
4. The Landlord is not in default under the Lease.
5. The expiration date of the Lease is _____, _____.
6. The amount of the security deposit currently held by Landlord under the Lease is \$ _____.

7. There is no prepaid rent, except \$ _____.

8. The undersigned has not assigned any of its interest in the Lease or subleased all or any portion of the Premises, except as follows: _____.

9. The undersigned has no defenses, counterclaims, set-offs or concessions against rent or charges due or to become due under the Lease.

10. The undersigned has unconditionally accepted the Premises and [has commenced payment of full rent] [or] [is entitled to ____ month's abatement of base rent, as of the date hereof] under the Lease and is the owner and holder of the entire tenant's interest in the Lease.

11. All work required to be performed by Landlord as of the date hereof with respect to the Lease and in connection with the Premises has been completed by Landlord to the satisfaction of Tenant.

12. The "base year" for operating expense reimbursements and real estate taxes under the Lease is _____.

13. The undersigned has no right or option pursuant to the Lease or otherwise to purchase all or any part of the Premises or the Property.

14. This Tenant Estoppel Certificate (this "Certificate") shall inure to the benefit of Landlord, Purchaser, Purchaser's Lender, if any, and their successors and assigns.

15. The undersigned is duly authorized to execute this Certificate.

Very truly yours,

_____, Tenant

By: _____

Name: _____

Title: _____

Date: _____, 20__

EXHIBIT M

FORM GL ESTOPPEL CERTIFICATE

111 River Street, Hoboken, NJ

111 RIVER REALTY L.L.C.
c/o Mack-Cali Realty Acquisition Corp.

343 Thornall Street

Edison, New Jersey 08837-2206

Re: Lots 1 and 2, Block 231.2, City of Hoboken, Hudson County, New Jersey

Ladies and Gentlemen:

Reference is made to that certain Phase I Lease and Development Agreement dated as of September 29, 2000 by and between the Port Authority of New York and New Jersey (the "**Port Authority**") and the City of Hoboken, New Jersey (the "**City**") as ground lessors (collectively, "**Landlord**"), and Block A South Waterfront Development, L.L.C. ("**Original Ground Lessee**"), which was recorded in the Hudson County Register of Deeds, New Jersey (the "**Register's Office**") on October 3, 2000 in Deed Book 5690, Page 98 (the "**Original Ground Lease**"), as amended by that certain First Amendment to Phase I Lease and Development Agreement dated as of June 1, 2001, by and between Landlord and Original Ground Lessee, which was recorded in the Register's Office on June 20, 2001 in Deed Book 5823, Page 234 (the "**First Amendment**"), as assigned to Phase I Block A South Waterfront Development, L.L.C. ("**Successor Ground Lessee**") pursuant to the terms of that certain Assignment of Lease with Assumption and Consent dated June 26, 2002, by and among Landlord, Original Ground Lessee and Successor Ground Lessee, which was recorded in the Register's Office on July 9, 2002 in Deed Book 6012, Page 312, as further assigned to Waterfront Corporate Center Realty Corporation ("**Second Successor Ground Lessee**") pursuant to that certain Assignment and Assumption of Ground Lease dated March 31, 2004, by and among Landlord, Successor Ground Lessee and Second Successor Ground Lessee, which was recorded in the Register's Office on April 22, 2004 in Deed Book 7271, Page 102, as assigned to Hub Hoboken Properties LLC (which subsequently merged into Hub Properties Trust) ("**Tenant**") pursuant to that certain Assignment of Lease dated August 11, 2009, which was recorded in the Register's Office on August 11, 2009 in Deed Book 8681, Page 297 (the Original Ground Lease, as amended by the First Amendment and as so assigned, the "**Ground Lease**").

We have been advised that 111 River Realty L.L.C., a New Jersey limited liability company (together with its successors and assigns, "**Purchaser**") is purchasing Tenant's interest under the Ground Lease.

The Port Authority and the City, as landlord under the Ground Lease hereby certify and confirm to Purchaser as follows (all initially capitalized terms used herein and not defined shall have the meanings set forth for such terms in the Ground Lease):

1. The Port Authority is the owner of the fee simple estate in the leased premises and together with the City, is the landlord under the Ground Lease. Landlord has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Ground Lease or the leased premises, and there are currently no mortgages, deeds of trust or other security interests encumbering Landlord's fee interest in the leased premises.

2. As of the date hereof, the Ground Lease is in full force and effect in accordance with its terms and has not been assigned, modified, supplemented or amended in any way whatsoever except as set forth above. As of the date hereof, there are no other agreements, whether oral or written, to which the Port Authority or the City is a party by which the Port Authority or the City is bound concerning the Ground Lease or the leasehold estate created under the Ground Lease.

