SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (date of earliest event reported):

January 31, 1997

CALI REALTY CORPORATION

(Exact name of Registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

1-13274	22-3305147
(Commission File No.)	(I.R.S. Employer Identification No.)

11 Commerce Drive, Cranford, New Jersey 07016

(Address of Principal Executive Offices) (Zip Code)

(908) 272-8000

(Registrant's telephone number, including area code)

not applicable

(Former Name of Former Address, if Changed Since Last Report)

Item 2. Acquisition or Disposition of Assets

On January 31, 1997, Cali Realty Corporation and subsidiaries (the "Company") acquired 65 properties (the "RM Properties") and the related operations of Robert Martin Company LLC and affiliates ("RM"), for a total cost of approximately $450 million. The cost of the transaction was financed through the assumption of a $185 million mortgage, $220 million in cash, substantially all of which was obtained from the Company's cash reserves, and the issuance of 1,401,225 units (the "Units") in Cali Realty, L.P., the operating partnership.

In connection with the transaction, the Company assumed a $185 million non-recourse mortgage loan with Teachers Insurance and Annuity Association of America ("TIAA"), with interest only payable monthly at a fixed annual rate of 7.18 percent (the "TIAA Mortgage"). The TIAA Mortgage is secured and cross-collateralized by 43 of the RM Properties and matures on December 31, 2003. The Company, at its option, may convert the TIAA Mortgage to unsecured public debt upon achievement by the Company of an investment credit rating of Baa3/BBB- or better. The TIAA Mortgage is prepayable in whole or in part subject to certain provisions, including yield maintenance.

The RM Properties consist primarily of 58 office and office/flex properties aggregating approximately 3.7 million square feet and six industrial/warehouse properties aggregating approximately 400,000 square feet. The RM Properties are located primarily in established business parks in Westchester County, New York and Fairfield County, Connecticut. The Company has agreed not to sell certain of the RM Properties for a period of seven years without the consent of the RM principals, except for sales made under certain circumstances and/or conditions.

In connection with this transaction, the Company was granted a three-year option to acquire a 115,000 square foot office property and an 84,000 square foot office/flex property (the "Option Properties") for an aggregate minimum price of $19 million and has granted RM the right to put such properties to the Company between a range of an aggregate purchase price of $11.6 to $21.3 million, under certain conditions. The purchase prices, under the agreement, are subject to adjustment based on

different formulas and are payable in cash or Units.

The Company provided an $11.6 million non-recourse mortgage loan ("Mortgage Receivable") to entities controlled by the RM principals, bearing interest at an annual rate of 450 basis points over one-month LIBOR. The Mortgage Receivable, which is secured by the Option Properties and guaranteed by certain of the RM principals, matures on February 1, 2000. In addition, the Company received a three percent origination fee in connection with the Mortgage Receivable.

In connection with the RM transaction, the Company's environmental consultant undertook environmental audits of the properties, including sampling activities, which identified certain environmental conditions at several of the properties (the "Designated Properties") that will likely require further investigation and/or remedial activities. RM retained the liability and responsibility for remediation of the environmental conditions of the Designated Properties, and has established an escrow in the amount of $1.5 million (the "Environmental Escrow") as a clean-up fund. Any remediation costs for the Designated Properties exceeding the Environmental Escrow will remain the responsibility of the principals of RM.

Additionally, RM has made certain customary representations and warranties to the Company, most of which survive the closing for a period of one year. RM has agreed to maintain a minimum net worth of $25 million during such period.

RM, headquartered in Elmsford, New York, is a large real estate development company doing business in the Westchester County, New York and Fairfield County, Connecticut region. The privately-held firm owns and manages a portfolio of over 4.1 million square feet of office, office/flex and industrial/ warehouse properties throughout the two-county area. RM is a fully integrated firm, offering in-house architecture, engineering, construction, leasing and management services to approximately 600 tenants.

As part of the transaction, Brad W. Berger, President and Chief Executive Officer of RM, and Timothy M. Jones, Chief Operating Officer of RM, joined the Company as Executive Vice Presidents under three-year employment agreements. Pursuant to the agreements, Messrs. Berger and Jones were each issued warrants to purchase 170,000 shares of the Company's common stock at a stock price of $33 per share, which vest equally over a three-year period and expire on January 31, 2007.

Robert F. Weinberg, co-founder of RM, and Mr. Berger will serve on the Company's Board of Directors for an initial term of three years. The Company will also appoint two additional independent Board members, thereby increasing the size of the Board from nine to thirteen members.

Following the transaction, the Company's portfolio consists of 123 properties, aggregating 11.4 million square of office, office/flex and industrial/warehouse properties, located in New Jersey, New York, Pennsylvania and Connecticut.

Item 7. Financial Statements, Pro forma Financial Information and Exhibits.

(a) Financial Statements of Business Acquired.

It is impracticable to provide the financial information required under Item 7(a) as of the required filing date of this Form 8-K. Such required financial information will be filed under cover of Form 8-K/A as soon as available and in no event later than April 21, 1997.

(b) Pro Forma Financial Information.

It is impracticable to provide the pro forma financial information required under Item 7(b) as of the required filing date of this Form 8-K. Such required pro forma financial information will be filed under cover of Form 8-K/A as soon as available and in no event later than April 21, 1997.

(c) Exhibits.

Exhibit Number	Exhibit Title
10.59	Contribution and Exchange Agreement,

	dated January 24, 1997, among Robert Martin Company, LLC, Robert Martin-Eastview North Company, L.P., Cali Realty, L.P. and Cali Realty Corporation (including Schedule 28.1 - Special Environmental Matters, and certain Exhibits).
10.60	Amended and Restated Agreement of Limited Partnership of Cali Realty, L.P., dated as of January 16, 1997.
10.61	Third Modification and Assumption of Loans Agreement among Robert Martin Company, LLC, Cali CW Realty Associates L.P., Elmsford Realty Associates L.P., Talleyrand Realty Associates L.P., Cali Mid-West Realty Associates L.P., Cali So. West Realty Associates L.P., Cali WP Realty Associates L.P. and Teachers Insurance and Annuity Association of America, dated as of January 31, 1997 (including certain Exhibits).

SIGNATURES

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

Dated: February 18, 1997

CALI REALTY CORPORATION

By: /s/ Thomas A. Rizk
Thomas A. Rizk
President and Chief Executive Officer

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

Exhibit Index

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EXHIBIT 10.59 to FORM 8-K

CONTRIBUTION AND EXCHANGE AGREEMENT

between

ROBERT MARTIN COMPANY, LLC

ROBERT MARTIN-EASTVIEW NORTH COMPANY, L.P.

and

CALI REALTY, L.P.

CALI REALTY CORPORATION

Date: January 24, 1997

TABLE OF CONTENTS

INDEX OF DEFINED TERMS..

INDEX OF SCHEDULES AND EXHIBITS...

1. SUBJECT OF CONVEYANCE..

2. PAYMENT TERMS; RESTRUCTURE OF DEBT; UNITS.......................

3. INSPECTION PERIOD; CRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.................................

4. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT....................

5. REPRESENTATIONS AND WARRANTIES OF RM...........................

6. REPRESENTATIONS AND WARRANTIES OF CALI AND CRLP...

7. COVENANTS OF RM...

8. OPTION PROPERTIES..

9. ESTOPPEL CERTIFICATES..

10. CLOSING..

11. ADJUSTMENTS..

12. CONDITIONS PRECEDENT TO CLOSING................................

13. LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS ....

14. ASSIGNMENT...

15. BROKER...

16. CASUALTY LOSS..

17. CONDEMNATION...

18. TRANSFER RESTRICTIONS; RIGHT OF FIRST REFUSAL..................

19. LIMITED GUARANTY OF RM...

20. TAX MATTERS..

21. PUBLICATION..

22. REMEDIES...

23. EMPLOYEE MATTERS...

24. NOTICE...

25. ACCOUNTING DISPUTE RESOLUTION..................................

26. RETAINED PROPERTIES AND NOMINEE PROPERTIES.....................

27. RESTRICTIONS ON SALE OF THE PROPERTY...........................

28. SPECIAL ENVIRONMENTAL MATTERS..................................

29. MISCELLANEOUS..

INDEX OF DEFINED TERMS

	Defined Term	Section
1.	1997 Options	ss.29.11
2.	1998 Options	ss.29.11
3.	200	ss.3.3
4.	Accountant	ss.25
5.	Act	ss.5.2
6.	Additional Rents	ss.11.3
7.	Aggregate Break Point	ss.2.2(b)
8.	Agreement	Preface
9.	Allocated Debt	ss.2.3
10.	Allocated Property Value	ss.2.3
11.	Annual Break Point	ss.2.2(b)
12.	Associations	ss.7.5
13.	B. Berger	ss.2.2(d)
14.	Board	ss.6.1(q)
15.	Books and Records	ss.1(g)
16.	Break-up Fee	ss.22.1
17.	Building	ss.1(a)
18.	Calculation Period	ss.2.2(a)
19.	Cali	Preface
20.	Cali Debt Amount	ss.19.1
21.	Cali Group	ss.19.1
22.	Cash Payment	ss.2.1
23.	Casualty	ss.16.2
24.	Casualty Notice	ss.16.2
25.	CERCLA	ss.5.1(y)(x)(A)
26.	Closing	ss.10.1
27.	Closing Date	ss.10.1
28.	Code	ss.5.1(w)(iii)
29.	Common Stock	ss.2.2(f)
30.	Competitive Use	ss.26.4
31.	Conn. Development Site	ss.26.7(d)
32.	Contaminants	ss.5.1(y)(x)(A)
33.	CRLP	Preface
34.	Declarant	ss.7.5
35.	Declarations	ss.7.5

	Defined Term	Section
36.	Deeds	ss.10.2(a)
37.	Development Limitations	ss.26.1
38.	Development Sites	ss.26.1
39.	Development Standards	ss.26.2
40.	Discharge	ss.5.1(y)(x)(B)
41.	Disposition Securities	ss.18.2
42.	Disposition Notice	ss.18.2
43.	Earnout Period	ss.2.2(a)
44.	Environmental Documents	ss.5.1(y)(x)(C)
45.	Environmental Escrowee	ss.28.1
46.	Environmental Laws	ss.5.1(y)(x)(D)
47.	Escrowee	ss.28.1
48.	ERISA	ss.5.1(w)(ii)
49.	Estoppel Certificates	ss.9.1
50.	Exchange Act	ss.5.2(b)
51.	Excluded Properties	ss.5.1(r)
52.	Exercise Notice	ss.18.3
53.	First American	ss.4.2
54.	GAAP	ss.5.1(v)
55.	Governmental Authorities	ss.5.1(k)
56.	Ground Lessees	ss.1(a)
57.	Ground Leases	ss.1(a)
58.	Improvements	ss.1(a)
59.	Inspection Period	ss.3.1
60.	Insurance Policies	ss.16.1
61.	Intangible Property	ss.1(f)
62.	Jones	ss.2.2(d)

63. Land......................................ss.1(a)
64. Leases....................................ss.1(d)
65. M. Berger.................................ss.5.1(r)
66. Material Taking...........................ss.17
67. Mortgagors................................ss.2
68. New Cali Employees........................ss.12.1(c)
69. Nominee Properties........................ss.26.1
70. Notice Period.............................ss.18.3
71. Offering Notice...........................ss.27.5
72. Omnibus Agreement.........................ss.10.2(f)
73. OP Agreement..............................ss.5.2(a)
74. Option Properties.........................ss.3.3
75. Option Loan...............................ss.8.1

76. Option Loan Origination Fee...............ss.8.2
77. Option Mortgage...........................ss.8.1
78. Other Debt Amounts........................ss.19.2
79. Other Groups..............................ss.19.2
80. Parking Agreement ss.7.9
81. Parking License...........................ss.7.9
82. PCBs......................................ss.5.1(y)(vi)
83. Permanent Certificates....................ss.2.2(e)
84. Permits and Licenses......................ss.1(f)
85. Permits...................................ss.5.1(y)(vii)
86. Permitted Designees.......................ss.27.1
87. Permitted Transferees.....................ss.18.1
88. Permitted Encumbrances....................ss.4.1
89. Permitted Assignee........................ss.14.1
90. Personal Property.........................ss.1(c)
91. Personal Option Guaranty..................ss.8.1
92. Phase I Reports...........................ss.3.3
93. Phase II Reports..........................ss.3.3
94. Preferred Stock...........................ss.6.1(l)(i)
95. Property Financials.......................ss.5.1(v)
96. Property..................................ss.1(h)
97. Property Repairs..........................ss.7.7
98. Proposed Disposition......................ss.18.2
99. Purchase Option...........................ss.18.3
100. Purchaser................................ss.18.2
101. Put-Call Agreement.......................ss.8.3
102. Real Property............................ss.1(b)
103. Recapture Certificates...................ss.2.2(e)
104. Reconciliation Period....................ss.2.2(d)
105. Reduction Year...........................ss.2.2(b)
106. REIT.....................................ss.6.1(m)(i)
107. Rent Roll................................ss.5.1(e)
108. Reserve..................................ss.11.2
109. Restricted Period........................ss.27.1
110. Retained Properties......................ss.26.1
111. RM Group.................................ss.5.1(r)
112. RM 401(K) Plan...........................ss.5.1(w)(ii)
113. RM Welfare Plans.........................ss.5.1(w)(ii)
114. RM Debt Amount...........................ss.11.2
115. RM Vacation Time.........................ss.23.5

116. RMAP.....................................ss.7.9
117. RM Plans.................................ss.5.1(w)(ii)
118. RM.......................................Preface
119. RM Unit Group............................ss.19.1
120. RM Units.................................ss.2.2(a)
121. RMC LLC..................................Preface
122. RMEMC....................................Preface
123. SEC Documents............................ss.5.2(b)
124. Security Deposit.........................ss.1(d)
125. Seller...................................ss.18.2
126. Service Contracts........................ss.1(f)
127. Skyline..................................ss.3.3
128. Stock Options............................ss.28.11
129. Stock Option Plan........................ss.10.3(c)
130. Subsidiaries.............................ss.6.1(f)
131. Suspect Properties.......................ss.28.1
132. Taxes....................................ss.20.4
133. Teachers.................................ss.2
134. Teachers Mortgagee.......................ss.2.1
135. Teachers Debt............................ss.2.1
136. Teachers Mortgage........................ss.2.1
137. Tenants..................................ss.4.1(b)

138. Third Party Management Agreements..........ss.5.1(q)
139. Third Party Management Fees................ss.2.2(a)
140. Title Documents............................ss.4.2
141. Title Commitments..........................ss.4.2
142. Title Policy...............................ss.4.3
143. Title Company..............................ss.4.2
144. Tradenames.................................ss.1(e)
145. Transfer...................................ss.5.2(a)
146. Transferred................................ss.18.1
147. Underlying Shares..........................ss.18.1
148. Unit Holders...............................ss.2.1
149. Units......................................ss.2.2(a)
150. Warrant Transferees........................ss.10.3(c)
151. Warrants...................................ss.12.1(h)
152. Weinberg...................................ss.5.1(r)
153. WFC..ss.7.9
154. YIDA.......................................ss.5.1

SCHEDULES

Schedule 1.1(a) Property Addresses, Block and Lot Numbers
Schedule 1.1(b) Ground Leases
Schedule 1.1(c)-1 Excluded Personal Property
Schedule 1.1(c)-2 Excluded Artwork
Schedule 1.1(e) Tradenames
Schedule 2.2(b)-1 Properties Generating Third Party Management Fees of a Nature Different from the RealProperty
Schedule 2.2(b)-2 Third Party Management Agreements with RM Affiliates
Schedule 2.2(c)-1 Managed Properties without Existing Management Agreements
Schedule 2.3 Allocated Property Value
Schedule 4.1(c) Restrictions, Covenants and Easements
Schedule 4.1(e) Surveys of Real Property
Schedule 5.1(d)-1 Leases as of December 6, 1996
Schedule 5.1(d)-2 Leases from December 6, 1996 to Date
Schedule 5.1(d)-3 Leased and Vacant Net Rentable Area
Schedule 5.1(d)-4 New Leases and Renewals Out for Signature
Schedule 5.1(e)-1 Rent Roll as of January 15, 1997
Schedule 5.1(f) Tenants Work
Schedule 5.1(g) Contracts Schedule 5.1(h) RM Litigation, Disputes, etc.
Schedule 5.1(i) Proceedings related to the Real Property
Schedule 5.1(j) Engineering Reports
Schedule 5.1(k) Violations affecting the Property
Schedule 5.1(l) Personnel
Schedule 5.1(m) Leasing Commission Obligations
Schedule 5.1(o) Encumbered Personal Property
Schedule 5.1(q) Third Party Management Agreements
Schedule 5.1(r) Excluded Commercial Properties
Schedule 5.1(t) Storage Tanks or Vessels
Schedule 5.1(v) Year-End Adjustments
Schedule 5.1(w)(i) All Existing RM Plans
Schedule 5.1(w)(ii) RM Plans
Schedule 5.1(x) Insurance Policies
Schedule 5.1(y)(ii) Environmental Discharges
Schedule 5.1(y)(iv) Storage Tanks and Vessels
Schedule 5.1(y)(v) Asbestos
Schedule 5.1(y)(vi) PCB Items
Schedule 5.1(y)(vii) Missing Permits
Schedule 5.1(z) Tax Audits
Schedule 5.1(bb) Basis of Property
Schedule 5.4(b) Net Worth Statement
Schedule 6.1(i) Cali Subsidiaries, Partnerships and Trusts
Schedule 6.1(j) Materially Adverse Business Transactions

Schedule 6.1(k) Material Liabilities and Obligations
Schedule 6.1(l)(iii) Conversion/Exchange Right re: Warrants, Options and Convertible Securities
Schedule 6.1(m)(ii) Cali Tax Proceedings
Schedule 6.1(m)(iv) Individual Owners of Cali Interests in Excess of 9.8%
Schedule 6.1(q) Cali Board Committees
Schedule 6.1(r) Agreements with Certain Cali Executives
Schedule 6.1(s) Agreements regarding Sale or Voting of Units or Common Stock
Schedule 7.2 Property Charts and Tables
Schedule 7.11 Personal Property to be Released of Liens
Schedule 8.1 Permitted Encumbrances on Options Properties
Schedule 12.1(c)(i) New Cali Employees
Schedule 12.1(c)(ii) General and Administrative Expense Budget

Schedule 12.1(c)(iii) New Cali Employees Not Actively-at-Work
Schedule 14.2 Transferees of the Real Property
Schedule 20.3 Reduction of Property Value Proceedings
Schedule 26.1 Development Sites and Properties
Schedule 26.2(a) Approved Site Plan
Schedule 27.1 Property not Subject to Restricted Period
Schedule 27.4 Built-in Gain
Schedule 28.1 Special Environmental Matters

EXHIBITS

Exhibit 1.1(c) License Agreement for Artwork
Exhibit 2.2(c)-2 Management Agreement
Exhibit 8.1 Option Loan Documents
Exhibit 8.3 Put-Call Agreement
Exhibit 10.2(s) Non-Competition Agreement
Exhibit 10.2(t) Employment Agreement
Exhibit 10.2(z) License
Exhibit 10.2(nn) Consent to Transfer of RM Units
Exhibit 10.3(j) Registration Rights Agreement
Exhibit 10.3(k) Amendment to OP Agreement
Exhibit 12.1(h) Warrants
Exhibit 12.2(d) Terms of Teachers Mortgage
Exhibit 26.1 Right of First Offer
Exhibit 26.6 USPS Transaction Description

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 24th day of January, 1997 between ROBERT MARTIN COMPANY, LLC ("RMC LLC") a limited liability company organized under the laws of the State of New York and ROBERT MARTIN-EASTVIEW NORTH COMPANY, L.P., a New York limited partnership ("RMENC"; together with RMC LLC, collectively "RM"), each having an address at 100 Clearbrook Road, Elmsford, New York 10523 and CALI REALTY, L.P., a Delaware limited partnership ("CRLP") and CALI REALTY CORPORATION, a Maryland corporation ("Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

A. RM and certain affiliated entities own, develop and manage various commercial properties located throughout southern New York and Connecticut. Cali, through CRLP and certain affiliated entities of CRLP, similarly owns, develops and manages various commercial properties located throughout New Jersey and the greater New Jersey area.

B. RM, CRLP and Cali have determined that it is in the best interests of the parties' long term strategic growth to combine their respective properties and related assets. In order to effectuate this combination, RM has agreed to contribute certain properties and other assets owned or controlled by RM to designees of CRLP, to cause certain key executives of RM to become part of the management of Cali and through RM's existing management structure to continue (i) to manage and operate the properties being contributed by RM, and (ii) to provide, on the terms and conditions provided below, management, construction and leasing services to third parties. RM has also been granted certain rights with respect to appointing members of the Board of Directors of Cali, which is the sole general partner of CRLP.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do hereby agree as follows:

1. SUBJECT OF CONVEYANCE.

1.1 In accordance with the terms and conditions of this Agreement and subject to Cali and CRLP's performance and satisfaction of the conditions, covenants and obligations contained herein, RM agrees to convey to certain designees of CRLP the assets set forth in paragraphs (a) through (h) of this Section 1.1:

(a) that certain real property situate, lying and being in the States of New York and Connecticut and being more particularly described on Schedule 1.1(a) (the "Land"), which Schedule 1.1(a) sets forth the property addresses and blocks and lots for each parcel, all

right, title and interest of the lessees (the "Ground Lessees") in and to the ground leases (the "Ground Leases") described on Schedule 1.1(b), which Schedule 1.1(b) sets forth the names of each party to each of the Ground Leases, the dates thereof and any amendments thereto, as well as the name, state of organization and type of entity of each Ground Lessee, and all of the improvements located on the Land or the properties which are subject to the Ground Leases (individually, a "Building" and collectively, the "Improvements");

(b) all rights, privileges, grants and easements appurtenant to RM's interest in the Land, Improvements and Ground Leases, if any, including without limitation, all of RM's right, title and interest in and to all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of -way or other appurtenances used in connection with the beneficial use and enjoyment of the Land, Improvements and Ground Leases (the Land, Improvements, Ground Leases and all such rights, privileges, easements, grants and appurtenances are sometimes referred to herein as the "Real Property");

(c) except as set forth on Schedule 1.1(c)-1 and except for the artwork set forth on Schedule 1.1(c)-2 (which artwork shall have a value in excess of $500 per piece and for which RM and CRLP will enter into a license agreement for nominal rent substantially in the form of Exhibit 1.1(c) annexed hereto), all personal property, fixtures, equipment, inventory and computer programming and software owned or licensed by RM and located on any of the Real Property or used at any of the management and corporate offices of RM (the "Personal Property");

(d) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto and any guaranties provided thereunder (the "Leases"), and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of security for the performance of the Tenant's obligations under such Lease;

(e) CRLP and its designees shall have the sole and exclusive right to the tradenames "Robert Martin Company", the initials "RM" and the initials "RM" with any number, other name or letter of the alphabet other than "C", and any trademark applicable thereto, and/or any name by which any of the Real Property is commonly known, and all goodwill, if any, related to said names (collectively, the "Tradenames"); provided, however, that the Tradenames shall not include, and RM and its designees shall continue to have the sole and exclusive right to use, the initials and names set forth in Schedule 1.1(e) annexed hereto and the initials "RMC" with any other letter of the alphabet, number or other name, as more particularly set forth in a Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r) annexed hereto;

(f) all permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of RM's right, title and interest in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters

of RM (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(g) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, tax returns, market studies, keys, plans, specifications, reports, tests and other materials of any kind owned by or in the possession
of RM which are or may be used by RM in the use and operation of the Real Property or Personal Property (collectively, the "Books and Records"); and

(h) all other rights, privileges and appurtenances owned by RM, if any, and in any way related to the rights and interests described above in this Section.

The Real Property, the Personal Property, the Leases, the Tradenames, the Intangible Property, the Books and Records and the other property interests being conveyed hereunder are hereinafter collectively referred to as the "Property".

1.2 For all purposes herein, unless the context clearly dictates otherwise, any reference herein to RM shall be deemed to be a reference to any entity which is to convey any of the Property hereunder to CRLP or its designees.

1.3 CRLP agrees that (a) RM shall have access to the Books and Records, after Closing, for inspection or duplication, at the offices of CRLP at reasonable times and upon reasonable notice and (b) through the eighth (8th)

anniversary of the Closing Date, before any of the Books and Records are destroyed or disposed of by CRLP, CRLP shall offer to return such Books and Records to RM, at RM's cost and expense, and RM shall respond to such offer within ten (10) business days of receipt of same. This obligation of CRLP shall not require CRLP to maintain any computer equipment or programs in order to access or retrieve any of said Books and Records.

2. PAYMENT TERMS; RESTRUCTURE OF DEBT; UNITS.

2.1 At Closing, and upon satisfaction of the terms and conditions provided herein, RM agrees to contribute the Property to CRLP or its Permitted Assignees and CRLP agrees (a) to accept the Property, (b) to enter into an assumption of that certain mortgage (the "Teachers Mortgage") encumbering the property set forth on Schedule 2.3-b granted to Teachers Insurance and Annuity Association of America ("Teachers"), which Teacher's Mortgage, as restructured, is to have an outstanding principal balance immediately following the Closing (the "Teachers Debt") of at least One Hundred Eighty-Five Million Two Hundred Fifty Thousand ($185,250,000) Dollars, which restructuring is to be in accordance with Section 12.2(d) hereof, (c) to pay to RM or its designee (the "Cash Payment") an amount derived by subtracting from $395,700,000 the Teachers Debt, and (d) to issue the RM Units to RM or such persons as the record owners of the Property shall direct in writing at the Closing (the "Unit Holders"); provided, however, that RMC LLC shall be issued and shall hold, in accordance with the provisions of Section 5.4(b), Eight Hundred Thousand (800,000) Units.