3. The term of the Ground Lease commenced on September 29, 2000 and expires on September 30, 2098.

4. To the knowledge of the Port Authority and the City, as of the date hereof, there exists no Event of Default under the Ground Lease and no condition or event which after notice or lapse of time, or both, would constitute an Event of Default or otherwise entitle Landlord to terminate the Ground Lease.

5. The City confirms that the Annual PILOT Rental (as defined in the Ground Lease) and the O&M Rental, and the Port Authority confirms that the Basic Rental, the Percentage Rental and all other sums and charges, including without limitation the fees required to be paid pursuant to Section 4.7 of the Ground Lease, have been paid in full through the date hereof.

6. The Port Authority confirms that Tenant shall have no further obligation to make any payments of Additional Basic Rent or Lump Sum Payment Additional Basic Rental under the Ground Lease.

7. The Port Authority and the City confirm that the Gross Square Footage for the purpose of calculating Basic Rental under the Ground Lease is not in excess of 520,000 Gross Square Feet, and, as a result, 520,000 Gross Square Feet is used in calculating Basic Rental, and Landlord confirms that Exhibit L to the Ground Lease sets forth the schedule upon which Basic Rental is payable from and after the date hereof through the expiration of the and the Development Square Footage is not in excess of 468,000 Development Square Feet, and, as a result, 468,000 Development Square Feet is used for the purpose of calculating Annual PILOT Rental and O&M Rental.

Please be advised that in connection with the Ground Lease and the undertakings of Tenant thereunder, the following are or may be binding upon Tenant: an Exclusivity Agreement, dated January 1, 2000, among SJP Properties Company, the City and the Port Authority, as amended by the First Amendment to Exclusivity Agreement, dated June 1, 2001, among SJP Properties Company, the City and the Port Authority, certain Design Guidelines, municipal ordinances and other such regulations as have been or may be promulgated by the City in its normal course of business.

The Port Authority and the City and the person or persons executing this estoppel certificate on behalf of the Port Authority and the City, respectively, have the power and authority to execute this estoppel certificate. This estoppel certificate is binding upon the Port Authority and the City and any of their respective successors and assigns and may be relied upon by Tenant and their respective successors and assigns.

Nothing contained herein shall constitute a waiver of any rights of the Port Authority or the City with regard to the Tenant or its servants, agents and employees, based on any representation made herein or a waiver of any right, claim or undertaking that the City and the Port Authority may or will have against the Tenant or its servants, agents and employees.

The statements contained herein are as of the date hereof and neither the City nor the Port Authority is obligated or under any legal, contractual or other obligations, now or in the future, to amend, supplement, correct, modify or update the information contained herein or advise of any changes to such information, except to the extent required under the Ground Lease.

This estoppel certificate may be executed in counterparts and once fully executed in counterparts shall be in full force and effect as if all parties hereto executed the same original.

Tenant, Purchaser and any other party that acquires Tenant's leasehold interest under the Lease (and each of their respective successors and assigns) may rely on this Certificate.

The City and the Port Authority assume no express or implied liability for the statements contained herein. Neither the Mayor of the City nor the Commissioners of the Port Authority, nor any of them, nor any officer, director, elected official, attorney, agent or employee of the City or the Port Authority, shall be charged personally with any liability or held personally liable in connection with any term or provision of this letter or the statements contained herein or because of acts or omissions of any such individual.

Very truly yours,

THE CITY OF HOBOKEN

By: _____
Name: _____
Title: _____

THE PORT AUTHORITY OF THE NEW
YORK AND NEW JERSEY

By: _____
Name: _____
Title: _____

EXHIBIT N

LITIGATION MATTERS

111 River Street, Hoboken, NJ

None

N-1

EXHIBIT O

OMITTED

111 River Street, Hoboken, NJ

EXHIBIT P¹

ASSIGNMENT AND ASSUMPTION OF LEASE

111 River Street, Hoboken, NJ

ASSIGNMENT OF LEASE

WITH ASSUMPTION AND CONSENT

THIS AGREEMENT, made as of _____, 2016 among THE CITY OF HOBOKEN (hereinafter called the "City"), a municipal corporation of the State of New Jersey having its office at City Hall, Hoboken, New Jersey 07030, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having its office at One World Trade Center, 67th floor, New York, New York 10048, HUB PROPERTIES TRUST (hereinafter called the "Assignor"), a real estate investment trust organized and existing under the laws of the State of Maryland and having an office at Two North Riverside Plaza, Suite 2100, Chicago, Illinois 60606, and _____ (hereinafter called the "Assignee"), a _____ organized and existing under the laws of the State of _____ and having an office at _____.