2.2 (a) Simultaneous with CRLP accepting the Property and assuming the Teachers Mortgage, CRLP agrees to issue units of limited partnership interests in CRLP ("Units") in the amount of One Million Four Hundred-One Thousand Two Hundred Twenty-Five (1,401,225) (the "RM Units"). The number of RM Units is based, in part, upon an estimate of the fees (the "Third Party Management Fees") anticipated to be paid to CRLP, Cali or their Subsidiaries as a result of the leasing and management operations presently being conducted by RM on account of generating Third Party Management Fees. The Third Party Management Fees are and will include, without limitation, fees for construction management, property management and leasing, for the period ending 36 months after the Closing Date (the "Earnout Period"); provided, however, (x) all or any portion of the management or other fees, or any commissions, received by CRLP, Cali or their Subsidiaries which are to be paid over to others shall not be included in the Third Party Management Fees and (y) with respect to fees paid on account of construction and tenant improvements, only net construction fees collected after payment of costs of supplies and materials, shall be included in the Third Party Management Fees. Third Party Management Fees shall be calculated for each of the consecutive three 12-month periods thereof (each a "Calculation Period") and for the entire Earnout Period, as more particularly described in Section 2.2(d) below. The number of RM Units to be retained by the Unit Holders is subject to reduction effective as of the end of the Earnout Period, as set forth in this Section 2.2.

(b) In the event that the Third Party Management Fees paid to CRLP, Cali or their Subsidiaries in any Calculation Period are less than One Million Two Hundred Fifty Thousand ($1,250,000) Dollars (the "Annual Break Point"; any Calculation Period in which the Third Party Management Fees paid to CRLP, Cali or their Subsidiaries are less than the Annual Break Point is herein defined as a "Reduction Year"), then the RM Units to be retained following the Earnout Period shall be reduced by an amount equal to .0933 Units (which represents the quotient of .28 divided by 3) for each dollar in a Reduction Year by which the Third Party Management Fees paid to CRLP, Cali or their Subsidiaries are less than the Annual Break Point, rounded to the nearest whole Unit. For purposes of calculating the Third Party Management Fees for the entire Earnout Period, in the event of a reduction pursuant to the preceding sentence, the Third Party Management Fees for any Reduction Year shall be deemed to be One Million Two Hundred Fifty Thousand ($1,250,000) Dollars. In the event that the Third Party Management Fees paid to CRLP, Cali or their Subsidiaries (including any amounts deemed paid pursuant to the preceding sentence) during the entire Earnout Period are less than Five Million Five Hundred Eighty Thousand ($5,580,000) Dollars (the "Aggregate Break Point"), then the RM Units to be retained following the Earnout Period shall be reduced by an amount equal to .28 Units for each three dollars by which the Third Party Management Fees paid to CRLP, Cali or their Subsidiaries are less than the Aggregate Break Point, rounded to the nearest whole Unit. An example of an application of this Section 2.2(b) is set forth below in Section 2.2(i). In no event shall the number of RM Units to be retained be reduced by more than 221,625 Units, nor shall there be any additional Units issued if the Third Party Management Fees exceed either the Annual Break Point or the Aggregate Break Point. RM acknowledges and agrees that (i) only (x) those Third Party Management Fees generated by properties similar in nature to the properties which are being contributed by RM hereunder or the properties which are set forth in Schedule 2.2(b)-1 annexed hereto and (y) commissions payable to CRLP, Cali or

their Subsidiaries upon the sale of commercial real estate where the RM Group is the procuring cause, shall be included in calculating the Annual Break Point and Aggregate Break Point; (ii) the agreements pursuant to which said fees are to be paid, including agreements with entities affiliated with RM and the RM Group, shall be on commercially reasonable terms and conditions; (iii) in generating Third Party Management Fees, RM shall not exceed the portion of general and administrative expenses which RM historically dedicated to generating third party management fees; (iv) the only existing agreements for generating Third Party Management Fees are set forth on Schedule 2.2(b)-2; and (v) RM shall cause those persons affiliated with RM who also have an interest in the entities owning properties which are paying Third Party Management Fees to use their best efforts (subject to any fiduciary obligations) to cause such entities to continue to appoint CRLP as the leasing agent and manager of said properties.

(c) At Closing, Cali agrees to enter into management agreements for the properties set forth on Schedule 2.2(c)-1 in substantially the form of Exhibit 2.2(c)-2 annexed hereto. Third Party Management Fees payable as a result of management and leasing activities for the Option Properties shall be applicable to the Annual Break Point and the Aggregate Break Point. In the event that CRLP acquires either or both of the Option Properties, the Annual Break Point shall be reduced proportionately for the balance of the current Calculation Period and for each subsequent Calculation Period based upon the amount of Third Party Management Fees generated by the Option Property or Properties so acquired for the twelve-month period immediately preceding said acquisition, and the Aggregate Break Point shall be proportionately reduced as well. In the event that either or both of the Option Properties are acquired within one year of the Closing, the reduction in said Break Points shall be calculated by determining the amount of Third Party Management Fees generated by the Option Property or Properties so acquired for the period commencing at Closing through acquisition of said Option Property or Properties and annualizing said amount.

(d) Within ninety (90) days following the end of the Earnout Period and each Calculation Period, CRLP shall provide Brad W. Berger ("B. Berger") and Timothy M. Jones ("Jones") and such other persons as are designated by RM with a schedule of all calculations made with respect to the Third Party Management Fees. CRLP shall make available to B. Berger and Jones and such other persons as are designated by RM such information as is necessary for B. Berger and Jones to confirm the amount of the Third Party Management Fees. In the event that the amount of the Third Party Management Fees as calculated by CRLP shall differ from the amount of said fees as calculated by B. Berger and Jones and such other persons as are designated by RM, which difference is not reconcilable by the end of the ninety (90) day period following the expiration of the Earnout Period (the "Reconciliation Period"), then the parties shall proceed as provided in Section 25.

(e) At Closing, CRLP shall issue to RM and/or the Unit Holders certificates representing the RM Units as follows: (i) certificates representing in the aggregate 1,179,600 Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth in Section 5.4(a)(i); and (ii) certificates representing 221,625 Units (the "Recapture Certificates"), which Recapture Certificates shall contain the legends set forth in Sections 5.4(a)(i) and 5.4(a)(ii). Upon the expiration of the Reconciliation Period (or upon

expiration of the dispute resolution period set forth in Section 25, if applicable), RM and/or the Unit Holders shall return the Recapture Certificates to CRLP and CRLP shall re-issue to RM and/or the Unit Holders, within five (5) days after receipt of the Recapture Certificates, new certificates in the form of the Permanent Certificates representing in the aggregate 221,625 Units less the number of RM Units, if any, reduced pursuant to Section 2.2.

(f) All rights and benefits incidental to the ownership of the RM Units, including, but not limited to, the right to receive distributions, voting rights and the right to exchange the RM Units for shares of common stock of Cali ("Common Stock"), shall accrue for the benefit of RM and/or the Unit Holders commencing on the Closing Date and shall automatically terminate with respect to the RM Units, if any, reduced pursuant to Section 2.2(b).

(g) If, during the Earnout Period, Cali or CRLP shall instruct RM in writing that Third Party Management Fees are not to be earned or collected (or to be collected in an amount less than what RM could otherwise receive for such service) and such prohibition results in Third Party Management Fees in an amount less than the Annual Break Point or the Aggregate Break Point being paid to or collected by CRLP, Cali or their Subsidiaries, then the Annual Break Point and the Aggregate Break Point shall be deemed to be reduced by the amounts forfeited by RM as a result of such notice from Cali or CRLP.

(h) With respect to the first Partnership Record Date (as defined in the OP Agreement), on or after the Closing, RM and the Unit Holders shall

receive distributions payable with respect to the RM Units on a pro-rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held RM Units.

(i) For purposes of an example of the application of Section 2.2(b) only, assume that Third Party Management Fees for each of the three Calculation Periods are as follows: (i) One Million ($1,000,000) Dollars in the first Calculation Period, (ii) One Million Two Hundred and Fifty Thousand ($1,250,000) Dollars in the second Calculation Period, and (iii) Two Million ($2,000,000) Dollars in the third Calculation Period. Because the first Calculation Period is a Reduction Year, the RM Units to be retained shall be reduced by an amount equal to .0933 multiplied by 250,000 or 23,325 Units. For purposes of calculating the Third Party Management Fees for the entire Earnout Period, the Third Party Management Fees for the first Calculation Period shall be deemed to be One Million Two Hundred and Fifty Thousand ($1,250,000) Dollars. Accordingly, the aggregate amount of Third Party Management Fees for the entire Earnout Period shall be deemed to be Four Million Five Hundred Thousand ($4,500,000) Dollars. The number of RM Units to be retained shall be further reduced by the amount of 5,580,000 less 4,500,000, divided by 3 and multiplied by .28 which is equal to 100,800 Units. At the end of the Earnout Period, the amount of RM Units to be retained shall be reduced by an amount equal to the sum of (i) 100,800, representing the reduction for the entire Earnout Period, and (ii) 23,325, representing the reduction for the First Calculation Period, or 124,125 Units.

2.3 The purchase price of the Property is Four Hundred Thirty-Nine Million Four Hundred Eighty-Eight Thousand Two Hundred Eighty-One ($439,488,281) Dollars which is to be allocated among the Real Property as set forth on Schedule 2.3 (the "Allocated Property Value").

3. INSPECTION PERIOD; CRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING

3.1 Through the period ending at 5:00 p.m. on Monday, January 27, 1997 (the "Inspection Period"), time being of the essence as to such date, and thereafter, and subject further to Section 28 hereof, CRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property and the Option Properties including, but not limited to, soil tests and borings, ground water tests and investigations, percolator tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as CRLP, in its sole discretion, determines is necessary or desirable in connection with the Property and the Option Properties and may inspect the physical (including environmental) and financial condition of the Property and the Option Properties, including but not limited to the Ground Leases, Leases, Service Contracts, contracts pursuant to which the Third Party Management Fees are payable, copies of RM's tax returns and the Property Financials as of and for the years ending December 31, 1993, 1994 and 1995 and for the period of January 1, 1996 through September 30, 1996, certified by RM, engineering and environmental reports, development approval agreements, permits and approvals, which inspection shall be satisfactory to CRLP in its sole discretion. RM agrees to cooperate with CRLP in such review and inspection and to the extent not yet delivered, shall deliver said documents and information to CRLP promptly. CRLP may terminate this Agreement for any reason, by written notice given to RM prior to the expiration of the Inspection Period. Notwithstanding the provisions of Section 24 of this Agreement, for the purposes of this Section 3 only, a notice of termination executed by counsel for CRLP and telecopied to RM and its counsel no later than 5:00 p.m. on the date of expiration of the Inspection Period shall be deemed effective for purposes of terminating this Agreement. In the event CRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event CRLP does not terminate this Agreement by the end of the Inspection Period, then CRLP shall be deemed to have elected not to terminate this Agreement.

3.2 During the Inspection Period and thereafter, CRLP, its agents and contractors, shall have reasonable access to the Property and the Option Properties and other information pertaining thereto in the possession or within the control of RM for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Any inspection of the Real Property shall be performed in accordance with the Access Agreement previously entered into by CRLP and RM. Such right of inspection and the exercise of such right shall not constitute a waiver by CRLP of the breach of any representation or warranty of RM which might, or should, have been disclosed by such inspection. RM shall cooperate with CRLP in facilitating its due diligence inquiry and shall

obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for CRLP to perform same. In addition, RM shall notify CRLP of any dangerous conditions on the Real Property and the Option Properties of which RM has knowledge, including, without limitation, conditions which due to the nature of the borings, studies, investigations, inspections or testing to be performed by or on behalf of CRLP may pose a dangerous condition to CRLP or CRLP's agents and contractors.

3.3 RM and CRLP have agreed to share equally the costs of certain Phase I environmental studies (the "Phase I Reports") affecting one or more of the Real Property and the properties commonly known as 7 Skyline Drive, Mount Pleasant, New York ("Skyline") and 200 Corporate Boulevard South, Yonkers, New York ("200"; together with Skyline, the "Option Properties"), provided, however, that RM's maximum obligation for the cost of said Phase I Reports shall be $42,250. RM shall bear the costs and expenses relating to the Phase II environmental studies (the "Phase II Reports") to be prepared for the Real Property up to a maximum amount of $235,200 and any additional costs and expenses relating to the Phase II Reports shall be borne by CRLP, except that the costs and expenses associated with the special environmental matters set forth in Section 28 hereof are more particularly provided for in said Section. CRLP shall provide RM with copies of all Phase II environmental studies.

3.4 Notwithstanding the expiration of the Inspection Period, CRLP shall continue to have the rights, and upon exercise of same shall be subject to the obligations, of this Section 3, other than the right to terminate this Agreement.

3.5 During the Inspection Period and thereafter, Cali and CRLP shall provide to RM and its agents and advisors reasonable access to Cali's and CRLP's books and records and Cali and CRLP shall provide RM such other reasonable information including, without limitation, all Securities and Exchange Commission filings of CRLP and Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit RM, at its sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from RM's inspection or due diligence as permitted by this Section shall give rise to a right of RM to terminate this Agreement, unless said discovered matter results in a breach of a representation, warranty, covenant or agreement of Cali or CRLP as set forth herein, which pursuant to this Agreement permits RM to so terminate.

4. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

4.1 The Property is to be contributed to CRLP subject to the following (collectively, the "Permitted Encumbrances"):

(a) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided same are not due and payable, but subject to adjustment as provided herein;

(b) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants"), as tenants only;

(c) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of CRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned and any additional items not objected to by CRLP in accordance with Section 4.2 below;

(d) any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(e) the state of facts shown on the surveys described on Schedule 4.1(e) for each of the individual properties comprising the Real Property, Skyline and 200, and any other state of facts which a recent and accurate survey of the Real Property would actually show, provided same do not impair the use of the Real Property as it is currently being used and do not render title uninsurable at standard rates;

(f) the Service Contracts;

(g) any installment not yet due and payable of assessments imposed after the date hereof and affecting the Real Property or any portion thereof;

(h) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and

facilities in, over, under or upon the Real Property, provided same do not impair in other than a de minimus manner the present use of the Real Property;

(i) prohibition against the interference with the natural and unobstructed flow of any applicable brook crossing the Real Property or other riparian rights, provided same does not impair the use of the Real Property as it is currently being used and do not render title uninsurable at standard rates;

(j) such matters as the Title Company shall be willing, without special premium, to omit as exceptions to coverage including minor variations between record lines and tax lot lines; and

(k) the lien of the Teachers Mortgage on those parcels of Real Property encumbered by the Teachers Mortgage as of the date hereof (but on the terms and conditions of this Agreement).

4.2 CRLP has, prior to the date hereof, directed First American Title Insurance Company ("First American") to prepare title insurance searches and commitments

for owner's title insurance policies for each of the Real Property (the "Title Commitments"). CRLP shall cause First American, or such other or additional title insurance companies as may be selected by CRLP (collectively, the "Title Company"), to deliver to RM and its counsel copies of the Title Commitments and the documents describing the title exceptions shown on the Title Commitments (collectively, the "Title Documents") which have been delivered to CRLP and its counsel as of the date hereof, within three (3) business days after the execution and delivery of this Agreement by all of the parties hereto, and to deliver the remaining Title Documents to RM and its counsel promptly upon their delivery to CRLP and its counsel. Within five (5) business days after delivery to RM of each Title Commitment and Title Document, RM shall deliver to CRLP and its counsel RM's proposed list of additional items to be included as Permitted Encumbrances and CRLP shall have the right to review such list. All matters shown on said list which are not objected to by CRLP by delivery of written notice to RM within (5) business days of receipt of same shall be conclusively deemed to be acceptable to CRLP and such items shall be deemed to be Permitted Encumbrances, provided that RM's notice specifically states that all matters not objected to by CRLP within five (5) business days of receipt thereof shall be deemed to be acceptable to CRLP. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitments (other than the Permitted Encumbrances) which CRLP is not required to accept under the terms of this Agreement, RM may, at its election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that other than (i) judgments against RM, (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount, other than the Teachers Mortgage, (iii) defects, objections or exceptions which can be removed by payments not to exceed $500,000 in the aggregate and (iv) a payment to Teachers in order to cause Teachers to consent to the assumption of the Teachers Mortgage, and except as provided below, RM shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions. RM, in its discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. Other than the items described in (i)-(iv) of the preceding sentence, which RM agrees to cure at its sole cost and expense without regard to the cost thereof (other than as expressly set forth in items (iii) and (iv)), if, after complying with the foregoing requirements, RM is unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, CRLP shall elect either (w) to terminate this Agreement by notice given to RM, in which event the provisions of Section 22.2 shall apply, or (x) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. RM agrees and covenants that it shall not voluntarily place any encumbrances or restrictions to title to any of the Real Property from and after the date of the first issuance of the Title Commitment for said Property. From and after the Closing, CRLP agrees that it shall not unreasonably withhold or delay its approval and execution of such easements for utilities, water, parking, sewer and ingress and egress encumbering the Real Property for the benefit of properties owned by RM (or any affiliate thereof) within close proximity of the Real Property as requested by said owners so long as (A) any mortgagees or parties-in-interest shall consent to same, (B) CRLP shall not incur any cost, expense or obligation as a result thereof and (C) to the extent necessary, any applicable governmental authorities shall have approved or consented to same. Cali and CRLP agree that

they shall conduct any due diligence with any governmental entities with a view toward maintaining the confidentiality of the transaction contemplated by this

Agreement.

4.3 It shall be a condition to Closing that RM convey, and that the Title Company insure, title to each Real Property in the amount of the Allocated Property Value thereof (at a standard rate for such insurance) in the name of CRLP or its designees, after delivery of the Deeds or assignments of ground leases, by a standard 1992 ALTA Owners Policy, with such ALTA endorsements as are available in each applicable state where the Real Property is located and as required by CRLP attached, free and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that any (i) Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; (ii) CRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances; and (iii) the exception for taxes shall apply only to the current taxes not yet due and payable. RM shall provide such affidavits and undertakings as the Title Company insuring title to the Real Property may reasonably require and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

4.4 Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by RM, which RM is obligated to pay and discharge pursuant to the terms of this Agreement, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by RM. RM shall deliver to CRLP, on the Closing Date, instruments in recordable form sufficient to discharge any such mortgages or other liens which RM is obligated to pay and discharge pursuant to the terms of this Agreement.

4.5 If the Title Commitments disclose judgments, bankruptcies or other returns against other persons having names the same as or similar to that of RM, RM, on request, shall deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against RM, or any affiliates. Upon request by CRLP, RM shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard or general exceptions on the ALTA form Owner's Policy.

5. REPRESENTATIONS AND WARRANTIES OF RM.

5.1 In order to induce CRLP and Cali to perform as required hereunder, RM hereby warrants and represents the following with respect to the Property and the Option Properties:

(a) RMC LLC is a duly organized and validly existing limited liability company organized under the laws of the State of New York, is duly authorized to transact business in the States of New York and Connecticut, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Property in accordance with the terms and conditions hereof. All necessary actions of the members of RMC LLC to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) RMENC is a duly organized and validly existing limited partnership organized under the laws of the State of New York, is duly authorized to transact business in the State of New York, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Property in accordance with the terms and conditions hereof. All necessary actions of RMENC to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

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

(d) Annexed hereto as Schedule 5.1(d)-1 is a true, complete and correct schedule of all of the Leases as of December 6, 1996 and annexed hereto as Schedule 5.1(d)-2 is a true, complete and correct schedule of all of the Leases executed and delivered from December 6, 1996 through the date hereof. Annexed hereto as Schedule 1.1(b) is a true, complete and correct schedule of all of the Ground Leases. The Leases are valid and bona fide obligations of the landlord and, to RM's knowledge, the tenants thereunder and are in full force and effect. The Ground Leases are valid and bona fide obligations of the tenant and, to RM's knowledge, the landlords thereunder and are in full force and effect. To RM's knowledge, except as set forth on Schedules 5.1(d)-1 and 5.1(d)-2: no defaults remain uncured pursuant to notices of default sent to any Tenants and no condition exists which, solely with the passage of time or the giving of notice or both, will become a default; RM has not received any notices of default under the Leases; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements which confer upon any Tenant or any other person or entity any rights with respect to acquiring all or a portion of the Property, nor has any claim been asserted by any Tenant in writing for an offset to its rent, nor is any Tenant currently asserting, in writing, a concession,

rebate, allowance or free rent (if any Tenant is asserting any concession, rebate, allowance or free rent, RM shall not be obligated to set forth the amount of said claim on Schedules 5.1(d)-1 and 5.1(d)-2). Annexed hereto as Schedule 5.1(d)-3 is a true, complete and correct schedule of the leased and vacant net rentable area at each of the Real Property. Annexed hereto as Schedule 5.1(d)-4 is a true, complete and correct schedule of all new leases and lease renewals currently out for signature to tenants, which Schedule 5.1(d)-4 sets forth the terms and conditions of such new leases or renewals; true, complete and correct copies of such new leases and renewals have been provided to CRLP.

(e) Annexed hereto as Schedule 5.1(e)-1 is a listing (the "Rent Roll") of the following as of January 15, 1997, which is true, complete and correct in all material respects for each Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) arrangements under which any Tenant is occupying space on the date hereof or will in the future, occupy such space; (vii) any written notices given by any Tenant of an intention to vacate space in the future; (viii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (ix) any arrearages of any Tenant beyond thirty (30) days.

(f) To the knowledge of RM, RM has performed all of the material obligations and observed all of the covenants required of each landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future other than that which is required pursuant to its Lease. Except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All undisputed bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by RM within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by RM, although RM shall have the right to cause payment of same to be made from the Reserve established in Section 11.2. To the extent any bills and claims for labor performed and materials furnished to or for the benefit of the Real Property prior to the Closing Date are disputed, RM shall commence any actions related to such bills and claims promptly, such commencement being no later than forty-five (45) days from the receipt of an invoice by RM, and shall diligently prosecute same to its conclusion. If such action results in either (i) a lien on the Real Property which lien remains unbonded for thirty (30) days, or (ii) any vendor providing unique services or services at a below market price refusing to service the Real Property, then CRLP shall have the right to cause payment of same to be made from Reserve established in Section 11.2.

(g) There are no service contracts, equipment leases, union contracts, employment agreements or other agreements affecting the Property or

the operation thereof, except the Service Contracts and the contracts set forth on Schedule 5.1(g) annexed hereto. To RM's knowledge, all of the Service Contracts are and will on the Closing Date be unmodified (except in the ordinary course of business) and in full force and effect without any material default or claim of material default by RM. All sums presently due and payable by RM under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by RM within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by RM, although RM shall have the right to cause payment of same to be made from the Reserve established in Section 11.2. There are no employees of RM or an RM affiliate working at or in connection with the Real Property pursuant to any of the Service Contracts and contracts set forth on Schedule 5.1(g).

(h) Except as set forth on Schedule 5.1(h) annexed hereto and except as covered by insurance, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of RM, threatened against or related to RM (with respect to the Property being sold) or to all or any part of the Property or the Option Properties, the environmental condition thereof, or the operation thereof. RM shall be permitted to continue to prosecute suits set forth on Schedule 5.1(h) and may initiate suits or actions against former tenants who are no longer in occupancy at any of the Real Property.

(i) Except as set forth on Schedule 5.1(i) annexed hereto, RM has received no written notice and has no knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Real Property, or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Real Property and (v) any proposed change(s) in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. RM agrees to furnish CRLP with a copy of any such notice received within two (2) business days after receipt.

(j) RM has provided CRLP with the reports set forth on Schedule 5.1(j) annexed hereto, which constitute all third-party reports in RM's possession or under its control related to the physical condition of the Real Property which have been prepared within the last four (4) years.

(k) Except as set forth on Schedule 5.1(k) annexed hereto, RM has no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property or the Option Properties, or any violations or conditions that may give rise thereto, and has no reason to believe that any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the Option Properties or the management, operation, use or improvement thereof (collectively, the "Governmental Authorities")

contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving RM, the Real Property or the Option Properties.

(l) There are no employees of RM or an affiliate of RM working at or in connection with the Real Property, except as set forth on Schedule 5.1(l). Said Schedule also sets forth a true and complete list of all employees presently employed by RM or an affiliate of RM working at the Real Property and their respective union affiliations (if any), accrued vacation days and other fringe benefits (including social security, unemployment compensation, employee disability insurance, accrued sick days, "welfare" and pension fund contributions, payments and deposits, if any).

(m) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of RM and CRLP with respect to said commissions are set forth in Section 13.

(n) RM has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by RM's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of such RM's assets, suffered the attachment or other judicial seizure of all, or substantially all, of such RM's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(o) Except as set forth on Schedule 5.1(o), the Personal Property

will on the Closing Date be owned by RM free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind, other than liens created by CRLP.

(p) Deleted prior to execution.

(q) Annexed hereto as Schedule 5.1(q) is a true, complete and correct schedule of all agreements generating Third Party Management Fees as of the date hereof (the "Third Party Management Agreements"). RM has provided CRLP with true and complete copies of each of the Third Party Management Agreements.

(r) All of the commercial real estate assets and properties actually controlled, directly or indirectly and legally or beneficially, by RM, Martin S. Berger ("M. Berger"), Robert F. Weinberg ("Weinberg"), B. Berger and Jones (RM, M. Berger, Weinberg, B. Berger and Jones are collectively referred to as the "RM Group") or any one or more of them is included in the Property other than the Option Properties and the real estate assets and properties set forth on Schedule 5.1(r) (collectively, the "Excluded Properties").

(s) RM has no knowledge that any part of the Real Property or the Option Properties has been designated as wetlands under the Federal Water Pollution Control Act, 33 U.S.C. ss1251 et seq., the Freshwater Wetlands Act, N.Y. Envtl. Conserv. Law, ss24-0101

et seq., the Tidal Wetlands Act, N.Y. Envtl. Conserv. Law, ss25-0101 et seq., the Inland Wetlands and Watercourses Act, Conn. Gen. Stat. Ann. ssss22a-36 et seq. and the Tidal Wetlands Act, Conn. Gen. Stat. Ann. ssss22A-28 et. seq., or any applicable local law or regulation promulgated pursuant to any of the foregoing.

(t) There are no aboveground or underground storage tanks or vessels which contain any Contaminants at the Real Property or the Option Properties, regardless of whether such tanks or vessels are regulated tanks or vessels or not, except as set forth on Schedule 5.1(t).

(u) RM has no knowledge of outstanding requirements or recommendations by (i) the insurance company(s) currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions, or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work to be done on the Property of a material nature.

(v) The combined financial statements, including the income and expense statements and the balance sheets of RM LLC and its affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement relating to the ownership and operation of the Property and the related combined statement of income, partners' capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1993, 1994 and 1995 and for the period of January 1, 1996 through September 30, 1996, certified by RM, fairly present the combined financial position of RM LLC relating to the Property as at such dates and the combined results of operations and combined cash flows of RM LLC relating to the ownership and operation of the Property for such respective periods, in each case in accordance with generally accepted accounting principles ("GAAP") consistently applied for the periods covered thereby. The Property Financials from January 1, 1996 through September 30, 1996 are subject to the normal year-end adjustments described in Schedule 5.1(v). There has been no material adverse change in the financial condition of the Property between September 30, 1996 and the date hereof.

(w) (i) Annexed hereto as Schedule 5.1(w)(i) is a true and complete list of all collective bargaining agreements, employment and consulting agreements, executive compensation plans, bonus plans, directors' fee arrangements, deferred compensation agreements, employee pension plans or retirement plans, employee profit sharing plans, 401(k) savings plans, multiemployer plans, employee stock purchase and stock option plans, employee welfare plans, severance plans, group life insurance, hospitalization insurance or other similar plans or arrangements (either written or oral, but only to the extent an oral plan provides material benefits) providing for benefits to New Cali Employees.

(ii) Annexed hereto as Schedule 5.1(w)(ii) is a true and complete list of all RM employee welfare plans (the "RM Welfare Plans") providing for benefits to New Cali Employees pursuant to Section 23, and the RM 401(k) Savings Plan (the "RM 401(k) Plan"; together with the RM Welfare Plans collectively, the "RM Plans").

(iii) RM has complied and currently is in compliance in all material respects, both as to form and operation, with the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Internal Revenue Code of 1986, as amended (the "Code"), with respect to each RM Plan. To the extent applicable, with respect to each RM Welfare Plan, RM has supplied CRLP with a true and complete copy of: (A) the most recent annual report on the applicable Form 5500 series filed with the Internal Revenue Service (including all attachments filed), (B) the employee benefit plan including all amendments thereto, (C) each trust agreement and insurance contract relating to such employee benefit plan, including all amendments thereto, and (D) the most recent summary plan description for such employee benefit plan, including all amendments thereto. With respect to the RM 401(k) Plan, RM has supplied CRLP with the most recent determination letter issued by the Internal Revenue Service with respect to such employee benefit plan. With respect to collective bargaining agreements which cover New Cali Employees, RM has supplied CRLP with a true and complete copy of each collective bargaining agreement currently in effect including all amendments thereto.

(iv) Notwithstanding anything else set forth herein, other than routine claims for benefits (i) there are no pending claims, threatened litigation (which has been communicated to RM in writing), administrative actions or proceedings involving any of the RM Welfare Plans by any participant in such plan or by any other person, including, without limitation, any governmental agency, and (ii) RM has not incurred any material liability with respect to any of the RM Welfare Plans that is currently due and owing and has not yet been satisfied, including, without limitation, under ERISA, the Code or other applicable law, and no event has occurred, and, to the knowledge of the current partners of RM, there exists no condition or set of circumstances (other than liability for benefits under the normal terms of any of the RM Welfare Plans), that could result in the imposition of any material liability on RM with respect to any of the RM Welfare Plans, including, without limitation, under ERISA, the Code or other applicable law with respect to any of the RM Welfare Plans or pursuant to which CRLP may incur liability or have liability attributed to it under any Federal, state or local law as a result of the transactions contemplated by this Agreement. To the knowledge of RM, there are no facts or circumstances that could subject any of the RM Welfare Plans, related trusts, trustees, administrators or fiduciaries of any of the RM Welfare Plans, or CRLP or any person dealing with any of the RM Welfare Plans to any penalties or excise taxes under Section 4971 through 4980B (inclusive) of the Code.

(x) Except as required by applicable law or provided in any insurance policy listed in Schedule 5.1(x) hereto, RM has not committed itself, orally (but only to the extent an oral commitment has been made to provide a material benefit) or in writing, (A) to provide or cause to be provided to any New Cali Employee any payments or provision of any material "welfare" or "pension" benefits (as defined in Sections 3(1) and 3(2) of ERISA) in addition to, or in lieu of, those payments or benefits set forth under any of the RM Plans, (B) to continue the payment of, or accelerate the payment of, benefits under any of the RM Plans, except as expressly set forth thereunder, or (C) to provide or cause to be provided any severance or other post-employment benefit, salary continuation, termination, disability, death, retirement,

health or medical benefit to any New Cali Employee, except as set forth under any of the RM Welfare Plans or as may be required by law. In addition, except as required by applicable law, RM does not have any obligations for post-retirement or post-employment benefits under any of the RM Welfare Plans that cannot be terminated upon no more than sixty (60) days notice without incurring any liability thereunder.

(y) (i) RM does not own or operate any property which any Governmental Authority has demanded in writing, addressed to and received by RM or any of its affiliates, counsel or agents, be cleaned up and which has not been cleaned up.

(ii) Except as disclosed in Schedule 5.1(y)(ii), to RM's knowledge, no Contaminants have been Discharged which relate to the Real Property and the Option Properties which would allow a Governmental Authority to demand that a cleanup be undertaken.

(iii) To the knowledge of RM, no ss.104(e) informational request has been received by RM issued pursuant to CERCLA, with respect to the Real Property or the Option Properties.

(iv) To the knowledge of RM, all pre-existing aboveground and underground storage tanks and vessels, if any, at the Real Property and the Option Properties have been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws, except as set forth on Schedule 5.1(y)(iv).

(v) To the knowledge of RM, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws on the Real

Property or the Option Properties, except as set forth on Schedule 5.1(y)(v).

(vi) To the knowledge of RM, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property or the Option Properties, are identified in Schedule 5.1(y)(vi) and are in compliance with all Environmental Laws.

(vii) To the knowledge of RM, RM has all material certificates, licenses and permits (the "Permits"), including, without limitation, environmental Permits, required to operate the Real Property and the Option Properties, except as set forth in Schedule 5.1(y)(vii). To RM's knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property or the Option Properties, as the case may be, without additional payment by CRLP, and shall, upon closing, be transferred to CRLP by RM.

(viii) The Real Property and the Option Properties have not been used during the period of RM's ownership or, to the knowledge of RM, previously, as solid waste management facilities as defined in New York Environmental Conservation Law ss.27-0701.

(ix) RM has not, and shall not knowingly permit any person or entity to engage in any activity on the Real Property or the Option Properties, in violation of Environmental Laws.

(x) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(A) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(B) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property or the Option Properties, as the case may be, regardless of whether the result of an intentional or unintentional action or omission.

(C) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of RM concerning the Property or the Option Properties, as the case may be, or their environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent, sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental Authority.

(D) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(z) RM and each of its affiliated entities have paid all Taxes due and payable prior to the Closing and timely filed all returns and reports required to be filed prior to the Closing with respect to the ownership and operation of the Real Property and Option Properties (by it or any predecessor entity) for which CRLP could be held liable or a claim made against the acquired property. Each such tax return or report is true and correct in all material respects. RM and each of its affiliated entities have paid or provided for a reserve for all taxes

related to the period ending on the Closing Date but required to be paid after the Closing Date with respect to the operation of the Real Property and the Option Properties (by it or any predecessor entity) for which CRLP could be held

liable or a claim made against the acquired property. Except as set forth in Schedule 5.1(z), there are no audits or other proceedings by any Governmental Authorities pending or, to the knowledge of RM and each of its affiliated entities, threatened with respect to the Taxes resulting from the ownership and operation of the Real Property and the Option Properties (by it or any predecessor entities) for which CRLP could be held liable or a claim made against the acquired property and no agreement extending the period for assessment and collection has been executed with respect thereto. To the knowledge of RM and each of its affiliated entities, no assessment of Taxes is proposed against RM (including any predecessor entities), the Real Property or the Option Properties. RM is not party to, and has no liability under (including liability with respect to a predecessor entity), any indemnification, allocation or sharing agreement with respect to Taxes.

(aa) RMC LLC is the successor in interest to the Robert Martin Company, which entity owned and operated certain of the Real Property prior to July 16, 1996, the date on which RMC LLC succeeded to the Real Property owned by the Robert Martin Company. As of January 1, 1993, the Robert Martin Company and RMENC collectively owned legal and beneficial interest in the Real Property (CRLP acknowledging that the foregoing does not constitute a representation as to title, but rather as to the continuation of the business).

(bb) Annexed hereto as Schedule 5.1(bb) is a listing of the following, which is true, complete and correct in all material aspects for each Real Property contributed to CRLP: (i) its adjusted basis as of December 31, 1996; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(cc) (i) The Associations have not borrowed money.

(ii) No person or entity is delinquent in any payments of assessments or maintenance fees owed to any Association.

(iii) No Association has committed to make any capital improvements to any Building in the future nor is any Association currently in the process of constructing or managing the construction of any capital improvements relating to any Building.

(iv) There are no suits, judgments or violations of any laws, ordinances or regulations relating to any Association nor is any Association currently involved in any form of litigation, mediation or arbitration.

(dd) No representation or warranty made by RM contained in this Agreement, and no statement contained in any document, certificate, Schedule or Exhibit furnished or to be furnished by or on behalf of RM to CRLP or any of its designees or affiliates pursuant to this Agreement contains or will contain any untrue statement of a material fact (taking into account any knowledge, materiality or other similar qualifiers contained therein) or, to RM's knowledge, omits or will omit to state any material fact necessary, in light of the

circumstances under which it was or will be made, in order to make the statements herein or therein not misleading or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(ee) As used throughout this Agreement, the phrases "to RM's knowledge," "to the knowledge of RM" or any similar derivation thereof, shall mean the actual knowledge of M. Berger, Weinberg, B. Berger, Jones, Mark Durno, Vice President of Construction, Greg Berger, Vice President of Property Management, Michael Grossman, Vice President of Leasing, Lloyd I. Roos, Hal Reiff and John Roche after due inquiry and investigation.

5.2 In order to induce Cali and CRLP to issue the RM Units, RM hereby acknowledges its understanding that the issuance of the RM Units is intended to be exempt from registration under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the "Act"). In furtherance thereof, RM represents and warrants to CRLP to as follows:

(a) RM and the Unit Holders are acquiring the RM Units solely for their own account for the purpose of investment and not as a nominee or agent for any other person and not with a view to, or for offer or sale in connection with, any distribution of any thereof other than to the Unit Holders. RM agrees and acknowledges that it is not permitted to offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of ("Transfer") any of the RM Units except as provided in this Agreement and the Agreement of Limited Partnership of CRLP, as amended through the date hereof (the "OP Agreement").

(b) RM and the Unit Holders are knowledgeable, sophisticated and experienced in business and financial matters; RM and the Unit Holders fully

understand the limitations on transfer described in this Agreement and the OP Agreement. RM and the Unit Holders are able to bear the economic risk of holding the RM Units for an indefinite period and are able to afford the complete loss of their investment in the RM Units; RM and the Unit Holders have received and reviewed the OP Agreement and copies of the documents filed by Cali since its inception under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and all registration statements and related prospectuses and supplements filed by Cali and declared effective under the Securities Act of 1933, as amended, since its inception (collectively, the "SEC Documents") and have been given the opportunity to obtain any additional information or documents and to ask questions and receive answers about such documents, Cali and CRLP and the business and prospects of Cali and CRLP which RM and the Unit Holders deem necessary to evaluate the merits and risks related to its investment in the RM Units; and RM and the Unit Holders understand and have taken cognizance of all risk factors related to the purchase of the RM Units.

(c) RM and the Unit Holders acknowledge that they have been advised that (i) the RM Units must be held indefinitely, and RM and the Unit Holders will continue to bear the economic risk of the investment in the RM Units, unless they are redeemed pursuant to the OP Agreement or are subsequently registered under the Act or an exemption from such

registration is available, (ii) it is not anticipated that there will be any public market for the Units at anytime, (iii) Rule 144 promulgated under the Act may not be available with respect to the sale of any securities of CRLP (and that upon redemption of the RM Units in CRLP for shares of Common Stock a new holding period under Rule 144 may commence), and CRLP has made no covenant, and makes no covenant, to make Rule 144 available with respect to the sale of any securities of CRLP (although Cali and CRLP have agreed to register the Common Stock pursuant to the Registration Rights Agreement), (iv) a restrictive legend as set forth in Section 5.4(a) below shall be placed on the certificates or instruments representing the RM Units, and (v) a notation shall be made in the appropriate records of CRLP indicating that the RM Units are subject to restrictions on transfer.

(d) RM and the Unit Holders also acknowledge that (i) the redemption of RM Units for shares of Common Stock is subject to certain restrictions contained in the OP Agreement; and (ii) the shares of said Common Stock which may be received upon such a redemption may, under certain circumstances, be restricted securities and be subject to limitations as to transfer , and therefore subject to the risks referred to in Section 5.2(c) above. Notwithstanding anything herein or in the OP Agreement to the contrary, RM hereby acknowledges and agrees that it and the Unit Holders may not exercise the Redemption Rights (as defined in the OP Agreement) until after the date which is one year from the Closing Date.

(e) RM and each of the Unit Holders is either an "accredited investor" (as such term is defined in Rule 501 (a) of Regulation D under the Act) or RM and each of the Unit Holders either alone or with its purchaser representative(s) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment.

5.3 All representations and warranties made by RM in this Agreement shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (b), (c) and (z) of Section 5.1 shall survive the Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate as to any of the matters which are contained in the representations and warranties made by RM in Section 5.1(e) of this Agreement, then RM's representations and warranties as to such matters shall terminate. RM agrees to indemnify and defend CRLP, and to hold CRLP harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by CRLP, by reason of or resulting from any breach, inaccuracy, incompleteness or nonfulfillment of the representations, warranties, covenants and agreements of RM contained in this Agreement to the extent same was not actually known at Closing by any senior executive officer of Cali or CRLP, up to a maximum liability of $25,000,000, except that such maximum liability is subject to the provisions of Section 5.6. In addition, CRLP shall not have a right to bring a claim against RM by virtue of any of the representations or warranties being false or misleading unless (i) such claim is brought on or prior to the date through which such representation or warranty survives, (ii) and until notice of the false or misleading representation or warranty has been given to RM

and RM has had a reasonable opportunity to cure same and (iii) the aggregate damages to CRLP resulting from such false, misleading or untrue representations and warranties are reasonably expected to exceed $750,000, but thereafter CRLP may bring a claim against RM for the entire amount of its aggregate damages up to $25,000,000. RMC LLC and RMENC shall be jointly and severally liable for any damages hereunder.

5.4 (a) (i) RM hereby acknowledges that each Permanent Certificate and Recapture Certificate representing the RM Units shall bear the following legend:

"THE UNITS REPRESENTED BY THIS CERTIFICATE OR INSTRUMENT MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF THE PARTNERSHIP AGREEMENT DATED AS OF AUGUST 31, 1994 AS AMENDED AS OF JANUARY 16, 1997 (A COPY OF WHICH IS ON FILE WITH THE OPERATING PARTNERSHIP). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENT, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR (B) IF THE OPERATING PARTNERSHIP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER. IN ADDITION, THE UNITS ARE SUBJECT TO THE PROVISIONS OF SECTION 18.1 OF A CERTAIN CONTRIBUTION AND EXCHANGE AGREEMENT DATED JANUARY 24, 1997 (A COPY OF WHICH IS ON FILE WITH THE OPERATING PARTNERSHIP)."

(ii) The Recapture Certificates shall also bear the following restrictive legend:

"THE UNITS ARE ALSO SUBJECT TO FORFEITURE PURSUANT TO THE TERMS OF THE CONTRIBUTION AND EXCHANGE AGREEMENT WHICH RIGHTS OF FORFEITURE ARE SUPERIOR TO THE RIGHTS OF ANY HOLDER, TRANSFEREE OR PLEDGEE OF THE UNITS."

(b) RMC LLC shall continue to hold legal and beneficial title to Eight Hundred Thousand (800,000) Units for the longer of (i) one (1) year following the Closing and (ii) the resolution of any claim asserted by CRLP within the one (1) year period following the Closing pursuant to Section 5.3 (the longer of (i) and (ii) being the "Representation Holding Period"), subject to no prior liens or encumbrances other than The Chase Manhattan Bank, its successors and assigns ("Chase"), subject to the agreement referenced in Section 10.2 (mm). RMC LLC agrees that throughout the Representation Holding Period, it shall have a net worth, on a current value basis, at least the same as its net worth as of the Closing after taking into

account the transactions contemplated by this Agreement, as evidenced by a statement of such net worth certified by the chief financial officer of RMC LLC attached hereto as Schedule 5.4 (b) which shall be reaffirmed at Closing; provided, however, that after the one (1) year period following the Closing, if any claims have been asserted by CRLP pursuant to Section 5.3, RMC LLC's net worth, on a current value basis, need only be equal to the aggregate amount of said claims up to a maximum amount of $25,000,000. For purposes of this Section 5.4 only, and in particular for the purposes of calculating from time to time the net worth of RMC LLC, the RM Units shall be valued as of the close of business on January 23, 1997.

(c) The RM Group agrees that during the Representation Holding Period, RMC LLC shall not voluntarily dispose of assets without substituting assets of reasonably equivalent or superior value or otherwise maintaining substantially the same net worth after said disposal; provided, however, that after the one (1) year period following the Closing, the RM Group's obligations shall only apply to the amount of any claims asserted by CRLP pursuant to Section 5.3 up to a maximum amount of $25,000,000.

5.5 RM acknowledges that it is not in a significantly disparate bargaining position with respect to CRLP in connection with the transaction contemplated by this Agreement and that RM was represented by legal counsel in connection with this transaction.

5.6 Notwithstanding anything to the contrary contained in Section 5.3, the right of CRLP to pursue a claim for a failure of RM to perform the obligations set forth in Sections 5.4(c), 7.2, 7.5, 7.7, 7.11, 11.2, 11.3, 11.11, 13.1, 15, 26.1 through 26.10 and 28.1 through 28.5 shall be without regard to a minimum in damages suffered, and shall not be subject to the cap on damages, as provided in Section 5.3, nor shall any recovery on account of a failure to perform in accordance with said Sections apply to the $25,000,000 cap.

6. REPRESENTATIONS AND WARRANTIES OF CALI AND CRLP.

6.1 In order to induce RM to perform as required hereunder, Cali and CRLP hereby jointly and severally warrant and represent the following:

(a) (i) CRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of CRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(ii) Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under

such other documents and instruments in order to permit CRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

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

(c) The RM Units to be issued to RM and/or the Unit Holders are duly authorized and, when issued by CRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Cali upon redemption of the RM Units or exercise of the Stock Options or Warrants are authorized (with respect to any Stock Options, the authorization is subject to subsequent stockholder approval at the next annual meeting of Cali) and will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same become exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(d) CRLP has furnished to RM a true and complete copy of the OP Agreement, as amended to date.

(e) Cali has caused to be delivered to RM copies of the SEC Documents and will cause to be delivered to RM copies of such additional documents as may be filed by Cali pursuant to the Act or the Exchange Act on or prior to the Closing Date. The SEC Documents were, and those additional documents filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(f) The consolidated financial statements included in the SEC Documents have been prepared in accordance with GAAP applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial

position of Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, the terms "Subsidiary" and "Subsidiaries" shall mean (i) any

entity of which Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority of the outstanding capital stock (or other shares of beneficial interest) or (y) at least a majority of the partnership, joint venture or similar interests, and (ii) any entity in which Cali (or other specified entity) is a general partner or joint partner, including without limitation CRLP; for purposes of Section 6.1(f) only, the terms "Subsidiary" or "Subsidiaries" shall specifically exclude Cali Services, Inc. and Grove Street Urban Renewal Corp., which are the only non-qualified REIT subsidiaries of Cali as of the date hereof.

(g) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Cali's and CRLP's knowledge, threatened, at law or in equity, against either of Cali or CRLP before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either of Cali or CRLP from performing its respective obligations pursuant to this Agreement. There are no judgments, decrees or orders entered on a suit or proceeding against Cali or CRLP, an adverse decision which might, or which judgment, decree or order does, adversely affect Cali's and CRLP's ability to perform its respective obligations pursuant to, or RM's rights under, this Agreement, or which seeks to restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the carrying out of this Agreement or the transactions contemplated hereby.

(h) The execution and delivery of this Agreement and the performance by each of Cali and CRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Cali or CRLP, including, without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Cali or CRLP is a party or by which Cali or CRLP is bound or affected.

(i) Except for CRLP and as set forth on Schedule 6.1(i), Cali and CRLP have no Subsidiaries and no interests or investments in any partnership, trust or other entity or organization. Each Subsidiary of Cali and CRLP listed on Schedule 6.1(i) has been duly organized, is validly existing and in good standing under the laws of the jurisdiction of its organization, has the corporate power and authority to own its properties and to conduct its business and is duly registered, qualified and authorized to transact business and is in good standing in each jurisdiction in which the conduct of its business or the nature of its properties requires such registration, qualification or authorization, except where the failure to be so registered, qualified or authorized and in good standing would not have a material adverse effect on Cali and its Subsidiaries, taken as a whole; all of the outstanding equity or other participating interests of each Subsidiary listed on Schedule 6.1(i) have been duly authorized and validly issued, are fully paid and non-assessable.

(j) Except as disclosed in the SEC Documents filed with the SEC prior to the date hereof or in Schedule 6.1(j), since September 30, 1996, Cali and each of its Subsidiaries has conducted its business only in the ordinary course of such business and has not (i) sold or acquired any real estate or (ii) leased all or substantially all of any property or (iii) entered into any financing arrangements in connection therewith or (iv) granted an option to purchase or lease all or substantially all of any property or (v) entered into a contract, letter of intent, term sheet or other similar instrument to do any of the foregoing and there has not been any change, circumstance or event that has resulted in a material adverse effect on the business properties, results of operations or financial condition of Cali and its Subsidiaries, taken as a whole.

(k) Except as set forth on Schedule 6.1(k), neither Cali nor any Subsidiary has any material liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) except for (i) liabilities or obligations reflected or reserved against in its September 30, 1996 unaudited consolidated balance sheet, (ii) liabilities and obligations relating to outstanding leases that are not required to be disclosed under GAAP and (iii) current liabilities incurred in the ordinary course of business since the date of such balance sheet.

(l) (i) As of the second business day immediately preceding the date hereof: (A) the authorized capital stock of Cali consisted of 95,000,000 shares of its Common Stock and 5,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Stock"); (B) the issued and outstanding shares of capital stock of Cali consisted of 36,318,937 shares of Common Stock; (C) no shares of Preferred Stock were outstanding; and (D) all the outstanding shares of capital stock of Cali have been duly and validly issued and are fully paid and non-assessable.

(ii) As of the second business day immediately preceding the date hereof: (A) the issued and outstanding Units consist of 2,689,945 Units; and (B) if the RM Units had been issued on said date, the RM Units would have constituted 34.25 % of the Units.

(iii) Except for the RM Units, the Warrants and the conversion or exchange rights which attach to the warrants, options and convertible securities which are listed on Schedule 6.1(l)(iii), as of the date hereof and except for the existing outstanding Units and options granted under the Cali Employee and Director Stock Option Plans (as to which 1,528,107 shares are issuable as of the second business day immediately preceding the date hereof subject, in certain cases, to vesting requirements), there are no shares of Common Stock or any other equity security of Cali issuable upon conversion or exchange of any security of Cali as of the date hereof. As of the date hereof, no stockholder of Cali is entitled to any preemptive or similar rights to subscribe for shares of capital stock of Cali.

(m) (i) Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1996 as a real estate investment trust within the meaning of Sections 856 and 857 of the Code ("REIT"), (B) has complied with all applicable provisions of the Code relating to a REIT for 1994 and 1995, (C) has operated, and intends to continue to operate, in such a manner as to qualify as a REIT for 1996 and (D) has not taken or omitted to

take any action which would reasonably be expected to result in a challenge to its status as a REIT, and no such challenge is pending or, to Cali's knowledge, threatened.

(ii) Cali has timely filed with the appropriate taxing authorities all tax returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such tax return is complete and accurate in all aspects. All taxes shown as owed by Cali or any of its Subsidiaries on any tax return have been paid or accrued, except for taxes being contested in good faith and for which adequate reserves have been taken. None of Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax. Except as set forth in Schedule 6.1(m)(ii), none of Cali or any of its Subsidiaries is a party to any material pending action or proceedings by any taxing authority for assessment or collection of any Tax, and no material claim for assessment or collection of any Tax has been asserted against it. True and complete copies of all federal, state and local income or franchise tax returns filed by Cali and each of its Subsidiaries for 1994 and 1995 and all communications relating thereto will be delivered to RM or have been or will hereafter promptly be made available to representatives of RM. No claim has been made by an authority in a jurisdiction where Cali or any of its Subsidiaries does not file tax returns that it is or may be subject to taxation by the jurisdiction. Except as set forth in Schedule 6.1(m)(ii), there is no material dispute or claim concerning any Tax liability of Cali or any of its Subsidiaries, (A) claimed or raised by any taxing authority in writing or (B) as to which Cali or any of its Subsidiaries has knowledge, and neither Cali nor any of its Subsidiaries has entered into or intends to enter into any agreements with any taxing authority, including but not limited to closing agreements.

(iii) To its knowledge, as of the date hereof, Cali is a "domestically-controlled" REIT within the meaning of Code Section 897(h)(4)(B).

(iv) Cali represents and warrants that to its knowledge, except as set forth in Schedule 6.1(m)(iv), no person or entity which would be treated as an "individual" for purposes of Section 542(a)(2) of the Code (as modified by Section 856(h) of the Code) owns or would be considered to own (taking into account the ownership attribution rules under Section 544 of the Code, as modified by Section 856(h) of the Code) in excess of 9.8% of the value of the outstanding equity interest in Cali.