WITNESSETH, THAT:

WHEREAS, the Assignor desires to assign to the Assignee that certain Lease and Development Agreement dated as of September 29, 2000 made by and among the City, the Port Authority and Block A South Waterfront Development, LLC and hereinafter, as the same may heretofore have been amended or extended, including as amended by First Amendment to Phase I Lease and Development Agreement dated June 1, 2001, called the "Lease", which Lease was recorded on October 3, 2000 in the Land Records of Hudson County, New Jersey, in Deed Book 5690 at Page 98, covering premises located within the Hoboken Waterfront Development Project Area more particularly described in Exhibit A annexed hereto (the "Premises"), the surface area of which (but not the air rights) is leased to the City by the Port Authority; and

WHEREAS, the City and the Port Authority are willing to consent to such assignment;

NOW, THEREFORE, in consideration of the covenants and mutual promises herein contained, the City, the Port Authority, the Assignor and the Assignee hereby agree as follows:

1. The Assignor does hereby assign, convey; transfer and set over the Lease and the leasehold estate created thereby, and all right, title and interest of the Assignor in and to the building and improvements erected on the Premises, to the Assignee, its legal representatives, successors and assigns, to its and their own proper use, benefit to have and to hold the same unto the Assignee, its legal representatives, successors and assigns, from the ____ day of _____, 2016 ("Effective Date"), for and during all the rest, residue and remainder of the term of the letting under the Lease, subject nevertheless to all the terms, provisions, covenants and conditions contained therein.

¹FORMAT TO BE REVISED AS REQUIRED FOR RECORDING IN COUNTY IN WHICH PROPERTY IS LOCATED

2. The City and the Port Authority hereby consent to the foregoing assignment, conveyance and transfer. Notwithstanding anything herein to the contrary, the granting of such consent by the City and the Port Authority shall not be, or be deemed to operate as, a waiver of the requirement for consent or consents to each and every subsequent assignment by the Assignee or by any subsequent assignee to the extent required under the Lease.

3. The Assignee does hereby, effective from and after the Effective Date, assume the performance of and does hereby agree to perform, observe and be subject to all the terms, provisions, covenants and conditions, including without limitation the obligations to pay Rental, contained in the Lease which are to be performed or observed by or are applicable to the Developer/Lessee thereunder on and after the Effective Date, subject to the provisions of Section 45.2 of the Lease which is incorporated in this Agreement by reference. Without limiting the foregoing, the Assignee covenants and agrees that the Assignee will use the Premises solely for the purposes set forth in Section 3.2 of the Lease and that such use shall be subject to all of the provisions of the Lease. The execution of this Agreement by the City and the Port Authority does not constitute a representations by either or both of them that the Assignor has performed or fulfilled every obligation required by the Lease through the date of this Agreement; and as to such matters the Assignee agrees to rely solely upon the representation of the Assignor and any estoppel certificate executed by the City and the Port Authority pursuant to Section 18.13 of the Lease.

4. The Assignor agrees that this assignment of the Lease and the consent of the City and the Port Authority hereto shall not in any way whatsoever affect or impair the liability of the Assignor to perform all the terms, provisions, covenant and conditions, including without limitation thereto the obligation to pay Rental, of the Lease on the part of the Developer/Lessee to be performed prior to the Effective Date, subject to the provisions of Section 45.2 of the Lease. However, the Assignor shall be, and hereby is, relieved of all liability and obligations accruing under the Lease on and after the Effective Date.

5. Assignee agrees to accept this assignment subject to the restrictions contained in that certain Deed Notice dated August 21, 2003 made by the Port Authority of New York and New Jersey and recorded in Book 07133, Page 00108 ("Deed Notice") and the restrictions contained therein and to comply with all, and not violate any, conditions of the Deed Notice.

6. The provisions of Section 45.1 of the Lease shall be applicable to this Agreement and are hereby incorporated by reference herein.

IN WITNESS WHEREOF, the City, the Port Authority, the Assignor and the Assignee have executed this Agreement as of the date first hereinabove set forth.

ASSIGNOR:

ATTEST:

By: _____
Name: _____
Title: _____

(Seal)

ASSIGNEE:

ATTEST:

By: _____
Name: _____
Title: _____

(Seal)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY:

ATTEST:

By: _____
Name: _____
Title: _____

(Seal)

THE CITY OF HOBOKEN:

ATTEST:

By: _____
Name: _____
Title: _____

(Seal)

EXHIBIT Q

111 River Street, Hoboken, NJ

OMITTED

Q-1

EXHIBIT R

111 River Street, Hoboken, NJ

FORM SELLER ESTOPPEL CERTIFICATE

[Property description with City, State]

[PURCHASER]
[PURCHASER'S ADDRESS]