(v) Cali represents and warrants that (A) each Subsidiary organized as a partnership including, without limitation, CRLP (and any other Subsidiary that files tax returns as a partnership for federal income tax purposes) was and continues to be classified as a partnership for federal income tax purposes; and (B) each corporation or association which is taxable as a corporation for federal income tax purposes and in which Cali has a direct or indirect interest is either (i) a "qualified REIT subsidiary", as such term is defined in Code Section 856(i), or (ii) a corporation of which less than ten (10%) percent of the voting securities are owned by Cali and of which the total securities owned by Cali represent less than five percent of the value of the total assets of Cali, within the meaning of Code Section 856(c)(5).

(n) Neither Cali nor any of its Subsidiaries is in default under, or in violation of, any provision of its organizational documents.

(o) All of Cali's real property and other material assets are owned by Cali indirectly through its ownership of CRLP and CRLP's Subsidiaries and certain subsidiaries of Cali.

(p) Neither Cali nor CRLP has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Cali's or CRLP's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Cali's or CRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Cali's or CRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(q) Schedule 6.1(q) annexed hereto sets forth a true and complete list of all committees established by the Board of Directors of Cali (the "Board").

(r) Schedule 6.1(r) sets forth the only agreements Cali has entered into with John J. Cali, Angelo Cali, Ed Leshowitz, John R. Cali, Brant Cali and Thomas Rizk in the nature of non-competition, employment and compensation agreements, other than agreements in the normal course of corporate practice or agreements applying to every officer, director or both. Each agreement set forth in Schedule 6.1(r) is in full force and effect. True and complete copies of each such agreement have been delivered to RM.

(s) Except for the OP Agreement, this Agreement and as set forth on Schedule 6.1(s) annexed hereto, there are no stockholders' agreements, partners' agreements, voting trust agreements or other restrictive agreements relating to the sale or voting of the Units or the Common Stock.

6.2 Each of Cali and CRLP acknowledges that it is not in a significantly disparate bargaining position with respect to RM in connection with the transaction contemplated by this Agreement and that Cali and CRLP were represented by legal counsel in connection with this transaction.

6.3 All representations and warranties made by Cali and CRLP in this Agreement shall survive the Closing Date for a period of one (1) year, except that (a) the representations and warranties set forth in clauses (a), (b), (c), (d) and (l) of Section 6.1 shall survive the Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed; and (b) the representations and warranties set forth in clauses m(ii) and (iii) shall not survive the Closing Date. Cali and CRLP agree to indemnify and defend RM, and to hold RM harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred

by RM, by reason of or resulting from any breach, inaccuracy, incompleteness or nonfulfillment of the representations, warranties, covenants and agreements of Cali and CRLP contained in this Agreement to the extent same was not actually known at Closing by any senior executive officers of RM, up to a maximum liability of $25,000,000, except that such maximum liability is subject to the provisions of Section 6.4. In addition, RM shall not have a right to bring a claim against Cali or CRLP by virtue of any of the representations or warranties being false or misleading unless (i) such claim is brought on or prior to the date through which such representation or warranty survives, (ii) and until notice of the false or misleading representation or warranty has been given to CRLP and CRLP has had a reasonable opportunity to cure same and (iii) the aggregate damages to RM resulting from such false, misleading or untrue representations and warranties are reasonably expected to exceed $750,000, but thereafter RM may bring a claim against Cali or CRLP for the entire amount of its aggregate damages up to $25,000,000. Cali and CRLP shall be jointly and severally liable for any damages hereunder.

6.4 Notwithstanding anything to the contrary contained in Section 6.3, the right of RM to pursue a claim for a failure of CRLP or Cali to perform the obligations set forth in Sections 1.3, 2.2(e), 2.2(h), the last sentence of 11.1(a), 11.2, 11.3, 11.9, 11.11, 13.1, 15, 19, 23, 26, 27, 29.11, 29.12 and 29.13 shall be without regard to a minimum in damages suffered, and shall not be subject to the cap on damages, as provided in Section 6.3, nor shall any recovery on account of a failure to perform in accordance with said Sections apply to the $25,000,000 cap.

7. COVENANTS OF RM.

7.1 RM covenants and agrees that between the date hereof and the Closing Date it shall perform or observe the following with respect to the Real Property:

(a) RM will operate and maintain the Real Property in the ordinary course of business and use reasonable efforts to reasonably preserve for CRLP the relationships of RM and RM's Tenants, suppliers, managers, employees and others having on-going relationships with the Real Property. RM will complete any capital expenditure program currently in process and anticipated to be completed at or prior to Closing. RM will not defer taking any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(b) RM, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without CRLP's prior written consent; provided, however that RM shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of, CRLP so long as such lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which RM currently enters into in the ordinary course of its business.

(c) RM shall not:

(i) Enter into any agreement requiring RM to do work for any Tenant after the Closing Date without first obtaining the prior written consent of CRLP unless

such agreement, in RM's reasonable opinion, is on market terms and conditions with bona fide third parties and is the type of agreement which RM currently enters into in the ordinary course of its business, in which case no consent of CRLP will be required; or

(ii) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, except in its ordinary course of business on market terms, with bona fide third parties and upon prior written notice to CRLP.

(iii) Establish, adopt or amend any employee benefit plans (severance or otherwise) or collective bargaining agreement, grant any options, or increase in any manner the compensation or fringe benefits of any director, officer or employee or other personnel (whether employees or independent contractors) or pay any benefit not payable under any existing agreement or RM Plan, except (A) in the ordinary course of business and consistent with past practices and as required by law, provided that, before entering into any employment agreement or increasing or agreeing to increase the compensation, bonuses or other benefits of any employee in the ordinary course of business and as required by law, RM shall first have consulted in good faith with Cali and/or CRLP with respect to the terms of any such employment agreement or increase in compensation, bonuses or other benefits; or (B) in connection with the transactions contemplated by this Agreement for which Cali or CRLP would not have any liability.

(d) RM shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business.

(e) Between the date hereof and the Closing Date, RM will not renew, extend or modify any of the Service Contracts without the prior written consent of CRLP unless such is done by RM in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of CRLP will be required.

(f) RM shall not remove any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to CRLP, other than expressly provided herein.

(g) RM shall, upon request of CRLP at any time after the date hereof, assist CRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as CRLP may reasonably request, covering the period of RM's ownership of the Real Property.

(h) Between the date hereof and the Closing Date, RM will make all required payments under any mortgage affecting the Real Property (other than payments due at stated maturity) within any applicable grace period, but without reimbursement by CRLP

therefor. RM shall also comply with all other material terms covenants, and conditions of any mortgage on the Real Property.

(i) RM shall not cause or permit the Real Property, or any interest therein, to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(j) RM agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining.

(k) RM shall permit CRLP and its authorized representatives to inspect the Books and Records of its operations at all reasonable times upon reasonable notice. All Books and Records not conveyed to CRLP hereunder shall be maintained for CRLP's inspection at RM's address as set forth above.

(l) RM shall:

(i) promptly notify CRLP of, and promptly deliver to CRLP, a certified true and complete copy of any notice RM may receive, on or before the Closing Date, from any Governmental Authority, concerning a violation of Environmental Laws or Discharge of Contaminants.

(ii) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by RM or its representatives, deliver to CRLP a certified true and complete copy of all Environmental Documents.

(m) RM shall diligently pursue obtaining waivers of any rights of first refusal for the Property presently held by any third parties, and shall provide CRLP with copies of all requests for such waivers.

(n) RM, at its sole cost and expense, shall complete all work under construction at the Property, including the work shown on Schedule 5.1(f), in accordance with the obligation giving rise to such work having to be performed, and shall obtain and deliver to CRLP, as soon as practical, all final certificates of completion and occupancy, or other documentation reasonably satisfactory to CRLP, evidencing the acceptance of said work by all appropriate governmental authorities having jurisdiction thereover and the party for whom the work is being so performed; said obligations shall survive Closing.

7.2 No later than February 28, 1997, RM shall deliver to CRLP the Property Financials certified by Ernst & Young, LLP or another internationally recognized firm of certified public accountants for the calendar years 1994, 1995 and 1996, and reviewed by such accountants for the period from January 1, 1997 through the Closing, in all instances prepared in accordance with the standards and presenting the type of information as described in Section 5.1(v). RM shall bear the cost and expense for the preparation and delivery of same for the calendar years 1994 and 1995, and RM and Cali shall share equally the cost and expense for the preparation and delivery of same for the calendar year 1996, provided, however, that Cali's share

of said costs for the 1996 statements shall not exceed $34,000. All of said statements shall show no material adverse change from the financial statements delivered to CRLP on or prior to the Closing. No later than thirty (30) days from the Closing Date, RM shall also deliver to CRLP, from the accountants certifying the foregoing information, a comfort letter covering the Property charts and tables described on Schedule 7.2.

7.3 RM covenants and agrees that it shall timely provide CRLP with drafts of any pertinent documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of tenants and shall keep CRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

7.4 RM covenants and agrees that the RM Group shall work with and assist CRLP in order for CRLP to become a licensed real estate broker in New York and Connecticut. If CRLP, for any reason, does not become licensed as aforementioned, the parties shall agree upon a mechanism to provide for payment of the Third Party Management Fees from a licensed party to CRLP. The provisions of this Section 7.4 shall survive the Closing Date.

7.5 It is the intention of the parties that from and after the Closing, CRLP have all of the rights attendant to the "Declarant" under those certain recorded declarations (the "Declarations") affecting the Real Property, the "Associations" formed pursuant to the Declarations (the "Associations"), and any income, payments, receipts or other amounts to which any of the Associations is due and owed. As of the date hereof, the mechanism for transferring said rights and obligations has not yet been finalized. Therefore, from and after the Closing, RM covenants and agrees to permit CRLP to exercise any rights granted

to RM or its successors pursuant to the Declarations and in connection with the Associations, and to promptly act upon any reasonable requests made by CRLP in furtherance thereof. RM and the Associations shall not take any actions with respect to the Declarations, including, but not limited to, levying any assessments or commencing any improvements, without the prior written consent of CRLP. In the event that the Associations succeed to the rights of the Declarants pursuant to the Declarations, RM agrees to cooperate with CRLP to enable CRLP to become entitled to said rights. RM shall also cooperate with CRLP to transfer to CRLP, Cali or an affiliate all of the rights attendant to the Declarant and the Associations arising from and after the Closing. The provisions of this Section 7.5 shall survive the Closing Date.

7.6 As soon as is practicable after the Closing, RM covenants and agrees to change the name of any of its affiliates containing the words "Robert Martin", except for Glorious Sun Robert Martin, L.L.C., so as to delete such words from such name.

7.7 The garage at the portion of the Real Property known as 3 Barker Avenue, White Plains, New York requires waterproofing, and certain structural deficiencies related to water problems require correction (collectively, the "Property Repairs"). CRLP agrees to perform the Property Repairs and engage a contractor selected by RM, provided that said

contractor is reasonably acceptable to CRLP and agrees to perform the Property Repairs pursuant to RM's plans and specifications, which plans and specifications shall be subject to CRLP's reasonable approval. CRLP shall pay up $250,000 for the total costs and expense related to the Property Repairs, including the cost of permits, fees, reports, materials and supplies, and the RM Group shall be jointly and severally liable to CRLP for any costs and expenses in excess of $250,000, which liability shall be affirmed in the acknowledgment set forth in Section 10.2 (kk) hereof. The provisions of this Section 7.7 shall survive the Closing.

7.8 Deleted prior to execution.

7.9 With respect to the property generally known and referred to as Westchester Financial Center ("WFC"), consisting of 50 Main Street, 25 Martine Avenue and 11 Martine Avenue, which CRLP is to acquire, CRLP agrees to the utilization of the parking garage within WFC as contemplated by the Westchester Financial Center Parking Agreement (the "Parking Agreement") dated as of December 31, 1996 between 24/25 Maintenance Association, Inc. and RMAP Partners ("RMAP"). Notwithstanding the reference to an "Underlying Agreement" in the Parking Agreement, RM warrants and represents that no such document has been executed as of the date hereof. At the request of RM, CRLP agrees not to unreasonably withhold, delay or condition its consent and approval to the terms and conditions of RMAP's requests relating to the use of the parking garage as contemplated by the Parking Agreement. Upon such consent and approval, and provided CRLP receives the documents described in Sections 10.2 (ll), CRLP shall implement such agreements (the "Parking License") consistent with its approval as shall be necessary to implement the parking rights contemplated by the Parking Agreement. The provisions of this Section 7.9 shall survive the closing.

7.10 For a period of up to two (2) years after the Closing, RM agrees that CRLP may use, at its discretion, the RISC computer, which RM agrees to maintain at no cost to CRLP.

7.11 RM covenants and agrees to remove all liens and security interests of any kind from the Personal Property set forth as Schedule 7.11 annexed hereto within thirty (30) days after the Closing.

8. OPTION PROPERTIES.

8.1 At the Closing, CRLP shall loan to the record owner(s) of the Option Properties the sum of Eleven Million Six Hundred Thousand ($11,600,000) Dollars (the "Option Loan"), which Option Loan shall be on terms and conditions set forth in, and evidenced by, a note and shall be secured by, among other things, a cross-collateralized and cross-defaulted mortgage (the "Option Mortgage") together with note and mortgage modification, consolidation and spreader agreements to preserve the existing liens encumbering the Option Properties, title to which shall be subject to the encumbrances set forth in Section 4.1(a) through (k) and on Schedule 8.1-a annexed hereto, a joint and several guaranty given by M. Berger, Weinberg, B. Berger and Jones (the "Personal Option Guaranty"), UCC-1 financing

statements, assignments of leases and rents, environmental indemnity and such other documents as are reasonably required by CRLP which are consistent with

documents normally required by prudent lenders. All of the documents set forth in this Section 8.1 other than the environmental indemnity shall be substantially in the form of Exhibit 8.1-b. Notwithstanding the foregoing, in the event legal title to 200 remains with the Yonkers Industrial Development Authority ("YIDA"), then the documents will be modified (a) to maintain the non-recourse nature of the Option Loan to YIDA's interest in 200, (b) to provide that a default with respect to 200 will constitute a default with respect to Skyline but that a default with respect to Skyline will not constitute a default with respect to 200 and (c) the mortgage to be recorded against 200 shall be in the amount of $4,600,000 and the mortgage to be recorded against Skyline shall be in the amount of $7,000,000. In addition, the environmental indemnity shall be as reasonably agreed to by the parties.

8.2 (a) The Option Mortgage shall be recorded against the Option Properties and RM shall provide CRLP or its designee with title insurance insuring the first priority lien of the Option Mortgage.

(b) All costs and expenses, except fees payable to CRLP's attorneys, incurred in connection with the Option Loan shall be borne by RM, including, but not limited to, payment of a loan origination fee in the amount of Three Hundred Forty-Eight Thousand ($348,000) Dollars (the "Option Loan Origination Fee").

(c) The Option Loan shall also contain such other terms and conditions as CRLP and its counsel shall reasonably require.

8.3 At the Closing, the owner(s) of the Option Properties and CRLP or its designee shall enter into an agreement (the "Put-Call Agreement") in recordable form, substantially in the form of Exhibit 8.3, whereby said owners and CRLP, or its designee, shall have certain rights to sell and purchase, respectively, the Option Properties on the terms and conditions more particularly set forth therein. The Put-Call Agreement shall be recorded against the Option Properties.

9. ESTOPPEL CERTIFICATES.

9.1 RM agrees to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form previously agreed upon by RM and CRLP for Tenant's execution, completed to reflect the Tenant's particular Lease status. RM agrees to use commercially reasonable efforts to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, RM shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver same as provided in its Lease. RM agrees to deliver to CRLP copies of all estoppel letters received by Tenants in the form received by RM. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

9.2 As a condition to Closing, RM shall deliver (a) an Estoppel Certificate from all but two (2) of the Tenants which lease space at the Real Property in excess of 25,000 square feet or more in the aggregate and (b) Estoppel Certificates from the remaining Tenants leasing at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in clause 9.2(a) above.

10. CLOSING.

10.1 The consummation of the transactions contemplated hereunder (the "Closing") shall take place at the offices of Pryor, Cashman, Sherman & Flynn, 410 Park Avenue, New York, New York 10022 on or about January 31, 1997 (the "Closing Date").

10.2 On the Closing Date, RM, at its sole cost and expense, will deliver or cause to be delivered to CRLP the following documents, fully executed by all parties thereto other than CRLP or parties claiming by, through or under CRLP:

(a) Bargain and Sale Deeds or for any property situated in Connecticut, Warranty Deeds (collectively, the "Deeds") with covenant in proper statutory form for recording so as to convey to CRLP good and marketable title to the Land, free and clear of all liens and encumbrances, except the Permitted Encumbrances. The delivery of each Deed shall also be deemed to constitute a transfer of the Personal Property associated with the Land conveyed by the Deed; the delivery of all of the Deeds shall be deemed to constitute a transfer of the balance of the Personal Property to CRLP. No portion of the Purchase Price is attributable to the Personal Property.

(b) All original Leases and Ground Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where RM, using its best efforts, is unable to deliver originals of same.

(c) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and Records, and certified copies of same where RM, using its best efforts, is unable to deliver originals.

(d) A letter to Tenants advising the Tenants of the transaction hereunder and directing that rent and other payments thereafter be sent to CRLP or its designee, as CRLP shall so direct.

(e) Duly executed and acknowledged assignment and assumption of all Leases, Rents and Security Deposits substantially in the form previously agreed to by the parties.

(f) Duly executed and acknowledged omnibus assignment substantially in the form previously agreed to by the parties ("Omnibus Assignment").

(g) Deleted prior to execution.

(h) An affidavit, and such other document or instruments required by the Title Company, executed by RM certifying (i) against any work done or supplies delivered to the Real Property which might be grounds for a materialman's or mechanic's lien under or pursuant to New York Lien Law, in form sufficient to enable the Title Company to affirmatively insure CRLP against any such lien, (ii) that the signatures on the Deed are sufficient to bind RM and convey the Property to CRLP and (iii) the Rent Roll.

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

(j) The original Estoppel Certificates.

(k) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit CRLP to realize upon same.

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

(m) A Rent Roll for each Real Property, Skyline and 200, current as of the Closing Date, certified by RM as being true and correct in all material respects.

(n) All proper instruments as shall be reasonably required for the conveyance to CRLP of all right, title and interest, if any, of RM in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, Improvements or Ground Leases or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (z) for any taking in condemnation or eminent domain of any part of the Land, Improvements or Ground Leases.

(o) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate signed by an officer of RM to the effect that RM is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(p) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by RM as may be required of RM by law in connection with the conveyance of the Property to CRLP, including but not limited to, Internal Revenue Service forms.

(q) A statement setting forth all adjustments and prorations shown thereon.

(r) A Tradenames Assignment Agreement substantially in the form previously agreed to by the parties.

(s) Non-Competition Agreements from M. Berger and Weinberg

substantially in the form of Exhibit 10.2(s).

(t) Employment Agreements with B. Berger and Jones substantially in the form of Exhibit 10.2(t).

(u) Estoppel certificate addressed to CRLP from Teachers in form and substance reasonably acceptable to CRLP.

(v) (i) The Put-Call Agreement substantially in the form of Exhibit 8.3; (ii) the Personal Option Guaranty substantially in the form of Exhibit 8.1; (iii) the documents evidencing and securing the Option Loan substantially in the form of Exhibit 8.1; and (iv) an opinion of counsel from Battle Fowler LLP regarding the due execution, delivery and enforceability of this Agreement and the foregoing documents in form reasonably satisfactory to CRLP.

(w) The guaranties, if any, undertaken at RM's option, as provided for in Section 19 with respect to the Teachers Mortgage.

(x) Duly executed and acknowledged assignment and assumption of all Third Party Management Agreements, with consents of all necessary parties, substantially in the form previously agreed to by the parties.

(y) Duly executed and acknowledged assignment and assumption of all Ground Leases substantially in the form previously agreed to by the parties.

(z) License between CRLP and RM for a portion of space not to exceed 3,852 square feet at 100 Clearbrook Road, Elmsford, New York in substantially the form of Exhibit 10.2(z) annexed hereto.

(aa) Such other documents as may be reasonably required by CRLP or Teachers providing for the restructure of the Teachers Mortgage as provided herein.

(bb) Duly executed and acknowledged Rights of First Offer for each of the Development Sites set forth in Schedule 26.1 substantially in the form of Exhibit 26.1 annexed hereto, each of which shall be recorded against the respective Development Site affected thereby. Notwithstanding such recordation, RM acknowledges that the "Offer Right" with respect to "Capital Improvements" (all as noted in Exhibit 26.1) is not limited to a particular

Development Site, but is applicable generally to the States of New York, New Jersey, Connecticut and Pennsylvania..

(cc) Letter of direction regarding the issuance of the RM Units to the Unit Holders from the legal and beneficial owners of the Property. The signatories of said letter are also to acknowledge that they are the legal and beneficial owners of same.

(dd) Estoppel letters addressed to RM, its successors and assigns from the lessors under the Ground Leases in form and substance reasonably acceptable to CRLP.

(ee) Waivers of rights of first refusal, or evidence of the lapse of said rights, in form reasonable satisfactory to CRLP, with respect to any of the Property which is subject to said rights.

(ff) A reaffirmation of the statement of the net worth of RMC LLC set forth in Schedule 5.4(b).

(gg) Leases, either fully executed or executed by the tenants thereunder, for the two (2) spaces currently being used as health club facilities at the buildings commonly known as 150 Clearbrook Road, Elmsford, New York and One Odell Plaza, Yonkers, New York, on a standard form of lease for "flex" space currently used by RM, and which provide for fixed rent of not less than nine ($9.00) dollars per square foot.

(hh) To the extent not previously delivered, the Property Financials for the years ending December 31, 1993, 1994 and 1995 and for the period of January 1, 1996 through September 30, 1996, certified by the chief financial officer of RM.

(ii) Evidence of compliance with the Connecticut Transfer Act or the affidavit described in Section 12.2(e).

(jj) With respect to the Declarations, evidence that all Association common charges, assessments, maintenance payments and other items of a similar nature are current and paid through the Closing Date.

(kk) Acknowledgment by M. Berger, Weinberg, B. Berger and Jones (i) that they will each be liable for cost overruns resulting from the Property

Repairs to be performed pursuant to Section 7.7 hereof and (ii) that they shall be personally liable for a violation of the covenants set forth in Section 5.4(c).

(ll) An assignment of the Parking License, as well as an opinion addressed to CRLP from the law firm of Cuddy and Feder and Worby that the execution of, and performance under, the Parking Agreement and any documents executed in connection therewith does not require the consent or acknowledgment of Teachers or any other "party-in-interest" at the Westchester Financial Center.

(mm) An acknowledgment from Chase that the right and ability of CRLP to recapture the RM Units which are evidenced by the Recapture Certificate are superior to any claims which Chase may have to such RM Units and that CRLP's rights to the balance of the RM Units are subordinate to any claim or lien of Chase to such RM Units.

(nn) A consent to the transfer of RM Units substantially in the form of Exhibit 10.2(nn) annexed hereto.

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

10.3 On the Closing Date, Cali and CRLP, at their sole cost and expense, will deliver or cause to be delivered to RM the following documents, fully executed by all parties thereto other than RM or parties claiming by, through or under RM:

(a) The Cash Payment, net of adjustments and prorations.

(b) The Permanent Certificates and Recapture Certificates representing, in the aggregate, the RM Units.

(c) Resolutions of the Board, effective as of the Closing Date, (i) expanding the Board by the addition of four (4) members, two of whom shall be designated by RM and appointed to three year terms and two of whom shall be designated by the current members of the Board; the new members to be so designated by the Board shall be independent of control by Cali; (ii) appointing Messrs. B. Berger and Jones as Executive Vice Presidents; (iii) approving the issuance of the Warrants to be issued to Messrs. B. Berger and Jones; (iv) approving the allocation of certain of the Warrants otherwise to be issued to Messrs. B. Berger and Jones at the Closing, in their sole discretion, to Greg Berger, Andrew Greenspan and Michael Grossman (the "Warrant Transferees"); and (v) amending Cali's stock option plan (the "Stock Option Plan") (subject to subsequent stockholder approval at Cali's next annual meeting) to increase the maximum number of options for Common Stock in an amount sufficient to permit an aggregate of 150,000 options for Common Stock in June 1997 and 150,000 options for Common Stock in June 1998 to be available for grant at the then current fair market value to certain New Cali Employees (and Messrs. B. Berger and Jones if and to the extent they have allocated Warrants to Warrant Transferees, as more particularly described in Section 29.11).

(d) Duly executed and acknowledged assignment and assumption of all Leases, Rents and Security Deposits substantially in the form previously agreed to by the parties.

(e) Duly executed and acknowledged Omnibus Assignment.

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

(g) Employment agreements with B. Berger and Jones substantially in the form of Exhibit 10.2(t) annexed hereto.

(h) Affidavits and other instruments, including but not limited to all organizational documents of Cali and CRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by RM evidencing the power and authority of Cali and CRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of same.

(i) An opinion of counsel of Pryor, Cashman, Sherman & Flynn substantially in the form previously agreed to by the parties and reasonably satisfactory to RM.

(j) A Registration Rights Agreement substantially in the form of Exhibit 10.3(j).

(k) Amendment to OP Agreement substantially in the form of Exhibit 10.3(k) reflecting admission of RM as limited partner.

(l) The Tradenames Assignment Agreement substantially in the form previously agreed to by the parties.

(m) Duly executed and acknowledged assignment and assumption of all Ground Leases substantially in the form previously agreed to by the parties.

(n) Deleted prior to execution.

(o) The management agreements contemplated under Section 2.2(b).

(p) A consent to the transfer of RM Units substantially in the form of Exhibit 10.2(nn).

(q) An acknowledgment from CRLP that the right and ability of CRLP to recapture the RM Units which are evidenced by the Recapture Certificate are superior to any claims which Chase may have to such RM Units and that CRLP's rights to the balance of the RM Units are subordinate to any claim or lien of Chase to such RM Units.

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

10.4 All transfer taxes and expenses on the Deeds, any state or county documentary stamps or transfer taxes on the Deeds and any taxes and recording charges to record the documents executed in connection with the Option Loan shall be paid by RM. RM shall pay all customary recordation charges, clerk's fees, taxes, transfer and recording charges. CRLP shall pay all title insurance premiums, title examination fees and survey costs. Each party shall be

responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

10.5 The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of RM related to periods prior to the Closing, such claims shall be the responsibility of RM, and RM shall jointly and severally indemnify, defend and hold harmless CRLP (and their respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

10.6 (a) Cali and CRLP acknowledge and agree that, except as set forth in this Agreement, CRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of RM. Cali and CRLP acknowledge that, except as set forth in this Agreement, and except for documents, reports and information related to the environmental integrity of the Real Property, the Option Properties, or both, neither Cali nor CRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or sketches, financial information, projections, proformas or statements, that may have been given by or made by or on behalf of RM. CRLP and Cali further acknowledge that, except as otherwise set forth herein, all materials relating to the Property which have been provided by RM, including but not limited to, the Phase I Reports, have been provided without any warranty or representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and neither CRLP nor Cali shall have any recourse against RM or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

(b) Cali and CRLP hereby acknowledge and agree that, except as set forth herein, they are not entitled to, and do not, rely on RM or its agents as to (i) the quality, nature, adequacy or physical condition, whether latent or patent, of the Property including, but not limited to, the structural elements, foundation, roof, appurtenances, access, landscaping parking facilities or the electrical, mechanical, HVAC, plumbing, sewage or utility system, facilities or appliances at or in connection with the Real Property, if any; (ii) the existence, quality, nature, adequacy, physical condition, or location of any utilities serving the Real Property; (iii) the development potential of the Real Property, its habitability, merchantability or fitness, suitability or adequacy of the Property for any particular purpose; (iv) the zoning or other legal status of the Real Property or the potential use of the Property; (v) the Real Property's or its operations' compliance with any applicable codes, laws, building codes, fire codes, regulations, statutes, ordinances, covenants,

conditions or restrictions of, or agreements with any governmental or quasi-governmental entity or of any other person or entity; (vi) the quality of any labor or materials relating in any way to the Real Property; or (vii) the condition of title to the Real Property or the nature, status and extent of any right, encumbrance, license, reservation, covenant, condition, restriction or any other matter affecting title to the Real Property.

11. ADJUSTMENTS.

11.1 The following items under (a) through (g) with respect to the Real Property and under (h) are to be apportioned as of midnight on the date preceding the Closing:

(a) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to CRLP and shall be applied by CRLP to current rents and other charges under the Leases. After application of such moneys to current rents and charges, CRLP agrees to remit to RM any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing, but subject to the provisions of Section 11.3 with respect to Additional Rents.

(b) Upon sufficient advance notice, a cashier's or certified check or wire transfer to the order of CRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. Upon prior notice to RM, at the election of CRLP, such amount may be allotted to CRLP as a credit against the Cash Payment.

(c) Utility charges payable by RM, including, without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, RM will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date. To the extent said meters are not read prior to Closing, CRLP will cause same to be read promptly thereafter and a pro-rata adjustment shall be made upon said reading.

(d) Amounts payable under the Service Contracts other than those Service Contracts which CRLP has elected not to assume.

(e) Real estate taxes due and payable for the calendar year or fiscal year, as applicable. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. If subsequent to the Closing Date, real estate taxes (by reason of change in either assessment or rate or for any other reason) for the Real Property should be determined to be higher or lower than those that are apportioned, a new computation shall be made, and RM agrees to pay CRLP any increase shown by such recomputation and vice versa.

(f) Short term interest due on the Option Loan.

(g) The value of fuel stored at any of the Real Property, at RM's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by RM's supplier. To the extent said reading is not made prior to Closing, CRLP will cause same to be read promptly thereafter and a pro-rata adjustment shall be made upon said reading.

(h) Amounts incurred or accrued prior to the Closing Date or payable to or with respect to any New Cali Employees or other personnel (i.e. independent contractors of

RM or an affiliate of RM) for services performed or otherwise, including, without limitation, costs related to the RM Welfare Plans (to the extent the RM Welfare Plans are fully insured, the allocation will be applicable to premium costs), but excluding vacation time.

11.2 At Closing, RM shall deposit, or cause to be deposited, an amount equal to $1,700,000 into an interest bearing reserve account (the "Reserve") to be maintained by CRLP. All sums payable by RM on account of third party suppliers or contractors which accrued and are unpaid prior to the Closing Date shall be paid from the Reserve by RM (CRLP and Cali hereby acknowledging that neither CRLP nor Cali shall have the right to settle any claims of third party suppliers or contractors from the Reserve). CRLP shall deliver the balance of the Reserve, if any, to RM within ninety (90) days after the Closing Date. The existence of the Reserve shall not constitute a limitation on RM's obligation to pay the sums due to such suppliers or contractors which accrued prior to the Closing Date.

11.3 Promptly following request by CRLP, RM shall deliver to CRLP a list of additional rent, however characterized, under a Lease, including without limitation, real estate taxes, electrical charges, utility costs and operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1997 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by RM on account of the components of Additional Rent for calendar year 1997. CRLP shall be entitled to all monies and payments on account of Additional Rents for calendar year 1997. In the event that the Closing Date is later than January 31, 1997, RM shall be entitled to receive, upon collection, its pro-rata share of Additional Rents which accrued after January 31, 1997.

11.4 All amounts due and owing under the Teachers Mortgage other than the outstanding principal balance thereof, including by way of example accrued and unpaid interest, deferred interest, late charges, default interest, prepayment fees or penalties, and other fees and charges, shall be paid by RM on or before the Closing.

11.5 If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by RM on the Closing Date.

11.6 At the Closing, the parties shall adjust for certain unperformed tenant improvement work, as more particularly described in Section 13.2 hereof, and CRLP shall receive a credit therefor.

11.7 At the Closing, CRLP shall be credited with the sum of Seven Hundred Fifty Thousand ($750,000) Dollars on account of certain repairs to be performed at the Real Property.

11.8 At the Closing, CRLP shall be credited with the sum of Two Hundred Thirty Five Thousand Two Hundred ($235,200) Dollars on account of Phase II Reports.

11.9 At the Closing, CRLP shall be credited with those unpaid leasing commissions which are currently the obligation of RM but which are not yet due and payable. Said commissions are to be set forth on a schedule to be attached to the statement of adjustments and prorations. CRLP agrees to pay such commissions on the dates same become due and payable and indemnifies RM on account thereof.

11.10 At the Closing, CRLP shall be credited with the sum of Three Hundred Forty-Eight Thousand ($348,000) Dollars on account of the Option Loan Origination Fee set forth in Section 8.2.

11.11 At the Closing, CRLP shall be credited with the sum of Eighty Thousand One Hundred Ninety Five ($80,195) Dollars on account of an early lease termination fee previously paid by ANSCO+RE Systems, Inc. for 19,739 square feet on the third floor at 100 Clearbrook Road, Elmsford, New York.

11.12 Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of New York.

11.13 Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

11.14 The credits set forth in Sections 11.6 through 11.11 shall be made against the Cash Payment.

11.15 The provisions of this Section 11 shall survive the Closing Date.

12. CONDITIONS PRECEDENT TO CLOSING.

12.1 The obligations of RM to deliver title to the Real Property and to perform the other covenants and obligations to be performed by RM on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by RM):

(a) The representations and warranties made by CRLP and Cali herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by RM hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein. For the purposes of the Closing condition described in this Section 12.1(a), any limitation to the

knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by CRLP or Cali herein shall be inapplicable.

(b) CRLP and Cali shall have executed and delivered to RM all of the documents provided herein for said delivery.

(c) Cali or CRLP shall have offered employment to the persons set forth on Schedule 12.1(c)(i), provided that the aggregate salaries and benefits of such employees are in accordance with a budget for general and administrative expenses agreed upon by RM and Cali and/or CRLP, as set forth on Schedule 12.1(c)(ii) annexed hereto. Such employees who accept the offer shall be considered new Cali employees ("New Cali Employees"). RM shall not have the right to allocate among the New Cali Employees any of the salaries and benefits offered to those employees of RM who do not become New Cali Employees. Schedule 12.1(c)(iii) shall identify the persons, if any, who are not expected to be actively-at-work on the Closing Date, provided, however, that New Cali Employees who on the Closing Date are on vacation or not at work due to a scheduled day off or a short term illness not expected to last more than five (5) days shall be considered actively-at-work for purposes of Schedule 12.1 (c)(iii).

(d) Deleted prior to execution.

(e) Cali and CRLP shall have performed all covenants and obligations undertaken by Cali and CRLP herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

(f) The Board shall have been expanded by the addition of four (4) members (i) two of whom shall have been designated by the current members of the Board and who shall be independent of control of Cali and (ii) two of whom shall have been designated by RM and each of whom shall have been appointed to three year terms.

(g) Cali shall have elected to be taxed as a REIT in its most recent federal income tax return, and shall be in compliance with all applicable laws, rules and regulations, including the Code, necessary to permit it to be taxed as a REIT. Cali shall not have taken any action or have failed to take any action which would reasonably be expected to, alone or in conjunction with any other factors, result in the loss of its status as a REIT for federal income tax purposes.

(h) Cali shall have issued an aggregate amount of 400,000 warrants ("Warrants") to B. Berger and Jones, inclusive of allocations to the Warrant Transferees, which Warrants shall be substantially in the form of Exhibit 12.1(h) hereto.

12.2 The obligations of Cali and CRLP to accept title to the Property and Cali and CRLP's obligation to perform the other covenants and obligations to be performed by Cali and CRLP on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Cali or CRLP):

(a) The representations and warranties made by RM herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of a representation or warranty to be true and correct in all material respects shall

not give rise to a claim by Cali or CRLP hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by RM herein shall be inapplicable.

(b) RM shall have performed all covenants and obligations undertaken by RM herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(c) The Title Company is unconditionally prepared to issue to CRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(d) Teachers and CRLP shall have entered into such documents as shall be acceptable to each of the parties for the restructure of the Teachers

Mortgage with an outstanding principal balance of at least One Hundred Eighty Five Million Two Hundred Fifty Thousand ($185,250,000) Dollars and on substantially the terms and conditions set forth (i) on Exhibit 12.2(d) and (ii) in the documents delivered to CRLP by Teachers prior to the date hereof.

(e) In regard to the Stamford Executive Park, RM shall, prior to the Closing, at its sole cost and expense, comply with the Connecticut Transfer Act, Conn. Gen. Stat. Ann. ssss22a-134 et seq., the regulations promulgated thereunder and any amending and successor legislation and regulations now or hereafter existing. RM shall, at RM's sole cost and expense, make all submissions to, provide all information to and comply with all requirements of the Connecticut Department of Environmental Protection or its successor. In the event that the Stamford Executive Park is not an establishment subject to the Connecticut Transfer Act, then prior to the Closing, RM shall, at its sole cost and expense, provide to CRLP an affidavit of an officer of RM stating that the Stamford Executive Park is not an establishment which is subject to the provisions of the Connecticut Transfer Act.

(f) All rights of first refusals with respect to the Property shall have been waived, either pursuant to a specific waiver executed by the beneficiary thereof or by the lapse of time as provided in the instrument setting forth such right. If the waiver is based upon the lapse of time, RM shall certify compliance with the relevant instrument.

(g) RM shall have executed and delivered to CRLP all of the documents provided for herein for said delivery.

13. LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

13.1 All leasing commissions and tenant improvement obligations for which CRLP shall receive a credit at Closing (which shall be set forth on a schedule to be annexed to the schedule of adjustments and prorations done at Closing), and all leasing commissions and

tenant improvement obligations on account of extensions, renewals or amendments (including expansions) of Leases made after the Closing (other than commissions and tenant improvement obligations due on account of the leases described on Schedule 5.1(d)-4 for which CRLP does not receive a credit at Closing) shall be the responsibility of CRLP. All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective, tenant improvement obligations which were to have been performed, completed or paid for prior to the Closing, and commissions and tenant improvement obligations due on account of the leases described on Schedule 5.1(d)-4, in each instance for which CRLP does not receive a credit at Closing, shall be the obligation of RM.

13.2 RM and CRLP agree to proceed in good faith in establishing all of the amounts to be adjusted pursuant to Section 13.1, including the cost of all tenant improvement obligations with respect to the Property which were to have been performed, completed and paid for prior to the Closing and the cost of the tenant improvement obligations for the leases described on Schedule 5.1(d)-4.

13.3 The provisions of this Section 13 shall survive the Closing.

14. ASSIGNMENT.

14.1 This Agreement may not be assigned by Cali or CRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Cali or CRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Cali or CRLP shall constitute a default by Cali or CRLP hereunder and shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Cali or CRLP may assign the right to purchase individual portions of the Property to various entities provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this Agreement to be performed by Cali or CRLP with respect to the portion of the applicable Real Property, in form reasonably satisfactory to counsel for RM, shall be delivered to the attorneys for RM prior to the Closing, and in any event no such assignment shall relieve Cali and CRLP from their obligations under this Agreement.

14.2 As of the date hereof, CRLP anticipates that the parties set forth on Schedule 14.2 shall be the transferee of that portion of the Real Property set forth opposite its name and the balance of the Property attributable to said Real Property.

15. BROKER.

15.1 Cali, CRLP and RM represent that they have not dealt with any brokers, finders or salesmen, in connection with this transaction, except that certain fees may be payable

by CRLP or Cali to Prudential Securities Incorporated, as financial advisors, and certain fees may be payable by RM to Lazard Freres & Company, LLC, as financial advisors. Cali, CRLP and RM agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any claim for fees or commissions. The provisions of this Section shall survive the Closing or other termination of this Agreement.

16. CASUALTY LOSS.

16.1 RM shall continue to maintain, in all material respects, the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires or the Closing, whichever is later, which obligation shall survive the Closing.

16.2 If at any time prior to the Closing Date all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), RM shall promptly give written notice ("Casualty Notice") thereof to CRLP. CRLP shall not have the right to terminate this Agreement, provided that (a) RM's insurance fully covers the damage resulting from the Casualty, (b) subject to the rights of any holders of existing debt, the proceeds of any insurance, together with a credit equal to RM's deductible under the Insurance Policies, shall be paid to CRLP at the time of the Closing, (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to CRLP at Closing without in any manner affecting the consideration hereunder, (d) the Tenants do not have a right to terminate their Leases as a result of the Casualty, (e) there is adequate rent interruption insurance in place for a period of at least (2) years, and (f) all governmental approvals are available to permit the Real Property to be rebuilt. If any of the provisos set forth in the preceding sentence are not met, CRLP shall have the right to terminate this Agreement in its entirety.

16.3 If a Property is the subject of a Casualty but CRLP does not terminate this Agreement pursuant to the provisions of this Section, then RM shall prior to the Closing Date cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety, provided, the cost of any such repairs shall not exceed the amount of proceeds made available to RM. RM shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

17. CONDEMNATION.

In the event of a material taking (as defined in this Section 17), CRLP shall have the right, at its sole option, to either (a) terminate this Agreement by giving RM written notice to such effect at any time after its receipt of written notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should CRLP so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event CRLP shall not elect

to cancel this Agreement, RM shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to CRLP, and same shall be CRLP's sole property, and CRLP shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which (a) would reasonably be expected to reduce the aggregate useable square footage of the Real Property by at least a full floor, (b) entitle a Tenant occupying at least a full floor to terminate its Lease, (c) cause access to the Real Property to be taken or materially diminished (i.e., such taking does not provide access to a publicly dedicated street or is an impediment to traffic flow from and to the Real Property), or (d) result in parking no longer being in compliance with applicable zoning laws.

18. TRANSFER RESTRICTIONS; RIGHT OF FIRST REFUSAL.

18.1 RM hereby agrees that the RM Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively, "Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the RM Units and/or the shares of Common Stock underlying the RM Units (the "Underlying Shares") may only be

Transferred (i) privately in accordance with the terms of the OP Agreement and this Section 18, or (ii) in the form of Underlying Shares only, publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 300,000 shares of Common Stock or less. Notwithstanding anything herein to the contrary (other than and subject to and in compliance with the provisions in Section 5.4(b)), the provisions of this Section 18 shall not apply to, and, in addition to any rights under the OP Agreement, RM and the Unit Holders shall have the right to make the following Transfers: (i) pledges or encumbrances of all or a portion of the RM Units to an institutional lender and/or (ii) Transfers of all or any portion of the RM Units to Permitted Transferees in accordance with the OP Agreement as it exists on the date hereof. "Permitted Transferees" means (i) any entity or individual comprising RM or the Unit Holders; (ii) any direct or indirect equity owner of RM or the Unit Holders; and (iii) members of the Immediate Family (as defined in the OP Agreement) of RM or the Unit Holders (or any direct or indirect equity owner thereof) and trusts for the benefit of one or more members of the Immediate Family of RM or the Unit Holders (or any direct or indirect equity owner thereof) created for estate and/or gift tax purposes. Any holder of RM Units pursuant to (i) or (ii) of the preceding sentence, shall be subject to the applicable terms and conditions of the OP Agreement and shall sign a counterpart of the OP Agreement to such effect.

18.2 If RM, the Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its RM Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the "Purchaser"), unless, prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the "Disposition Notice") of such Proposed Disposition to CRLP. All offers to purchase RM Units or Underlying Shares must be for cash. The Disposition Notice shall contain an irrevocable offer

to sell all, but not less than all, the Disposition Securities to CRLP upon the same terms (including price) and subject to the same conditions, if any, as those contemplated by the Proposed Disposition, and shall be accompanied by a true and correct copy of the agreement embodying the terms and conditions, if any, of the Proposed Disposition (which shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and all other terms and conditions, if any, of the Proposed Disposition).

18.3 CRLP shall have the irrevocable right and option (the "Purchase Option"), within five (5) business days after receipt of the Disposition Notice (the "Notice Period"), to accept such irrevocable offer to purchase the Disposition Securities which are subject to the Proposed Disposition. If CRLP determines to exercise such Purchase Option, it shall deliver to the Seller written notice of the exercise of its Purchase Option with respect to the Disposition Securities (an "Exercise Notice") prior to the expiration of the Notice Period.

18.4 If CRLP shall have timely delivered its Exercise Notice with respect to the Disposition Securities, all certificates for the Disposition Securities shall be delivered to CRLP at a closing to be held on the later of the date on which the Proposed Disposition, if accepted, would close or five (5) business days after such Exercise Notice is given, at the offices of Pryor, Cashman, Sherman & Flynn located at 410 Park Avenue, New York, New York 10022. At such closing, CRLP shall deliver to the Seller in immediately available funds the amount of the purchase price set forth in the Disposition Notice due against the simultaneous delivery of certificates representing the Disposition Securities so disposed of, duly endorsed in blank or accompanied by a stock power or powers duly endorsed in blank, and in proper form for transfer, together with any necessary stock-transfer stamps, and such Disposition Securities shall be delivered free and clear of all liens, security interests and encumbrances whatsoever.

18.5 If CRLP (i) notifies the Seller that it is not exercising its Purchase Option or (ii) does not deliver an Exercise Notice prior to the expiration of the Notice Period, CRLP shall be deemed to have waived its Purchase Option in which event Seller may sell the Disposition Securities to the Purchaser for a period of thirty (30) days after the expiration of the Notice Period in which event the transferee shall take free and clear of the restrictions set forth in this Section 18; provided, however, that such Disposition Securities are sold to the Purchaser at a price not less than that contained in the Disposition Notice and on terms and conditions, if any, not more favorable to the Purchaser than those contained in the Disposition Notice. If Seller wishes to sell all or any part of the Disposition Securities on terms more favorable to the Purchaser than those set forth in the Disposition Notice or does not sell such Disposition Securities on the terms and conditions contained in the Disposition Notice within the aforementioned thirty (30) day

period, it shall again be obligated to make new offers to CRLP, in accordance with this Section 18, before it shall be permitted to consummate a Proposed Disposition of the Disposition Securities, or any part thereof, in a privately negotiated transaction.

19. LIMITED GUARANTY OF RM.

19.1 In order to allow RM and/or the Unit Holders (the "RM Unit Group") to defer the recognition of gain for Federal income tax purposes resulting from the contribution of property to CRLP, at Closing, or at any time subsequent thereto in accordance with the terms hereof, CRLP and its affiliates will permit the RM Unit Group to guarantee, or indemnify CRLP or Cali for, the "bottom portion" (i.e., the least risky portion) of the Teachers Debt or any other debt incurred by CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) up to the amount of $184,000,000 (hereinafter referred to as the "RM Debt Amount"). As of the Closing Date, those persons currently guaranteeing all or any portion of debt of CRLP or any Subsidiary (the "Cali Group") will be permitted to guaranty an amount of debt incurred by CRLP (exclusive of the Teachers Debt) up to $83,000,000 (the "Cali Debt Amount"). Until the expiration of the Restricted Period, CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) agree, to the extent possible, to maintain an amount of liabilities of CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) for the RM Unit Group to guarantee or indemnify, as the case may be, in order to allow the RM Unit Group to continue to defer recognition of gain for Federal income tax purposes. CRLP and Cali agree to take any and all action necessary so that the execution of each guarantee or indemnity by the RM Unit Group results in basis for the RM Unit Group for Federal income tax purposes.

19.2 Notwithstanding the foregoing provisions of Section 19.1, it is expressly understood and agreed that CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) are under no obligation to incur or maintain a specific amount of liabilities and that subsequent to the Closing, CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) may from time to time issue additional Units in exchange for other properties to unrelated third parties in tax deferred transactions (the "Other Groups"). In such event, the additional unit holders may similarly require an amount of liabilities available for guarantees to permit them to defer recognition of gain for Federal income tax purposes and, if so, the aggregate amount of debt for such Other Groups is referred to herein as the "Other Debt Amounts."

19.3 In the event that subsequent to the Closing the sum of (i) the RM Debt Amount, (ii) the Cali Debt Amount, and (iii) the Other Debt Amounts, if any, exceeds the aggregate amount of liabilities of CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees), the RM Unit Group, the Cali Group and the Other Groups shall re-compute their respective Debt Amounts in such a manner as to maintain the ratios as established on the Closing Date between the RM Unit Group and the Cali Group and any subsequent closing date among the RM Unit Group, the Cali Group and the Other Groups (i.e., initially $184,000,000/$83,000,000 or 2.217 to 1). The ratio shall be adjusted periodically to reflect only the members of each of the RM Unit Group, the Cali Group and the Other Groups (if any) who need to continue to guarantee or indemnify a portion of the debt of CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) to defer recognition of gain for federal income tax purposes resulting from the contribution of property to CRLP. The individual members of the RM Unit Group and the Cali Group shall then be entitled to guarantee or

indemnify a portion of the aggregate amount of liabilities of CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) pro rata, in pari passu, to the aggregate amounts required by all of such members (including, if any, members of Other Groups) to defer recognition of gain for federal income tax purposes resulting from the contribution of property to CRLP. In this regard, the members of the RM Unit Group and the members of the Cali Group agree to readjust the amounts of their guarantees and indemnities and CRLP, Cali and their Subsidiaries and affiliates (together with Permitted Assignees) agree to use commercially reasonable efforts to structure its financing in such a way to permit the members of RM Unit Group and the members of the Cali Group to restructure their respective guarantees or indemnities so that the re-computed Debt Amounts maintain the ratio established on the applicable closing date, as adjusted pursuant to this Section 19. For example, if after the Closing Date CRLP's total liabilities are reduced to $200,000,000, the RM Debt Amount will be reduced to $137,827,715 and the Cali Debt Amount will be reduced to $62,172,285.

20. TAX MATTERS.

20.1 RM will pay or provide for payment of all Taxes due and payable on or after the Closing and will file all returns and reports required to be filed on or after the Closing with respect to Taxes imposed in connection with the ownership and operation of the Property for all taxable periods (or portions thereof) ending on or prior to the Closing, for which CRLP could be held liable on a claim made against CRLP.

20.2 RM shall pay any and all Taxes including, without limitation, Taxes imposed with respect to the ownership or operation of the Property for all taxable periods (or portions thereof) ending on or prior to the Closing, imposed upon CRLP based, in whole or in part, upon the failure to comply with the bulk sales laws.

20.3 RM is hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property and the Option Properties as set forth on Schedule 20.3 and to litigate or settle the same in RM's discretion. CRLP is hereby authorized by RM, in CRLP's sole discretion, to file any applicable proceeding for the 1997 tax roll for the reduction of the assessed valuation of the Property and the Option Properties, except that CRLP shall not be authorized to do so with respect to the Real Property located in White Plains to the extent same has already been filed or pursued by RM. The net refund of taxes, if any, for any tax year for which RM or CRLP shall be entitled to share in the refund shall be divided between RM and CRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by RM and CRLP in proportion to their ownership period of the asset in question.

20.4 "Taxes" mean all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment, unemployment compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including

deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

20.5 Cali, as the general partner of CRLP, covenants and agrees that CRLP and its affiliates will use the "traditional method" (as defined in Treas. Reg. Section 1.704-3(b)) of allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for Federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property in accordance with the provisions of Treas. Reg. Sections 1.704-1(b)(2)(iv)(f), 1.704-1(b)(2)(iv)(g) and 1.704-3(a)(6).

20.6 The provisions of this Section shall survive the Closing Date.

21. PUBLICATION.

21.1 CRLP shall have the right to make such public announcements or filings with respect to the exchange as CRLP may deem reasonably prudent (provided that prior to any such announcement or filing, CRLP shall submit the text of the announcement or filing to RM for its approval not to be unreasonably withheld or delayed). CRLP shall not issue any such announcement without the prior reasonable written approval of RM as to the text of the announcement; provided, however, that CRLP shall be entitled to make such filings or announcements upon advice of counsel as may be necessary or required by law. CRLP and RM agree that any public announcements will refer to the exchange contemplated herein as a merger of the two entities. CRLP agrees to use commercially reasonable efforts to coordinate with RM and jointly make any public announcements with regard to the agreements contained herein. RM's right to approve public announcements or filings as set forth in this Section 21 shall not survive the Closing.