[PURCHASER'S LENDER]
[PURCHASER'S LENDER'S ADDRESS]

Ladies and Gentlemen:

At the request of [PURCHASER] ("**Purchaser**"), the undersigned [SELLER] ("**Landlord**"), hereby certifies to Purchaser and Purchaser's lender, if any, as follows in connection with the proposed sale of the property located at _____, in [CITY], [STATE] (the "**Property**"), all to the "**Landlord's Knowledge**":

1. _____ ("**Tenant**") is the tenant under a lease with Landlord, dated _____, _____, [as amended by _____, dated _____, _____ (collectively, the "**Lease**")][the "**Lease**")] for suite(s) _____ on the _____ floor(s) at the Property (the "**Premises**").
2. The Lease sets forth the entire agreement between Landlord and Tenant with respect to the Premises, is in full force and effect and has not been amended, modified or extended.
3. The monthly [base][minimum] rent of \$ _____ due under the Lease has been paid through the date hereof, and all additional rent (consisting of \$ _____ per month for estimated operating expenses and estimated real estate taxes) due under the Lease has been paid through the date hereof.
4. The Landlord is not in default under the Lease.
5. The expiration date of the Lease is _____, _____.
6. The amount of the security deposit currently held by Landlord under the Lease is \$ _____.
7. There is no prepaid rent, except \$ _____.

8. The Tenant has not assigned any of its interest in the Lease or subleased all or any portion of the Premises, except as follows: _____.

9. The Tenant has no defenses, counterclaims, set-offs or concessions against rent or charges due or to become due under the Lease.

10. The Tenant has unconditionally accepted the Premises and [has commenced payment of full rent] [or] [is entitled to ____ month's abatement of base rent, as of the date hereof] under the Lease and is the owner and holder of the entire tenant's interest in the Lease.

11. All work required to be performed by Landlord as of the date hereof with respect to the Lease and in connection with the Premises has been completed by Landlord to the satisfaction of Tenant.

12. The "base year" for operating expense reimbursements and real estate taxes under the Lease is ____.

13. The Tenant has no right or option pursuant to the Lease or otherwise to purchase all or any part of the Premises or the Property.

14. This Seller Estoppel Certificate (this "Certificate") shall inure to the benefit of Purchaser, Purchaser's Lender, if any, and their successors and assigns.

15. The undersigned is duly authorized to execute this Certificate.

When used herein, the term "**Landlord's Knowledge**" shall mean and be limited to the conscious actual (and not implied or constructive) knowledge of David Weinberg and Allen Samuel ("**Landlord's Representatives**") and shall not be construed to refer to the knowledge of any other member, officer, director, trustee, shareholder, venturer, consultant, employee, agent, property manager or representative of Landlord, its partners or members (including without limitation Landlord's counsel, property manager or broker), or of any affiliate of any of the foregoing, or to impose or have imposed upon Landlord's Representatives any duty to investigate the matters to which such knowledge, or the absence thereof, pertains. There shall be no personal liability on the part of any Landlord's Representative or any employee of Landlord's property manager arising out of any representations or warranties made herein.

The foregoing certifications shall survive the closing of the sale of the Property to Purchaser, but only for a period of one hundred eighty (180) days thereafter (or such shorter period of time in the event Purchaser receives an estoppel certificate from the Tenant under the Lease which obviates any or all of Landlord's foregoing certifications in accordance with Section 8.2 of the Real Estate Sale Agreement dated _____, ____ by and between Landlord and Purchaser relating to the Property (the "**Sale Agreement**")).

The liability of Landlord hereunder shall be subject to the provisions of Section 10 of the Sale Agreement.

Very truly yours,
[SELLER]

By: _____
Name: _____
Its: _____

MACK-CALI REALTY CORPORATION
Certification

I, Mitchell E. Rudin, 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 officers 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 officers 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: April 27, 2016

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



MACK-CALI REALTY CORPORATION
Certification

I, Michael J. DeMarco, 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 officers 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 officers 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: April 27, 2016

By: /s/ Michael J. DeMarco
Michael J. DeMarco
President and Chief Operating Officer



MACK-CALI REALTY CORPORATION
Certification

I, Anthony Krug, 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 officers 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 officers 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: April 27, 2016

By: /s/ Anthony Krug
Anthony Krug
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 March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mitchell E. Rudin, as Chief Executive Officer of the Company, Michael J. DeMarco, as President and Chief Operating Officer of the Company, and Anthony Krug, 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: April 27, 2016

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

Date: April 27, 2016

By: /s/ Michael J. DeMarco
Michael J. DeMarco
President and Chief Operating Officer

Date: April 27, 2016

By: /s/ Anthony Krug
Anthony Krug
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.