22. REMEDIES

22.1 If the obligations set forth in Section 12.2 have been satisfied (unless the failure or inability to be so satisfied is due to Cali or CRLP) and if CRLP or Cali is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a willful default of CRLP or Cali or CRLP's or Cali's willful failure to comply with any representation, warranty, covenant or agreement set forth herein, then RM shall have the right as its sole and exclusive remedy to (a) terminate this Agreement upon notice to CRLP, and (b) receive a break-up fee (the "Break-up Fee") in the amount of $5,000,000, following which neither party shall thereafter have any further

obligations under this Agreement. Unless the Closing occurs, the Break-up Fee, to the extent due to RM hereunder, shall be payable by CRLP on the scheduled Closing Date. RM agrees that payment of the Break-up Fee shall constitute fixed and liquidated damages, it being agreed that RM's damages in case of CRLP's default are impossible to ascertain and that the Break-up Fee constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.

22.2 If the obligations set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to RM) and if RM is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of any willful default on the part of RM or RM's willful failure to comply with any representation, warranty, covenant or agreement set forth herein, CRLP shall be entitled to either (a) terminate this Agreement upon notice to RM and receive the Break-up Fee from RM, following which neither party shall thereafter have any further obligations under this Agreement; or (b) to commence an action against RM seeking specific performance of RM's obligations under this Agreement, and collect its attorneys fees from RM as provided in Section 29.10 of this Agreement.

22.3 The acceptance of the Deeds by CRLP shall be deemed a full performance and discharge of every agreement and obligation of RM to be performed under this Agreement; provided, however, that any agreements and obligations of RM, CRLP and Cali to each other which are specifically stated in this Agreement to survive the Closing or which by their terms are to be, or may only be, performed after the Closing, shall survive the Closing. The provisions of this Section 22.3 shall survive Closing.

23. EMPLOYEE MATTERS.

23.1 During the calendar year 1997, Cali will provide New Cali Employees with benefits under the RM Welfare Plans set forth on Schedule 5.1(w)(ii) which will be adopted and assumed by Cali, only with respect to New Cali Employees. Thereafter, all benefits shall be determined by Cali, in its sole discretion.

23.2 Cali shall grant all New Cali Employees on and after the Closing Date credit for all service with RM and its affiliates and their respective predecessors prior to the Closing Date for purposes for which such service was recognized by RM and its affiliates under the RM Plans, including without limitation the Cali 401(k) Plan. Cali shall have no liability to any current or former RM employees who are not New Cali Employees, including without limitation any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any RM Plans, or arising under applicable federal or state law including without limitation under the Worker Adjustment and Retraining Notification Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The provisions of this Section 23.2 shall survive the Closing.

23.3 The New Cali Employees will be hired directly by Cali and their employment with RM shall terminate and their employment with Cali shall begin as of the Closing Date. Cali shall not be liable to any independent contractor of RM or an RM affiliate or to any New Cali Employee or to RM for any compensation, benefits or other liabilities related to any employment or services performed, or otherwise, which were incurred or accrued prior to the Closing Date, except for vacation time which accrued subsequent to January 1, 1997 and any wages for which an adjustment pursuant to Section 11.1(h) of this Agreement is being made. RM shall not be liable to any New Cali Employees or other personnel (i.e., independent contractors of RM or an affiliate of RM) for vacation time which accrued subsequent to January 1, 1997 and wages pursuant to which CRLP receives a credit under Section 11.1(h).

23.4 Except for the RM Welfare Plans listed on Schedule 5.1(w)(ii), Cali shall not be required to assume with respect to any New Cali Employee any agreement related to employment, compensation or benefits. Cali shall cause its 401(k) Plan to accept transfers of account balances from the RM 401(k) Plan by way of direct rollover. Except as otherwise provided herein with respect to New Cali Employees, all liabilities with respect to current or former employees of RM, whether incurred under an RM Plan or otherwise, are the sole responsibility of RM. The provisions of this Section 23.4 shall survive the Closing.

23.5 Cali will credit New Cali Employees with any unused vacation time which accrues between January 1, 1997 and the Closing Date. Any vacation time which accrued prior to January 1, 1997 shall not be the obligation or responsibility of CRLP or Cali.

24. NOTICE.

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

If to Cali or CRLP:	c/o Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016 Attn: Roger W. Thomas, Esq. (908) 272-8000 (tele.) (908) 272-6755 (fax)
with a copy to:	Pryor, Cashman, Sherman & Flynn 410 Park Avenue New York, New York 10022 Attn: Jonathan A. Bernstein, Esq. (212) 326-0425 (tele.) (212) 326-0806 (fax)
If RM:	Robert Martin Company, LLC 100 Clearbrook Road Elmsford, NY 10523 Attn.: Brad Berger and Lloyd I. Roos, Esq. (914) 592-4800 (tele.) (914) 592-4836 (fax)

with a copy to:	Battle Fowler LLP 75 East 55th Street New York, New York 10022 Attn: Robert J. Wertheimer, Esq. (212) 856-7000 (tele.) (212) 856-7808 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided same is sent prior to 4:00 p.m. on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

25. ACCOUNTING DISPUTE RESOLUTION

In the event of an application of this Section pursuant to Section 2.2(d), the parties hereby agree to rely upon Deloitte & Touche (the "Accountant") to render a binding decision as to the amount of Third Party Management Fees. Each party shall submit, within ten (10) business days after Reconciliation Period, their calculation of the Third Party Management Fees and the basis of said calculation. Within fifteen (15) business days of said submissions, the Accountant shall render his decision. All fees and expenses of the Accountant shall be divided equally between RM and CRLP. In the event of the death or unavailability of the Accountant, the parties shall attempt to agree upon an accountant whose decision as to the amount of Third Party Management Fees shall be binding. If the parties are unable to agree, within seven (7) business days, upon an accountant, each shall appoint an accountant, within three (3) business days, and the two so selected shall appoint a third accountant. If the two so selected are unable to agree, within seven (7) business days, on a third accountant, the third accountant shall be appointed pursuant to an action brought for such purpose before the New York State Supreme Court situated in Manhattan, upon application of either party. Each party shall submit, within fifteen (15) business days after the appointment of the necessary accountant(s), their calculation of the Third Party Management Fees and the basis for said calculation. Within fifteen (15) business days of said submissions, the accountants shall render their decision. A decision as to the amount of Third Party Management Fees by a majority of the accountants shall be binding upon both parties; provided, however, if a majority of the accountants are unable to agree on an amount, then the average of the calculations of the two closest accountants shall be binding on both parties. The fees and expenses of the third accountant shall be divided equally between RM and CRLP. All other expenses shall be borne by the party incurring them. All accountants appointed pursuant to this Section 25 shall be certified public accountants with at least fifteen (15) years experience.

26. RETAINED PROPERTIES AND NOMINEE PROPERTIES

26.1 RM is contributing to CRLP certain portions of the Real Property due to the lack of a subdivision of such property from the developed parcels adjacent or in close proximity thereto; such property is herein defined as the "Nominee Properties" and is more particularly described as such on Schedule 26.1. In addition, there is certain other property which is to continue to be owned by RM but which ownership and development is to be subject to the terms and conditions of this Section 26; such property is herein defined as the "Retained Properties". Any property set forth on Schedule 26.1 which is not defined as a Nominee Property is a Retained Property, and the Nominee Properties and the Retained Properties are collectively referred to herein as the "Development Sites". Cali, CRLP and RM agree to establish mutually acceptable arrangements, subject to this Section 26 and CRLP's Right of First Offer as set forth in Exhibit 26.1 (collectively, the "Development Limitations"), allowing RM to develop the Development Sites.

26.2 (a) In determining the square footage of the building(s) which may be developed on any Development Site, RM shall be entitled to a pro-rata share of the total development rights applicable to the parcel of which the Development Site is a part based upon the square footage of the Development Sites then being developed and the square footage of the Real Property to which the Development Site is related; provided, however, that with respect to the approved site plans described on Schedule 26.2(a) for the Development Sites and the remaining undeveloped square footage permitted thereon (which is also set forth on said Exhibit), RM shall have the right, subject to the Development Limitations, to process and develop such square footage so long as such development is approved by all governmental authorities having jurisdiction thereover.

(b) In connection with the Nominee Properties and the Development Sites which are subject to future development, CRLP agrees to cooperate, at RM's cost and expense, in all reasonable respects with RM for all amendments or modifications to municipal approvals, provided same do not (i) cause the property being retained by CRLP to be subject to violations of applicable building, zoning, health, fire or other applicable laws, rules, regulations, codes or ordinances affecting such property, (ii) cause CRLP to be in violation of any of the Leases, Ground Lease or mortgages or recorded instruments which encumber the Property on the Closing Date or any leases, ground leases, mortgages or recorded instruments entered into after the Closing Date so long as such documents do not contain restrictions or requirements substantially greater than the Leases, Ground Leases, mortgages or recorded instruments in effect on the Closing Date, (iii) reduce by number or size the parking spaces available to the Property owned by CRLP or require a relocation of said parking except to a location reasonably acceptable to CRLP, (iv) result in any restrictions or impositions on the Property owned by CRLP or (v) result in any cost or expense to, or liability on, CRLP (items (i) through (v) being collectively referred to herein as the "Development Standards"). RM shall provide copies of all filings to CRLP in connection with such amendments or modifications, and CRLP shall have the right to review such materials which are submitted by RM on its behalf and shall promptly respond to RM regarding such materials.

(c) All costs and expenses associated with the Nominee Properties, including, without limitation, maintenance, real estate taxes and insurance, shall be borne by RM, except that CRLP shall pay for the maintenance costs for the Real Property known as 75 Clearbrook Road, Elmsford, New York until RM shall commence construction or sale of the Nominee Property adjacent to 75 Clearbrook Road, and to the extent any such costs and expenses are not separately allocated between the Nominee Property and the Real Property of which the Nominee Property is a part, then such costs and expenses shall be allocated in a manner reasonably satisfactory to both parties. Except to the extent more specifically set forth in Sections 26.7, 26.8, 26.9 and 26.10, RM shall be responsible for any and all environmental matters affecting the Nominee Properties, and hereby indemnifies, defends and holds harmless CRLP from and against any and all loss, cost, expense (including reasonable attorney's fees), damage and claim arising in connection with CRLP's ownership of the Nominee Properties, including without limitation, environmental matters, unless as a result of the gross negligence or willful misconduct of CRLP or its affiliates owning the subject property. CRLP agrees not to lease or construct on the Nominee Properties. The provisions of this Section 26.2(c) shall survive the Closing.

(d) At any time after a Nominee Property shall be subdivided from the Development Site of which it is a part, CRLP, upon the request of RMC LLC, shall convey the Nominee Properties to RM or its designee; provided, however, the Nominee Properties shall continue to be subject to the Development Limitations unless such conveyance shall be to a person or entity which is not

affiliated with, under the common control of or directly or indirectly owned or controlled by, the RM Group or any part thereof. RM agrees that at the request of CRLP, it shall diligently and continuously pursue a subdivision of all of the Nominee Property to completion, which subdivision shall take into account the requirements of this Section 26, and shall keep CRLP advised as to the status of same.

26.3 CRLP and RM shall cooperate in good faith to enter into reciprocal easement agreements which will provide for, among other things, shared parking, access across the other parties' property and such other matters as a Development Site and the Real Property associated therewith may reasonably require for the use of either parties' property, subject to the Development Standards.

26.4 (a) The RM Group shall be permitted to obtain the necessary approvals to develop the Development Sites, and to market the Development Sites; provided, however, in no event shall the RM Group, or any part thereof, be permitted to build, manage, lease or own a Development Site for flex, industrial or office use (collectively, a "Competitive Use"), regardless of whether or not CRLP shall waive its right to acquire the Development Sites. The foregoing limitation shall not preclude the RM Group from selling or entering into a long-term ground lease of all or a portion of a Development Site, subject to CRLP's Right of First Offer. In addition, notwithstanding the foregoing limitation, in the event that a bona fide third party desires to retain RM to construct, for a fee, any project for office, flex or industrial use or a combination thereof, then RM shall first offer such right to CRLP (accompanied by all relevant information necessary for CRLP to make such election) and CRLP shall have the right of first refusal to perform such services as more particularly set forth in Exhibit 26.1.

(b) Except (i) as otherwise provided in the balance of this Section 26.4(b), (ii) with respect to the Development Sites (which are more particularly addressed in Section 26.4(a)) and (iii) as provided in Exhibit 26.1, the RM Group shall have the right to develop, own, operate, manage, lease or dispose of any of the Excluded Property in any manner. In no event shall the RM Group, or any part thereof, be permitted to build, manage, operate, lease or own any of the parcels identified at numbers 24) and 25) on Schedule 5.1(r) for a Competitive Use, nor shall any property 100% owned by the RM Group, or any part thereof, be used for a Competitive Use which is not currently being used for a Competitive Use. In addition, in the event that the RM Group, or any part thereof, shall acquire, directly or indirectly, 100% of any property identified on Schedule 5.1(r), and said property was not, on the date so acquired, being used for a Competitive Use, then from and after the date of such acquisition said property shall be subject to the Competitive Use limitations. Notwithstanding the foregoing, if (x) Jones or B. Berger are no longer subject to the non-compete provisions of the Employment Agreements described in Section 10.1 (t) or (y) CRLP has waived its right of first offer on the Excluded Properties, then either Jones or B. Berger shall be permitted to develop, own, operate, manage, lease or dispose of such Excluded Property for any use, including a Competitive Use.

26.5 CRLP agrees to use reasonable efforts to obtain the consent of any future mortgagees of any Real Property which is the subject of a Development Site to the structure of the Development Sites as provided in this Section 26 and to agree to the execution of certain post-closing easements as more particularly described in the penultimate sentence of Section 4.2

26.6 The following provisions more particularly address the agreement of the parties with respect to the noted properties, and to the extent of any conflict between the preceding provisions of this Section and this Section 26.6, the terms and conditions of this Section 26.6 shall govern and control:

(a) With respect to the property commonly known as 7 Warehouse Lane, which is part of the Elmsford Distribution Center and is more particularly shown as "Parcel X" on the certain "Survey of Property prepared for Robert Martin Company" dated June 29, 1993, brought to date December 19, 1996 and prepared by Ward Carpenter Engineering Inc., the northeasterly line of Parcel X/7 Warehouse Lane is to run approximately along the line shown on said Survey as the "Edge of Paved Area" and "chain link fence";

(b) With respect to the property adjacent to 75 Clearbrook Road, which is more particularly shown as "Parcel 3" (and containing 4.239 acres) on the certain "As Built Survey prepared for Robert Martin Company" dated February 4, 1991, brought to date December 19, 1996 and prepared by Ward Carpenter Engineering Inc., the 20' foot Wide Access Easement shown thereon is to be of record if it is not already of record, and any development of Parcel 3 is to be subject to the availability of sufficient parking for the tenant of the Westchester Broadway Theater pursuant to the lease for said building in effect on the date hereof. Any conveyance of this Parcel 3 is to be subject to the recording of an easement or other document evidencing and establishing of record this shared parking arrangement;

(c) With respect to the property being leased by RM from the County of Westchester and across from the properties currently known as 11 Skyline Drive, 15 Skyline Drive and 17 Skyline Drive (11 Skyline Drive, 15 Skyline Drive and 17 Skyline Drive are herein collectively referred to as the "Skyline Properties", and the property across from the Skyline Properties is herein referred to as the "RM Skyline Property"), the Skyline Properties shall have the right to use the parking area on the RM Skyline Property. RM agrees that any development of the RM Skyline Property shall be subject to this right to use said parking area, and that the parties will enter into appropriate documentation in recordable form evidencing same. CRLP agrees to permit RM to use the parking area of the Skyline Properties for so long as CRLP is using the RM Skyline Property for such purpose, subject to revocation by CRLP, in which event CRLP's rights over the RM Skyline Property shall also be modified. Notwithstanding the foregoing, if RM requests that CRLP consent to a lease for any part of the RM Skyline Property which necessitates the use of the parking area on the Skyline Properties and CRLP so consents, then CRLP shall not have the right to revoke said parking rights for the term of said lease. RM also agrees to advise CRLP if it intends not to perform, or does not perform, any obligations under the ground lease for the RM Skyline Property which could cause a default thereunder, and to forward to CRLP any notices of default it receives under said ground lease. If RM intends to terminate said ground lease, it shall use reasonable efforts to allow CRLP to assume same; and

(d) With respect to the approximately eight (8) acres adjacent to and part of the Stamford Executive Park, Stamford and Greenwich, Connecticut (the "Conn. Development Site"), Exhibit 26.6 describes a potential transaction with the United States Postal Service (the "USPS"), whereby the USPS may acquire a part of the Conn. Development Site and as a result thereof the Property being contributed to CRLP hereunder in Stamford/Greenwich, Connecticut shall be reconfigured (the "USPS Transaction"). CRLP has agreed conceptually to the USPS Transaction. If the USPS Transaction is consummated, then RM shall be entitled to all of the proceeds of same. Notwithstanding such approval of the conceptual terms of the USPS Transaction, during the development of the property expansion and reconfiguration, CRLP shall continue to have approval rights, not to be unreasonably exercised, over the plans and specifications thereof. In addition, any ability of RM to construct any improvements as part of the USPS Transaction shall be subject to the Right of First Offer in Exhibit 26.1.

26.7 For so long as the Nominee Properties are owned by CRLP, RM covenants, at RM's own cost and expense, to promptly comply or, to the extent CRLP allows, in its sole discretion, any tenant or occupant onto the Nominee Properties, cause the applicable tenant or occupant to promptly comply, with each and every Environmental Law applicable to the Nominee Properties, any tenant or occupant of the Nominee Properties, any operations at the Nominee Properties, the rental of the Nominee Properties, the sale of the Nominee Properties, or all of them, regardless of whether an Environmental Law now exists or is hereafter enacted or promulgated.

26.8 For so long as the Nominee Properties are owned by CRLP, RM covenants, at its own cost and expense, to promptly obtain and maintain or, to the extent CRLP allows, in its sole discretion, any tenant or occupant onto the Nominee Properties, cause the

applicable tenant or occupant to promptly obtain and maintain any and all permits, licenses, certificates or approvals required pursuant to any Environmental Laws now existing or hereafter enacted or promulgated, with respect to the Nominee Properties, including without limitation any permits, licenses, certificates or approvals required with respect to the ownership, development, operation, management, rental or sale of the Nominee Properties.

26.9 For so long as the Nominee Properties are owned by CRLP, then RM covenants that in the event of any past, existing or future Discharge of Contaminants at, on or under the Nominee Properties or otherwise affecting the Nominee Properties, or migrating or originating from the Nominee Properties and affecting the Real Property which is adjacent or contiguous thereto, RM shall, at its own cost and expense, and in accordance with all currently existing or hereafter enacted or promulgated Environmental Laws, undertake all action (including, without limitation, cleaning up the Discharge and removing all Contaminants from the Nominee Properties, or any Real Property which is adjacent or contiguous thereto or both, as the case may be) required pursuant to such Environmental Law. In addition, in the event of such a Discharge, RM shall immediately notify CRLP and Cali of such fact, shall provide CRLP and Cali with a copy of all documentation received by RM or its representatives from any Governmental Authority or submitted by RM or its representatives to any Governmental Authority with respect to such Discharge and shall advise CRLP and Cali in advance of all meetings scheduled between RM or any of its

representatives and any Governmental Authority and CRLP and Cali, or their representatives, or all of them, shall have the right, without the obligation, to attend and participate in all such meetings.

26.10 RM shall indemnify, defend and hold harmless, CRLP, Cali and each of their respective partners, shareholders, officers, directors, employees, agents, affiliates, and representatives from and against any and all claims, liabilities, losses, damages, penalties and costs, foreseen or unforeseen, including without limitation, reasonable counsel, engineering and other professional or expert fees, which an indemnified party may incur, to the extent that they result directly or indirectly, from (i) the breach of RM's covenants set forth under this Section 26, (ii) any past, existing or future Discharge of Contaminants at, on, or under the Nominee Properties or otherwise affecting the Nominee Properties, or migrating or originating from the Nominee Properties and affecting the Real Property, regardless of when discovered, or (iii) both of them. The provisions of this Section 26.10 shall survive the Closing and CRLP's ownership of the Nominee Properties.

27. RESTRICTIONS ON SALE OF THE PROPERTY

27.1 From the period beginning on the Closing Date and ending upon the earlier of (a) the death of Weinberg and M. Berger or (b) the date upon which Weinberg and M. Berger have transferred, sold or otherwise disposed of ninety-eight (98%) percent or more of their RM Units in a taxable transaction or any other transaction which results in a basis step-up to the holders of the RM Units, in the Properties, to their current fair market value, to other than Permitted Designees (the "Restricted Period"), CRLP, Cali and their Subsidiaries and affiliates (including, without limitation, any Permitted Assignee) may not dispose of or distribute any of the Property at any time except (i) in a tax-free like-kind exchange which satisfies the

requirements of Code Section 1031 and the Treasury Regulations promulgated thereunder, provided that any replacement property is considered a Property for purposes of this Section 27, (ii) in the event of the sale of the Property described in Schedule 27.1 annexed hereto, (iii) if a sale or disposition of any of the Property would not result in recognition of Built-in Gain by Weinberg or M. Berger, (iv) otherwise in compliance with the provisions of this Section 27, or (v) if CRLP promptly pays to the holders of the RM Units an amount equal to the sum of (A) the federal, state, and local income taxes payable by the holders of the RM Units resulting from the recognition of the Built-in Gain triggered by such sale and (B) an additional payment in an amount equal to the amount such that after payment by the holders of the RM Units of all taxes (including interest or penalties) on amounts received under Section 27.1 (v)(A) and this Section (v)(B) the RM unit holders retain an amount equal to the amount described in Section 27.1(v)(A). After the Restricted Period, the restrictions contemplated by this Section 27 shall terminate in their entirety. "Permitted Designees" shall include any inter vivos transfers to (i) spouses of Weinberg or M. Berger or (ii) any trusts or other entities in which they own an interest unless any such transfers trigger Built-in Gain or result in a basis step-up to the holders of the RM Units. For purposes of this Section 27.1, unless CRLP is furnished with an opinion of counsel to the contrary, any transfer of the RM Units to any person or entity other than a Permitted Designee is presumed to be a taxable transaction. RM agrees to cooperate with Cali and CRLP regarding the calculation of the amount of actual Built-in Gain attributable to any Property recognized upon any transfer. The provisions of this Section 27.1 shall survive the Closing.

27.2 During the Restricted Period, CRLP, Cali and their Subsidiaries (including, without limitation, any Permitted Assignee), may dispose of any of the Property at any time in connection with (i) the sale of all or substantially all of the properties owned by CRLP under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Cali and its public stockholders, or (ii) a sale (including without limitation a transfer to a secured lender in lieu of foreclosure) which the Board, in its sole judgment, determines is reasonably necessary (1) to satisfy any material unsecured debt, judgment or liability of CRLP when they become due (at maturity or otherwise) or (2) to cure any default under any material mortgage, debt or liability with respect to the Property; provided, however, that no such sales will be made under clause (ii) unless CRLP is unable to settle or refinance any such debts, judgments or liabilities or cure any such defaults after making commercially reasonable efforts to do so under then prevailing market conditions. In the event the Board, in its sole judgment, determines that it is reasonably necessary to dispose of any of the Property to satisfy a material unsecured debt, judgment or liability of CRLP when it becomes due (at maturity or otherwise), CRLP covenants and agrees that it shall treat all of its properties proportionately, including the Property, in its determination of what properties to dispose of to satisfy such material debt, judgment or liability. Such proportionate treatment shall mean that the ratio of the value of the Property that is sold over the value of the total amount of property that is sold shall be no greater than the ratio of the value of the total Property over the value of the total CRLP/Cali portfolio. In the case of any disposition of any of the Property pursuant to this Section 27.2, RM and/or the Unit Holders

may attempt to obtain title to the Property in question so long as any equity in the Property which CRLP may otherwise be seeking to preserve is not lost or jeopardized. Moreover, in the event of a transfer of any of the Property to a

secured lender in lieu of foreclosure, CRLP shall use commercially reasonable efforts to provide RM and/or the Unit Holders the right to (a) cure the default; (b) acquire such Property from the lender subject to the debt or liability; or (c) permit RM and/or the Unit Holders to exercise CRLP's right of redemption with respect to such Property.

27.3 During the period beginning after the seventh anniversary date of the Closing and ending upon the expiration of the Restricted Period, in addition to the rights set forth in Sections 27.1 and 27.2 above, CRLP may dispose of any of the Property at any time in any manner whatsoever, provided, however, that RM and/or the Unit Holders shall have a right of first offer with respect to the sale of any of such Property by CRLP as set forth in Section 27.5 below.

27.4 During the period beginning after the tenth anniversary date of the Closing and ending on the fifteenth anniversary date of the Closing and for every five year period thereafter until the expiration of the Restricted Period, in addition to the rights set forth in Sections 27.1, 27.2 and 27.3 above, CRLP shall have the right to sell an amount of the then remaining Property equal to ten (10%) percent of the aggregate amount of Built-in Gain, of all of the Property as of the Closing Date (as set forth on Schedule 27.1) during each five year period without having to make any right of first offer to RM and/or the Unit Holders. CRLP's right shall be cumulative, e.g., if CRLP does not sell any Property during the first five year period, CRLP may sell an amount of Property equal to 20% of the aggregate amount of Built-in Gain during the second five year period. For purposes of this Section 27.4, the term "Built-in Gain" for each Property shall be as set forth on Schedule 27.4, which Schedule sets forth said Built-in Gain by subtracting the adjusted basis of each Property from its agreed upon fair market value as of the Closing, all of which is set forth in Schedule 27.1 and shall not be adjusted notwithstanding any subsequent adjustments to such values for book or tax purposes, whether as a result of an audit or otherwise. No later than ten (10) days prior to a sale pursuant to this Section, CRLP agrees to provide to RM with a calculation setting forth CRLP's determination of the Built-in Gain thresholds for which CRLP may sell Property in accordance with this Section, after taking into account any prior sales of Property pursuant to a right to do so under this Section.

27.5 In the event CRLP desires to sell or otherwise desires to dispose of, or receives an offer to purchase any of, the Property pursuant to Section 27.2 or 27.3 above, CRLP shall give notice (the "Offering Notice") thereof to RM and/or the Unit Holders. The Offering Notice shall specify the nature of the sale, and the consideration and other terms upon which it intends to undertake such sale. Within thirty (30) days thereafter, RM and/or the Unit Holders may elect, by notice to CRLP, to purchase the Property which is the subject of the Offering Notice. If RM and/or the Unit Holders elect to so purchase, then such purchase shall be consummated on the terms and conditions set forth in the Offering Notice; provided, however, to the extent that the Property in question is then subject to separately allocated debt and the lender thereof consents to RM assuming such debt at no cost, expense or liability to CRLP, CRLP will convey the Property subject to such debt. RM and/or the Unit Holders may use their Units as currency, in whole or in part, in connection with the purchase of any of the Property from CRLP pursuant to this Section 27.5. In addition, as part of a transfer of any Property pursuant to

Section 27.2(ii) (1) or (2), if RM and/or the Unit Holders can cause the third party which is otherwise to obtain title to any Property to accept Units, in whole or in part, in lieu of obtaining title to such Property, RM and/or the Unit Holders shall have the right to do so provided that such third party agrees to be bound by all of the terms and conditions of the OP Agreement and performs in accordance therewith, including, without limitation, performing the requirements pertaining to a transfer of Units (other than the need to obtain the consent of the general partner of CRLP, which consent is deemed to be given pursuant to the terms of Section 27.5); in such event, title to the Property which would otherwise have been transferred to such third party shall be transferred to RM and/or the Unit Holders. If within the thirty (30) day period during which RM and/or the Unit Holders have the right to elect to purchase the Property for sale under the Offering Notice, RM and/or the Unit Holders do not make the election or fail to respond to the Offering Notice, then CRLP may undertake to sell such Property on such terms and conditions as it shall elect; provided, however, that the sale of any of the Property to which this Section 27.5 applies shall not be consummated at less than 95% of the price as specified in the Offering Notice unless CRLP again offers the Property to RM and/or the Unit Holders upon such more favorable terms and conditions (in which case the thirty (30) day period described above shall be reduced to ten (10)). If RM

and/or the Unit Holders notify CRLP of their intention not to purchase the Property as set forth in the revised Offering Notice, then CRLP may consummate the sale at any time thereafter, provided that such sale shall not be consummated at less than 95% of the price specified in the revised Offering Notice unless CRLP again complies with the provisions of this Section 27.5.

27.6 In the event that RM and/or the Unit Holders elect to purchase a Property pursuant to this section 27, CRLP agrees to cooperate with RM and/or the Unit Holders, at no cost, expense or liability to CRLP, to cause debt to be placed on the Property immediately prior the closing of the conveyance of said Property, provided that (i) RM and/or the Unit Holders arrange for such debt at their sole cost and expense, (ii) RM and/or the Unit Holders are unconditionally prepared to close such conveyance immediately after said closing of the loan, (iii) RM agrees to assume the debt and thereafter assumes same at the closing and (iv) CRLP is released of all liability thereunder immediately following the closing of the conveyance of the Property.

28. SPECIAL ENVIRONMENTAL MATTERS

See Schedule 28.1.

29. MISCELLANEOUS

29.1 If any instrument or deposit is necessary in order to obviate a defect in or objection or exception to title, the following shall apply: (i) any such instrument shall be in such form and shall contain such terms and conditions as may be required by the Title Company to omit any defect, objection or exception to title, (ii) any such deposit shall be made with the Title Company, and (iii) RM agrees to execute, acknowledge and deliver any such instrument and to make any such deposit.

29.2 This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

29.3 This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

29.4 This Agreement shall be interpreted and governed by the laws of the State of New York and shall be binding upon the parties hereto and their respective successors and assigns.

29.5 The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained.

29.6 If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

29.7 Prior to and after the Closing, each party shall, from time to time, execute, acknowledge and deliver such further instruments, in recordable form, if necessary, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement, within thirty (30) days of the request. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between RM and CRLP. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against RM, CRLP or the party whose counsel drafted this Agreement. The provisions of this Section 29.7 shall survive the Closing.

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

29.9 All references herein to any Section or Exhibit shall be to the Sections of this Agreement and to the Exhibits annexed hereto unless the context clearly dictates otherwise. All of the Exhibits annexed hereto are, by this reference, incorporated herein.

29.10 In the event of any litigation or alternative dispute resolution between CRLP and RM in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for payment of all expenses and reasonable attorneys' fees incurred by the prevailing party. The provisions of this Section 29.10 shall survive the Closing.

29.11 Cali acknowledges that B. Berger and Jones desire to cause Cali to grant an aggregate of 300,000 options to purchase Common Stock ("Stock Options") to New Cali Employees as directed by B. Berger and Jones as follows: 150,000 in June 1997 (the "1997 Options") and 150,000 in June 1998 (the "1998 Options"). Any 1997 Options which are not actually granted in June 1997 may be granted in June 1998, and any 1998 Options which are not actually granted in June 1998 may be granted in June 1999, provided that all such Stock Options shall be granted at the then current fair market value. If B. Berger and Jones have allocated Warrants to the Warrant Transferees, then of the foregoing Stock Options, B. Berger and Jones may cause Cali to grant to themselves an amount of Stock Options equal to the Warrants allocated to the Warrant Transferees up to an aggregate of 120,000 Stock Options. Cali shall present an amendment to its Stock Option Plan, and use commercially reasonable efforts to obtain stockholder approval of such amendment, at the first annual meeting of its stockholders following the Closing Date (and at each annual meeting thereafter, if necessary, with the dates above to be adjusted accordingly), in order to permit the issuance of the Stock Options to the New Cali Employees and Messrs. B. Berger and Jones as contemplated herein.

29.12 Cali will use its best efforts to renominate Weinberg and B. Berger to re-election to the Board for second three year terms upon the expiration of the initial three year terms contemplated herein. In addition, if either or both of Weinberg and B. Berger die, resign or otherwise become unable to serve during the aggregate six year period contemplated above, Cali will use its best efforts to nominate an individual selected by the survivor of Weinberg and B. Berger (or if there is no survivor, by M. Berger and Jones) to the vacancy created by such death, resignation or inability to serve. The provisions of this Section 29.12 shall only be applicable if at the relevant time, the RM Group still owns more than 51% of the RM Units or an equivalent amount of shares of Common Stock into which such RM Units may be converted.

29.13 In the event Cali establishes an executive or acquisitions committee of the Board and RM continues to have a designated director, Cali shall use its best efforts to cause the members of the Board to elect, appoint or designate at least one (1) director designated by RM to serve on such committee(s).

29.14 Whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

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

CALI REALTY, L.P.

By: Cali Realty Corporation

By: /s/ Roger Thomas

Roger Thomas, Vice President

CALI REALTY CORPORATION

By: /s/ Roger Thomas

Roger Thomas, Vice President

ROBERT MARTIN COMPANY, LLC

By: /s/ Martin Berger

Martin Berger, Manager

ROBERT MARTIN - EASTVIEW NORTH COMPANY, L.P.

By: Robert Martin Company, LLC

By: /s/ Martin Berger

Martin Berger, Manager

Schedule 28.1

Outline of Environmental Provisions to

CRLP Realty Corp./Robert Martin Deal

1. RM is to be responsible, at its sole cost and expense, for remediation of all environmental conditions described in Schedule 5.1(y)(ii) (collectively, the "Suspect Properties" and individually each a "Suspect Property"), on the terms described below.

2. RM will establish an escrow (the "Environmental Escrow") in the amount of One Million Five Hundred Thousand ($1,500,000) Dollars, which may be drawn upon from time to time, upon reasonable approval by CRLP based upon submission of bills and adequate backup data and information. Should remediation costs exceed the escrow amount, RM will be responsible for all excess costs as and when incurred. Should remediation costs be less than the escrow, then RM will be entitled to a refund of the remaining balance. At the point when the only remaining remediation activities may consist of continued monitoring of groundwater ("GW"), then the parties will agree to a reasonably acceptable reduction in the amount of the escrow to cover the total anticipated costs of continuing GW monitoring. Should the continued monitoring result in any further required remediation, then RM will be responsible for the further remediation, notwithstanding the prior reduction in the escrow amount.

3. Tim Jones will be responsible for supervising the RM remediation activities, and for assuring the Cali Board of Directors, upon completion of remediation, that remediation has been completed for each of the properties where environmental conditions have been identified.

4. RM's remediation activities will be undertaken by an environmental consultant (the "Consultant") reasonably acceptable to both CRLP and RM. At CRLP's cost and expense, Environmental Waste Management Associates ("EWMA") and Farer Siegal Fersko ("FSF") will monitor the remediation activities of the Consultant on behalf of CRLP, and the Consultant will be responsible for soliciting the input of EWMA and FSF prior to completion and submission of any plans or reports to any environmental authority. At RM's costs and expense, Donald Elmendorf will monitor the remediation activities of the Consultant on behalf of RM, and the Consultant will be responsible for soliciting the input of Mr. Elmendorf prior to completion and submission of any plans or reports to any environmental authority.

5. Remediation standards:

   (a) RM will obtain no further action letters, or their equivalent, from NYDEC, as to soils and groundwater for all properties where environmental conditions have been identified.

   (b) As to the Suspect Properties, including 399 Executive Boulevard and 1, 3 and 6 Warehouse Lane, where underground storage tank ("UST") petroleum discharges including free floating product have been identified, RM will cleanup to

   the standards set by the NYDEC guidance known as Spill Technology and Remediation Theories #1 (Aug. 1992) ("STARS"). Soil remediation will meet the standards of STAR's TCLP alternative guidance value, GW remediation will meet the standards of STAR's TCLP extraction guidance value (Ca and Cw). If RM establishes to CRLP's reasonable satisfaction that particular STARS cleanup standards are unattainable or undefined, or expected to be unattainable, at a particular Suspect Property or Suspect Properties, then CRLP in its reasonable discretion may accept cleanup to an alternative standard, unless unacceptable to NYDEC, except that in no event may such standard have a material adverse effect on property value, on current property use, on groundwater, or on the ability of CRLP to finance any Suspect Property.

   (c) As to environmental conditions at the Suspect Properties other than those described in subparagraph (b) above or subparagraph (d) below, such as waste oil tank discharges that have been identified, the same STARS standards described above will be applied to those compounds having cleanup standards under STARS, and as to other compounds, such as metals, RM will clean up to such standards set by the NYDEC. If RM establishes to CRLP's reasonable satisfaction that particular STARS or other NYDEC cleanup standards are unattainable or undefined, or expected to be unattainable on

a technical or cost-effectiveness basis, at a particular Suspect Property or Suspect Properties, then CRLP in its reasonable discretion may accept cleanup to an alternative standard, unless unacceptable to NYDEC, except that in no event may such standard have a material adverse affect on property value, on current property use, on groundwater, or on the ability of CRLP to finance any Suspect Property.

(d) As to Suspect Properties where historic fill has been identified, other than fill contaminated by on-site discharges described in subparagraphs (b) and (c) above, then RM will obtain from NYDEC no further action letters or their equivalent as to the historic fill at each of those Suspect Properties. Should NYDEC require any remediation at those Suspect Properties, then RM will undertake all necessary cleanup as defined in the subparagraphs above in order to obtain the NFAs or their equivalent. In the event that NYDEC does not or will not review or issue rulings on such Suspect Properties, then RM will clean up the Suspect Properties to standards reasonably acceptable to CRLP, or will establish to CRLP's reasonable satisfaction that particular standards are unattainable on a technical or cost-effectiveness basis. Notwithstanding any determination by NYDEC, in no event may remaining contaminants have a material adverse affect on property value, on current property use, on groundwater, or on the ability of CRLP to finance any property.

6. In the event of a dispute between CRLP and RM as to CRLP's exercise of reasonable discretion concerning the acceptability of particular soil or GW cleanup standards, or the material adverse affect of remaining contaminants on property value, on current property use, on groundwater, or on the ability of CRLP to finance any property, then the dispute will be resolved by the independent members of the Cali Board of

   Directors.

7. CRLP agrees to forego its rights to initiate any actions against RM under CERCLA or analogous state laws as to environmental conditions already identified at the Suspect Properties, but maintains those rights as to conditions not currently identified or known at the Suspect Properties but discovered in the future. As to currently unknown or unidentified environmental conditions discovered in the future at properties other than the Suspect Properties where environmental conditions have already been identified, CRLP agrees to forego its rights to initiate any actions against RM under CERCLA or analogous state laws. However, as to any of the Real Property, if CRLP is pursued by third parties, including governmental authorities, concerning any environmental conditions existing as of the date of Closing, then CRLP may involve RM in those matters, whether through litigation or other proceedings.

8. Notwithstanding anything to the contrary contained in this Schedule or in Article 28 to the contrary, should the actual out-of-pocket cost of remediation and verification, and/or the Consultant's estimate of such cost of remediation and verification, (a) with respect to any one of the Suspect Properties exceed the Allocated Property Value for said Suspect Property, then RM shall have the right, exercisable in its sole and absolute discretion, to redeem any such Suspect Property in exchange for cash and/or Units at a price equal to the Allocated Property Value for such Suspect Property and (b) with respect to all or any one of the Suspect Properties exceed the amount of the Environmental Escrow, then RM shall have the right, exercisable in its sole and absolute discretion, to redeem one or more of the Suspect Properties in exchange for cash and/or Units at a price equal to the Allocated Property Value for such Suspect Property or Properties such that the Environmental Escrow is sufficient to pay for the actual out-of-pocket cost of remediation and verification, or the Consultant's estimate of such cost of remediation and verification, for the remaining Suspect Properties.

9. Notwithstanding anything to the contrary set forth above, should RM choose to have CRLP redeem a Suspect Property pursuant to Section 8 above, then as to any such properties RM will indemnify, defend and hold CRLP harmless from and against any and all environmental claims, actions or proceedings concerning any such property, including those under CERCLA or analogous state laws.

10. For purposes of valuing the Units, the Units shall be deemed to have a value of $31.25 per share. All remediation and verification shall be performed pursuant to the terms and conditions of this Schedule.

EXHIBIT 2.2(c)-2

MANAGEMENT AND LEASING AGREEMENT

Agreement, made as of January _____, 1997, between ROBERT MARTIN COMPANY,

LLC ("Owner"), a New York limited liability company having an office at 100 Clearbrook Road, Elmsford, New York 10523 and CALI SERVICES, INC. ("Agent"), a New Jersey corporation having an office at 11 Commerce Drive, Cranford, New Jersey 07016.

W I T N E S S E T H:

WHEREAS, Owner is the fee owner of that certain building and other improvements located at 7 Skyline Drive, Mt. Pleasant, New York (collectively, the "Building"); and

WHEREAS, Owner desires to engage and appoint Agent as its exclusive managing and leasing agent for the Building, and Agent desires to accept this appointment, upon and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, Owner and Agent agree as follows:

1. AppointmentAppointment. Owner hereby appoints and employs Agent as the exclusive managing and leasing agent for the Building, and Agent hereby accepts such appointment.

2. Term. This Agreement shall commence on January ____ , 1997 (the "Commencement Date") and shall remain in full force and effect until the last day of the month in which the third annual anniversary of the Commencement Date shall occur, unless terminated sooner as hereinafter provided.

3. Agent's Duties and PowersAgent's Duties and Powers.

(a) General Scope. Agent shall manage, coordinate, and supervise the proper conduct of the ordinary and usual business and affairs pertaining to the operation, maintenance, leasing and management of the Building (collectively the "Management Activities"). Agent shall have such responsibilities, and shall perform and take, or cause to be performed or taken, all such services and actions customarily performed or taken by managing and leasing agents of property of similar nature, location and character to that of the Building for the proper conduct of the Management Activities, including, without limitation, the duties set forth in Sections 3(b) through 3(l) hereof. In the event Owner is not satisfied with Agent's management of the Building, Owner's sole recourse shall be to terminate this Agreement pursuant to Section 10 hereof, provided however, that the foregoing shall in no event limit or discharge Agent from liability for failure to perform its obligations pursuant to this Agreement.

(b) Rent Bills and Collections. (1) Agent shall prepare and deliver to all persons, firms, and entities occupying or using space in the Building (individually a "Tenant" and

collectively "Tenants") monthly bills setting forth all rent, escalation payments, and other amounts payable by such Tenants (collectively "Rent") under their respective leases or licenses, occupancy or similar agreements (individually a "Lease" and collectively "Leases"). These bills shall be accompanied by such other information and materials as Owner is required to furnish such Tenants under their respective Leases. Agent shall use all commercially reasonable efforts to collect all Rent and shall deposit the Rent in one or more bank accounts maintained by Agent on behalf of Owner.

(2) Except as directed otherwise by Owner, Agent shall take all such actions as shall be necessary or advisable to enforce all rights and remedies of Owner under the Leases or to protect the interests of Owner, including, without limitation, the preparation and delivery to Tenants of all "late payment", default, and other appropriate notices, requests, bills, demands, and statements. Subject to the prior approval of Owner (which approval shall not be unreasonably withheld or delayed), Agent may retain counsel, collection agencies, and such other persons and firms as Agent shall deem appropriate or advisable to enforce by legal action, the rights and remedies of Owner against any Tenant in default in the performance of its obligations under a Lease provided however, Owner shall be responsible for all legal action Agent commences on Owner's behalf. Agent shall notify Owner of the progress of any such legal action on a regular basis.

(c) EmployeesEmployees. Agent shall have the duty, subject to the limitations set forth in this Agreement, to investigate, hire, train, pay, supervise and discharge the personnel (the "Management Personnel") necessary to be employed in order to properly maintain and operate the Building in accordance with the obligations of Agent under this Agreement. Such Management Personnel shall in every instance be deemed employees of Agent and not of Owner. Agent, on behalf of Owner and at Owner's expense, shall obtain and maintain Workers' Compensation Insurance (including Employer's Liability Insurance) covering all employees of Agent employed in, on or about the Building to provide statutory benefits as required by applicable state and federal laws. Agent shall directly control the time and manner of the work and services to be performed by the

employees of Agent and Agent shall comply with all applicable federal, state and local laws, ordinances and regulations applicable to such employees. Agent shall make all necessary payroll deductions for disability and unemployment insurance, social security, withholding taxes and other applicable taxes, and prepare, maintain and file all necessary reports with respect to such taxes or deductions, and all other necessary statements and reports pertaining to labor employed on or about the Building. Notwithstanding the fact that personnel employed in or about the Building are to be employees of Agent, all compensation (including benefits) paid to them by Agent shall be considered operating expenses of the Building provided such compensation is no greater than the expenditures authorized pursuant to the Approved Budget.

(d) Professionals and Contractors. To the extent Agent deems it to be necessary in connection with the Management Activities, Agent shall (i) identify and, as Owner's agent, enter into contracts with architects, engineers, accountants, attorneys, tradespeople, and other independent contractors to perform services (other than service contracts, as provided for in Section 3(e)(3) hereof) and (ii) supervise the administration, and monitor the performance, of all

work to be performed and services to be rendered, under all such contracts. Agent shall use due care in the selection of all such professionals and other independent contractors. Any and all such contracts and all purchase orders for an amount in excess of Five Thousand Dollars ($5,000) shall be in form and substance acceptable to Owner. In the event Owner witholds its consent to any contract in excess of Five Thousand Dollars ($5,000), Owner shall be liable for all ramifications of said action, provided however, that such withholding of consent shall in no event reduce the obligations of Agent as otherwise provided in this Agreement. Agent shall identify any contracts to be entered into or purchase orders to be placed with any partner, officer, employee, or Affiliate of Agent and any such contract shall not exceed the amounts customarily charged by independent third parties for similar services. As used herein, the term "Affiliate" shall mean (x) any entity or person directly or indirectly controlling, controlled by, or under common control with, Agent or any officer, director, or partner of Agent, (y) any entity or person owning or controlling 51% or more of the outstanding voting securities or interest in capital or profits of Agent and (z) any officer, director, or partner of Agent. Notwithstanding the foregoing, Owner acknowledges and consents to contracts with Affiliates of Agent.

(e) Maintenance. (1) Agent shall cause the Building to be maintained in a good and safe condition comparable to that of other properly maintained properties of similar type and location.

(2) To the extent of the capacity of all equipment and systems located in or servicing the Building, Agent shall cause all such equipment and systems to be operated effectively and maintained in good repair. Further, Agent shall cause to be provided or made available to Tenants those services which Owner is required to provide or make available under their respective Leases.

(3) Subject to an Approved Budget, Agent shall negotiate on behalf of Owner contracts for water, electricity, gas, fuel, oil, telephone, vermin extermination, trash removal, and other services necessary or advisable for the operation of the Building. All professionals and other service providers whose services are to be retained in respect of the Building, pursuant to this Section 3(e)(3), may be designated by Agent at its discretion, provided, however, if (a) any such professional is retained for a term in excess of one (1) year or (b) the terms of such contract with any such professional or other service provider require payment to such professional or other service provider in excess of $20,000, then Owner shall have the right to disapprove of such contract with such professional or other service provider. Agent shall also place orders in the name of Owner for such equipment, tools, appliances, materials and supplies as are reasonable and necessary to maintain properly the Building, subject to any applicable limitations contained in an Approved Budget.

(f) Repairs. Subject to an Approved Budget, Agent shall cause such ordinary and necessary repairs to be made to the Building and all equipment and systems located in or servicing the Building, as shall be deemed necessary or advisable for its proper operation and maintenance. Notwithstanding the cost limitations set forth in Section 4(a) hereof or the first sentence of this paragraph, Agent may cause to be made all repairs that are immediately necessary for the preservation or protection of the Building or the safety of Tenants and other

persons in or on the Building, or are otherwise required to avoid the suspension of any necessary services in the Building, without Owner's prior approval and without limitation as to cost; provided, however, that in each such instance Agent shall, before causing any such emergency repair to be made, use reasonable

efforts under the circumstances to notify Owner of the emergency situation and the need for such action.

(g) Supervision of Tenants. (1) In order to insure minimum disturbance to the operation of the Building and to other Tenants then occupying or preparing to occupy space in the Building, Agent shall plan and coordinate the moving in and moving out of Tenants and all construction, alteration, and decoration work Owner is required under Leases to perform for Tenants.

(2) Agent shall receive, and use reasonable efforts to attend to and resolve, all complaints of Tenants and shall attempt to resolve any complaints, disputes, or disagreements by or among Tenants but shall not expend, on behalf of and at the cost of Owner, more than $5,000 to settle any dispute with a Tenant without having obtained the prior written consent of Owner.

(3) Agent shall monitor all Tenants to insure their compliance with the terms and provisions of their respective Leases, including, without limitation, the Rules and Regulations of the Building. Agent shall notify the respective Tenants and Owner of any material violations of such Leases and use reasonable efforts to cause such Tenants to correct all violations promptly.

(h) INTENTIONALLY OMITTED

(i) Advertising - Public Relations. Subject to the Approved Budget, on behalf of and at the cost of Owner, Agent shall hire such advertising services, place such advertisements, and generally supervise and attend to all promotional matters pertaining to the operation of the Building as Agent shall deem advisable. Agent shall represent Owner in connection with all matters of general public interest and which pertain to the Building, and shall attempt to amicably resolve any complaints, disputes, or disagreements in connection therewith as promptly as is reasonably possible.

(j) Compliance. (1) Subject to an Approved Budget, Agent shall take or cause to be taken all such appropriate actions in and about or affecting the Building as shall be necessary to comply with all legal requirements applicable to the Building and those of any Board of Fire Underwriters or similar agency having jurisdiction over the Building.

(2) Notwithstanding the cost limitations set forth in Section 4(a) hereof or this Section 3(j), Agent may, without Owner's prior written approval, take or cause to be taken any such actions if failure to do so would or might, in Agent's reasonable judgment, expose Owner or Agent to criminal liability; provided, however, that in each such instance Agent shall, before taking or causing to be taken any such action, use reasonable efforts under the circumstances to notify Owner of the need for such action. Agent and Owner shall each promptly notify the other of any violation, order, rule or determination of any governmental authority or Board of Fire Underwriters or similar agency that affects the Building.

(k) Payment of Expenses. Agent, on behalf of Owner, shall coordinate the payment of, with funds from the Operating Accounts (defined in Section 6(b) hereof), all expenses Agent shall have incurred under the terms of this Agreement including, without limitation, Agent's compensation under this Agreement. Agent shall at all times use all commercially reasonable efforts to obtain for Owner, and shall credit to the account of Owner in each case, all discounts, rebates, and other favorable financial terms that may be available to Agent from third parties in connection with any costs or expenses Agent shall incur under this Agreement.

(l) Leasing. Agent shall negotiate Leases for space in the Building; provided, however, such Lease shall be subject to Owner's approval as provided for in Section 8 hereof.

(m) Coordination of Tenant Finish Work. Throughout the term of this Agreement, Agent shall supervise, coordinate and expedite the completion of all tenant finish work with respect to each Lease at an additional cost to Owner of twenty (20%) percent of the "hard" costs of construction, including the cost of printing and obtaining permits (the "Construction Management Fee"). The Construction Management Fee shall be payable to Agent on a monthly basis, if Agent, on behalf of Owner, is hired by Owner to supervise the tenant work. The Construction Management Fee shall not be payable to Agent, if a tenant is supervising and paying for its own tenant work. Agent's duties and responsibilities if hired in connection with the foregoing shall include, without limitation, (i) finalizing space plans and obtaining prices of materials and services related to the tenant finish work, (ii) assisting the Tenant in the selection of tenant finish materials and in such other matters as the Tenant may reasonably request, (iii) coordinating planning and construction activities among the architect, contractor and Tenant in order to facilitate the prompt completion of all such activities while minimizing any disruption of normal building operations, and (iv) monitoring construction to ensure that the tenant finish work is performed in compliance with the plans and specifications

approved in writing by Owner in connection therewith. In the event Agent is not hired by Owner to supervise the tenant work, Agent shall have no obligation or responsibility for the quality, impact or effect of such tenant work, including but not limited to, the impact or effect on the Building and Building systems.

(n) General Duties. In addition to the duties more particularly described in this Section 3, Agent shall be responsible for the implementation of any and all decisions of Owner, upon its request, and for initiating and taking such other actions (not inconsistent with this Agreement) in the management and administration of the Building so as to achieve the maximum efficiency and success thereof for the benefit of Owner.

4. Limitations of Agent's Powers and Authority.

(a) Expenditures. Except to the extent provided for in an Approved Budget or as otherwise specifically provided in Sections 3(f) and 3(j) with respect to emergency situations, or in Section 3(e)(3) with respect to service contracts, Agent shall not, without the prior written

approval of Owner, incur any single expense for a repair, alteration, service, supply, or other matter that would involve a cost in excess of $5,000.

(b) Debt Service, Refinancings and Sales of the Property. Agent shall not be responsible for the payment of any debt service, ground rentals, or other amounts due under mortgages or ground leases which may from time to time affect the Building. In addition, Agent shall not be required to represent Owner in connection with any refinancings affecting, or sales of, the Building.

5. Operating Budgets.

(a) Budget for First Operating Year. Attached hereto as Exhibit B is a true and correct copy of Owner's operating budget for 1996. Agent and Owner shall use their good faith and best efforts to establish a budget for all costs pertaining to the operation and maintenance of the Building during the initial Operating Year (i.e., the period from the Commencement Date through December 31, 1997) within 30 days after the Commencement Date. Such budget shall (y) set forth expenditures on an annual and a monthly basis, and (z) not, except for informational purposes, include estimates for costs and expenses for which Owner will be reimbursed by Tenants under Leases. Pending the Owner's approval of a budget for the initial Operating Year, the provisions of Section 5(d) shall apply.

(b) Annual Budgets After First Operating Year. Agent shall prepare and submit to Owner for its approval at least 45 days before the beginning of each Operating Year (as defined in Section 5(c) hereof) subsequent to the first Operating Year, a proposed pro forma budget for all costs pertaining to the operation and maintenance of the Building during such Operating Year. Each such budget shall (x) be in substantially the same form as the Approved Budget in effect for the prior Operating Year, (y) set forth expenditures on an annual and a monthly basis, and (z) not, except for informational purposes, include estimates for costs and expenses for which Owner will be reimbursed by Tenants under Leases. Agent shall make such modifications to each proposed pro forma budget it prepares in accordance with this Section until Owner shall have approved this budget in writing.

(c) Approved Budgets and Operating Years. Each pro forma operating budget approved by Owner in accordance with Sections 5(a) and 5(b), together with any adjustments thereto, shall be deemed to be the "Approved Budget" for the period covered by the budget. Each Approved Budget for each year following the initial Operating Year shall cover a period which shall begin January 1 and end December 31 and which is referred to in this Agreement as an "Operating Year".

(d) Limitations of Approved Budgets. Except as otherwise specifically provided in this Agreement, Agent shall incur costs and expenses (excluding costs and expenses for which Owner will be reimbursed by Tenants) in connection with the operation and maintenance of the Building during any Operating Year only within the limitations established by the Approved Budget for such Operating Year. In the event there shall be a material variance between the results of operations for any month and the estimated results of operations for such

month as set forth in an Approved Budget, Agent shall furnish to Owner along with the monthly report for such month a written explanation as to why such variance occurred.

If any Operating Year shall commence before Owner shall have approved the proposed pro forma budget for such year, Agent shall use its reasonable judgment

in incurring costs and expenses relating to the operation and maintenance of the Building (during such Operating Year) until an Approved Budget for such Operating Year shall be in effect, and in doing so shall be guided by the Approved Budget for the prior Operating Year. In such case, Agent shall be subject to the same financial limitations established by the last effective Approved Budget as if such budget had been in effect for the then current Operating Year, increasing, however, the amount of funds established for costs and expenses relating to utility charges, real estate taxes, insurance or other matters that are not within Agent's reasonable control and which, if not incurred, would adversely and materially affect the operation and maintenance of the Building, by the amount necessary to pay such utility charges, real estate taxes and insurance premiums in full, and with respect to such other matters that are not within Agent's reasonable control, by not more than five percentage points in excess of the New Index less the Base Index. (The "Index" shall mean the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers for the New York - Northeastern New Jersey Area, 1967=100, published by the United States Department of Labor, Bureau of Labor Statistics. "Base Index" shall mean the Index published in respect of January (or if not published the month closest preceding January in which the Index is published) of the year covered by the then effective Approved Budget, and "New Index" shall mean the Index published in respect of January (or if not published, the month closest preceding January in which the Index is published) of such year. In the event the Base Index or the New Index shall no longer be published, a substantively similar index of inflation will be substituted in order to give effect to the intentions of the parties.)

6. Books, Records, Accounts, Reports and Remittances.

(a) Books and Records. Agent shall establish and maintain such books of account, records and other documentation pertaining to the operation and maintenance of the Building as are customarily maintained by managing agents of properties in Westchester County. Agent shall prepare or cause to be prepared and file all returns and other reports relating to the Building, other than income tax returns as may be required by any governmental authority or otherwise under this Agreement. During the term of this Agreement, all such books and records, as well as all other books and records of Agent that relate to the Building, shall be available for inspection and audit by Owner at its expense at all reasonable times during normal business hours. All such books and records shall be delivered promptly to Owner pursuant to Section 10(d) upon the termination of this Agreement.

(b) Operating Accounts. Agent, in the name of Owner, shall open and maintain an account or accounts (collectively, "Operating Accounts"), as Owner shall deem necessary or appropriate, in a banking institution or institutions in Westchester or New York County (designated from time to time by Owner) in Owner's name. Agent shall deposit in the Operating Accounts all funds collected by Agent under this Agreement and all funds deposited in the Operating Accounts shall be and remain Owner's property. Notwithstanding the foregoing,

Agent shall be permitted to endorse all checks for deposit only into the Operating Accounts. Owner may periodically remove funds in excess of those needed by Agent to operate and maintain the Building in accordance with this Agreement.

(c) Security Deposits. Agent shall deposit and maintain in separate accounts approved by Owner in accordance with applicable laws and Leases, all security deposits of Tenants.

(d) Monthly Reports. Agent shall prepare and deliver to Owner a monthly report within 45 days after the end of each calendar month, setting forth detailed statements of collections, disbursements, delinquencies, uncollectible accounts, balances of Operating Accounts, accounts payable, expenses, and other matters relating to the Management Activities. These statements shall, upon Owner's request, be accompanied by appropriate documentation of all expenditures made by Agent under this Agreement.

(e) Quarterly Statements. Agent shall prepare and deliver to Owner on a quarterly basis within 45 days after the end of each calendar quarter, Agent's written estimates of the amounts, if any, by which any major categories of the Approved Budget must be adjusted to fund adequately the operation and maintenance of the Building for the then current quarter. Agent also shall furnish Owner with such further information covering the operation and maintenance of the Building as Owner may reasonably require.

(f) Year-End and Final Reports. As soon as practicable after the end of each Operating Year and after the expiration or termination of this Agreement (but in any event prior to 105 days after the end of such Operating Year or expiration or termination), Agent shall prepare and deliver to Owner a statement of income and expenses showing the results of operations for the calendar year or portion thereof during which the provisions of this Agreement were in effect, and any other information that may be necessary to file income tax returns or

that may be required by any governmental authority (to the extent available to Agent). Each annual statement of income and expenses report shall be prepared in accordance with generally accepted accounting principles (on an accrual basis, unless otherwise requested by Owner).

7. Owner's Duties.

(a) Plans, Specifications, and Documents. As such are available to Owner, Owner shall make readily available to Agent copies of the plans and specifications of the Building and a recent survey of the property and shall provide Agent with such information and materials pertaining to the layout and construction of the Building, the elevators and lighting of the Building, and the heating, air conditioning, ventilating, plumbing, electrical, and other mechanical systems and equipment in or servicing the Building as Agent may reasonably request. As such are available to Owner, Owner shall also provide Agent with copies of, or convenient access to, all agreements, licenses, certificates, permits, contracts, bills, notices, and other documents pertaining to the Building.

(b) Insurance. Owner shall maintain such policies of public liability, workers' compensation, employer's liability, fidelity bond, and other insurance as may be necessary for the protection of the interest of Owner and Agent or as Agent otherwise may reasonably request in the performance of the Management Activities. Owner shall designate Agent under these policies as an additional party insured thereunder. Owner shall select an issuer of each policy (which shall in all cases be an insurance company licensed to do business in the State of New York, with an A-VIII rating or better in Best's Insurance Guide), the amount of coverage under each policy, and the broker or agents therefor.

8. Leasing.

(a) Relationship of Owner and Agent with Respect to Leasing. Owner acknowledges that Agent is the exclusive leasing agent for the Property. In the event Agent leases space at the Property, Agent shall be entitled to a commission in accordance with Section 9(d) hereof. Agent agrees that it will cooperate with outside brokers in order to achieve the leasing objectives of the Owner. Agent shall procure references from prospective Tenants, investigate such references, and use its best judgment in the selection of prospective Tenants, provided however, that in no event and under no circumstances shall Agent be deemed a guarantor or surety of any obligation of any Tenant. Agent agrees to perform whatever service may be reasonably required in connection with the negotiation of Leases or renewals, extensions, modifications, or cancellations thereof. Leasing commissions shall be paid by Owner from the Operating Accounts or collateral accounts established pursuant to a loan agreement with Owner's lender.

(b) Leasing Plan. Not later than 45 days prior to the start of 1998 and each succeeding calendar year, Agent shall develop a plan for all space that is anticipated to be available for leasing during the coming year (the "Leasing Plan"). The Leasing Plan will identify the individual space and indicate the number of square feet, the existing Tenants, current base rent and percentage rent (if any) and Lease expiration date.

(c) Monthly Leasing Reports. Agent shall prepare monthly leasing reports for Owner. Said reports shall be forwarded to Owner within 45 days after the end of each calendar month during the term of this Agreement. Such reports shall set forth Agent's activities during the preceding month, including a brief description of the progress of all significant leasing negotiations during that month and all significant contacts had with each prospective Tenant during the month in question, the name of the representative of each such prospective Tenant, the name, address, and telephone number, if available, of the representative of each Tenant who has accepted occupancy or vacated its premises during the month and the dates of such occupancies or vacancies, and a brief description of any litigation concerning collection proceedings. The report will also generally describe the progress of Agent's leasing program from the end of the prior report to the date of the report.

(d) Lease Proposals. All Lease proposals must be made to the Owner in writing. At the time of the submission of the Lease proposal to Owner, Agent shall forward to Owner the results of a current financial investigation of the potential Tenant, together with

Agent's business recommendations regarding the Leasing, and an estimate of the leasing commissions. All final Leases shall be written on the form of space tenant leases then being used by or approved by Owner. The final Lease shall be prepared by Owner's attorneys, or at Owner's option, Agent or Agent's attorneys. The prepared Lease will be forwarded to the potential Tenant for such Tenant's

signature. Upon execution by the Tenant, the Lease (together with an abstract of that Lease prepared by Agent on a form approved by both Owner and Agent) shall be returned to the Owner for its signature.

(e) Post-Termination Leases. If within six (6) months prior to the termination of this Agreement Agent has commenced negotiations with a bona fide prospect listed by Agent with Owner at the expiration or termination of this Agreement (i.e., a prospect that has visited the site and expressed a written interest therein or in connection with a current tenant or occupant of the Building a prospect that has executed an agreed upon term sheet) and if within six (6) months after the expiration or termination of this Agreement a Lease is executed, or a contract to lease is entered into with such bona fide prospect, then Owner shall recognize Agent as the broker for any such transaction and shall pay to Agent the commission according to the applicable terms and conditions of this Agreement.

(f) Personnel. Agent shall submit to Owner, for informational purposes only, the resumes of all personnel who have primary responsibility for the leasing of the Building.

9. Compensation - Management and Leasing Fees.

(a) Amount and Payment. Owner shall pay Agent an annual fee for its performance of the Management Activities in an amount equal to four per cent (4.0%) (the "Management Fee") of the gross income from the operation of the Building for the Operating Year with respect to which such fee shall be payable. This fee shall be payable in monthly installments in arrears in accordance with Section 3(k).

(b) Gross Income. For the purposes of this Section, the "gross income from the operation of the Building" shall mean all amounts actually collected by Agent as rents or other charges for use and occupancy of the Building, but shall exclude all income derived from interest or investments or otherwise, proceeds of claims on account of insurance policies, abatement of taxes and awards arising from eminent domain proceedings or the threat thereof, discounts, forfeited deposits, deposits, dividends on insurance policies, a sale of the Building or any financing proceeds.

(c) Additional Fees. Except for construction management services as set forth in Section 3(m) hereof, Agent shall not charge Tenants additional fees for services which are to be retained by Agent and not credited to Owner without Owner's express prior approval, which approval shall not be unreasonably withheld or delayed.

(d) Leasing. Subject to Section 9(e) below, Owner agrees that if a Lease of all or any part of the Building is entered into by Owner during the term of this Agreement or pursuant to Section 8(e) hereof, Owner shall pay Agent a leasing commission (the "Leasing

Commission") in accordance with Exhibit A attached hereto and made a part hereof for all purposes; provided, however, that the form and content of any such Lease shall be satisfactory to Owner in its sole and absolute discretion

(e) Deault. Agent shall not be entitled to any commission in the event of a default by Agent under this Agreement, excepting such commissions otherwise accrued prior to the occurrence of an event of default.

(f) Sale. Agent understands that this Section relates to Leases only and Agent shall have no right to a commission or other compensation in the event of any sale or financing of the Property, whether or not to a tenant or pursuant to any option or right of first refusal contained in any Lease.

(g) Expense of Owner. All expenses incurred by Agent in performing its obligations pursuant to Section 3 hereof, including third party accounting, tax and legal expenses, shall be considered an operating expense borne by Owner, except as otherwise specifically provided in this Section 9 or elsewhere herein and except that Owner shall not be obligated to reimburse Agent for any expenses (i) for office equipment or office supplies of Agent for any overhead expense of Agent incurred in its general offices, (ii) for any salaries of executive employees of Agent, (iii) for any salaries or wages allocable to time spent on projects other than the Building, or (iv) for any salaries, wages, and expenses for any personnel other than personnel spending a portion of their working hours (to be charged on a pro rata basis) directly involved in the management of the Building or in specifically performing Agent's management duties hereunder, whether on or off Building site. All payments to be made by Agent hereunder for which Agent is entitled to be reimbursed shall be reimbursed from funds deposited in the Operating Account. Agent shall not be obligated to make any advance to or for the account of Owner or to pay any sums, except out of funds held in the Operating Account, nor shall Agent be obligated to incur any liability or obligation for the account of Owner without the assurance that the necessary funds for the discharge thereof will be provided.

10. Default - Termination.

(a) Optional Termination. Owner and Agent may terminate this Agreement at any time if the other shall default in the performance of any of its material obligations under this Agreement. In such event, the party declaring the default shall provide the other party (the "Recipient") with written notice thereof setting forth the nature of the default, and the Recipient shall have (i) ten days to cure a monetary default or (ii) 30 days to cure a non-monetary default, provided however, that if the nature of the alleged non-monetary default is such that it cannot reasonably be cured within 30 days, the Recipient may cure such default by commencing in good faith to cure such default promptly after its receipt of such written notice and prosecuting the cure of such default to completion with diligence and continuity within a reasonable time thereafter. This Agreement may be terminated by Owner upon written notice to Agent, effective as of the date stated to be the termination date in said notice, if any of the five Management and Leasing Agreements entered into by Agent (contemporaneously with the execution and delivery of this Agreement) relating to properties owned by Owner or companies affiliated with Owner

shall be terminated by the Owner (defined in each such Agreement) by reason of Agent's failure to perform its obligations thereunder.

(b) Automatic Termination. This Agreement shall terminate automatically if:

(i) all or substantially all of the Building is condemned or acquired by eminent domain;

(ii) all or substantially all of the Building is destroyed by fire or other casualty as a result of which all or substantially all of the Tenants are unable to continue the normal conduct of their businesses in their respective occupied spaces or are permanently released under their respective Leases from the payment of all rent thereunder;

(iii) Owner or Agent shall (v) commence a voluntary case or action under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or (w) consent to the appointment of, or taking possession by, a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Owner or Agent (as the case may be) or of any substantial part of its property, or (x) make any assignment of any substantial part of its property for the benefit of creditors, or (y) fail generally to pay its debts as such debts become due, or (z) take action in furtherance of any of the foregoing;

(iv) a court having jurisdiction over Owner or Agent (as the case may be) shall enter a decree or order for relief in respect of Owner or Agent (as the case may be) in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Owner or Agent (as the case may be) or of any substantial part of its property, or for the winding-up or liquidation of its affairs, and such decree or order shall continue unstayed and in effect for a period of 60 consecutive days; or

(v) the Building is sold to a third party purchaser.

(c) Survival of Obligations. Upon the expiration or termination of this Agreement (i) Owner's appointment of Agent hereunder shall cease and terminate and, except as otherwise specifically provided hereunder, Owner and Agent shall have no further obligation or liability to the other, (ii) Agent shall no longer have any authority to represent Owner or take or cause to be taken any actions on Owner's behalf, and (iii) Owner shall pay Agent all fees that shall have accrued through the date of termination. The provisions of this Section shall survive any such expiration or termination. Anything herein to the contrary notwithstanding, in the event this Agreement is terminated as a result of a default described in Section 10(a) hereof, such termination shall not relieve the defaulting party of any liability for actual damages, if any, incurred by the non-defaulting party as a result of such default.

(d) Return of Owner's Property. Agent shall use reasonable efforts to deliver to Owner all books, records, Leases, agreements, and other documents that are necessary or materially pertinent to the future management of the Building and which were delivered by Owner to Agent as soon as possible, and in any event, within 30 days after the expiration or termination of this Agreement. Following such termination, Agent shall cooperate with the new manager appointed by Owner for a reasonable period of time to insure a smooth transition of the management of the Building.

11. Indemnification.

(a) Owner Indemnification. Owner shall indemnify, and, if required by Agent, defend, at Owner's sole cost and expense (using counsel selected by Owner's insurance carrier), and hold Agent, its shareholders, partners, members, employees, agents, officers and directors free and harmless from and against any and all claims, demands, causes of action, losses, damages, judgments, liabilities, costs and expenses (including, without limitation, attorneys' fees and court costs) (collectively, "Claims") arising out of the operation and management of the Building, except Claims caused by or resulting from the negligence or misconduct of Agent, its shareholders, partners, members, employees, agents, officers or directors, or caused by or resulting from the breach of any of Agent's obligations under this Agreement by Agent, its shareholders, partners, members, employees, agents, officers or directors.

(b) Agent Indemnification. Agent shall indemnify, and, if required by Owner, defend, at Agent's sole cost and expense (using counsel selected by Agent's insurance carrier), and hold Owner, its employees, agents, and partners free and harmless from and against any and all Claims sustained or incurred by or asserted against Owner, its employees, agents and/or partners, as a result of or arising from the gross negligence or willful misconduct of Agent, its shareholders, partners, members, employees, agents, officers or directors, or caused by or resulting from the breach of any of Agent's obligations under this Agreement by Agent, its shareholders, partners, members, employees, agents, officers or directors.

12. Timely Performance. Owner and Agent shall each perform all of their respective obligations under this Agreement in a proper, prompt, and timely manner. Each shall furnish the other with such information and assistance as the other may from time to time reasonably request in order to perform its responsibilities under this Agreement. Owner and Agent each shall take all such actions as the other may from time to time reasonably request and otherwise cooperate with the other so as to avoid or minimize any delay or impairment of either party's performance of its obligations under this Agreement. Agent shall not be obligated to perform any services required of it pursuant to the provisions of this Agreement unless the rental income from the Building and the funds required by the provisions of this Agreement to be provided by Owner shall be sufficient to pay for such services, provided however, that the lack of such income and funds shall in no event limit the obligations of Agent to provide the services generally described in clauses (i), (ii), (iii) and (iv) of the first sentence of Section 9(g).

13. Assignment.

(a) Permissible Assignments. Neither Owner nor Agent may assign or transfer this Agreement without the prior written consent of the other, provided however, that either party may assign this Agreement to an Affiliate.

(b) Assumption and Release. Each permitted assignee of this Agreement shall agree in writing to personally assume, perform, and be bound by all of the terms, covenants, conditions, and agreements contained in this Agreement, and thereupon the assignor of this Agreement shall be relieved of all obligations under this Agreement except those which shall have accrued before the effectiveness of such assignment.

14. Notices.

(a) General. Any and all notices or other communications given under this Agreement shall be deemed to have been properly given when delivered, if personally delivered, or three days after the date mailed if sent by certified or registered mail, return receipt requested and postage prepaid, or the first business day after the delivery of same (with payment of shipping costs) to a nationally recognized overnight carrier (e.g., Federal Express) and addressed to the parties at the following addresses:

If to Agent, to:

Cali Services, Inc.
c/o Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.

If to Owner, to:
Robert Martin Company, LLC
100 Clearbrook Road
Elmsford, New York 10023
Attention: Mr. Robert F. Weinberg

and

Robert Martin Company, LLC
100 Clearbrook Road
Elmsford, New York 10523
Attention: Lloyd I. Roos, Esq.

Any notice delivered by either party in any manner other than those described above shall be deemed properly given when received. Either party may change its address for the giving of notices under this Agreement by delivering to the other party ten days' written notice of the change of address.

(b) Emergency Notices. Either party may give the other notice of emergency situations, orally (personally, by telephone, or otherwise) or by telecopy, telex, telegram, or other method, provided that the party giving any such emergency notice shall confirm the same by written notice in accordance with Section 14(a).

15. Miscellaneous.

(a) Applicable Law. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of New York.

(b) Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understanding relating to the subject matter hereof.

(c) Modifications. This Agreement may not be modified, amended, or terminated, nor may any term or provision hereof be waived or discharged, except in writing signed by the party against whom such amendment, modification, termination, waiver, or discharge is sought to be enforced.

(d) Binding Effect. All of the terms of this Agreement, whether so expressed or not, shall be binding upon the respective successors and permitted assigns of the parties hereto and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

(e) Partial Invalidity. If any of the provisions of this Agreement shall to any extent be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(f) Headings. The headings of this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(g) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(h) Notice of Commencement of Proceedings. Owner and Agent shall give notice to each other of the commencement of any action, suit or proceeding against Owner or Agent with respect to the operation of the Building, or otherwise affecting the Building.

(i) Cooperation by Agent. Agent, at Owner's expense, shall cooperate and cause its employees to cooperate, in connection with the prosecution or defense of all legal proceedings affecting the Building.

(j) Conflict of Interest. Owner acknowledges that Agent's ownership and active management (and the ownership and active management by companies affiliated with Agent) of facilities competitive with the Building shall in no event be deemed a conflict of interest or a violation of Agent's obligations hereunder, provided however, that in no event shall Agent, its employees or agents devote less time, attention and energy to the management and leasing of the Building as a result of the Building not being owned by Agent or an entity controlling, controlled by, or under common control with, Agent.

(k) Owner recognizes that this Management Agreement is entered into as a part of the sale of certain properties by Owner, and the purchase of those properties by affiliates of Agent, as evidenced by the Contribution and Exchange Agreement dated January , 1997 (the "Exchange Agreement"). Accordingly, it is the intent of the parties hereto that the Agent shall manage the Building in substantially the same form and manner as it had been managed prior to the closing under the Exchange Agreement. In this regard, all Monthly Reports, Quarterly Statements, Year-End Reports Leasing Plans and Monthly Leasing Reports shall continue to contain the same information as had been provided prior to the closing under the Exchange Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this

instrument to be duly executed by their duly authorized officers as of the day and year first above written.

OWNER:

ROBERT MARTIN COMPANY, LLC

By: ------------------------------
Name:
Title:

AGENT:
CALI SERVICES, INC.

By: ------------------------------
Name:
Title:

EXHIBIT A

Schedule of Lease Commissions

A. LEASE COMMISSIONS:

Commissions shall be payable in accordance with the following payment schedule and rate:

1. Payment Schedule of Commissions:

(a) 100 percent (100%) upon the actual occupancy by such tenant of the leased premises and the payment of the first regular installment of fixed rent under the lease (as opposed to a security deposit or the payment of the first month's rent at signing).

2. Rates:

(a) In all leases not involving outside Brokers (as defined below), leasing commissions are paid as follows:

(i) six percent (6%) of the total Gross Rents (as defined below) for years 1 through 3 of the lease term;

(ii) three percent (3%) of the total Gross Rents for years 4 through 10 of the lease term; and

(iii) one percent (1%) of the total Gross Rents for years 10 through 20 years of the lease term.

(b) In all Leases involving brokers or real estate salesman not affiliated with Agent ("Outside Brokers") (for purposes of this Agreement, employees of Agent or any entity controlling, controlled by, or under common control with, Agent shall not be recognized as Outside Brokers), fifty percent (50%) of the total leasing commission payable pursuant to Section A(2)(a) of this Exhibit A to Agent, out of which Agent shall pay any commission owing to the Outside Broker. It is agreed and understood that Owner shall have the right to separately negotiate any commission paid to Outside Brokers.

B. TERMS AND CONDITIONS OF LEASE COMMISSIONS:

The above payment schedule and rates are subject to the following terms and conditions:

1. Term of More than Twenty Years:

If a lease term (including any and all renewal periods) is in excess of twenty (20) years, then no commission shall be paid for that period following the twentieth (20th) anniversary of the lease commencement date, unless agreed to in writing by Owner and Agent.

2. Option(s) to Renew or Extend Lease or to Option(s) to Expand Premises:

If a lease for which a commission is payable under this Agreement contains an option(s) to renew or extend, and a lease term(s) is renewed or extended pursuant to such option and the tenant commences payment of regularly scheduled monthly minimum or base rental following the expiration of all rental abatement [during the term of this Agreement], then subject to paragraph B(1) of this Exhibit A, Owner shall pay a leasing commission, with respect to the term of the renewal or extension, equal to fifty percent(50%) of the leasing commission payable pursuant to Section A(2) of this Exhibit A payable during such renewal or extension period (not to exceed twenty years) and no other sums shall be owed with respect to such lease; subject, however, to the condition that Agent shall, upon Owner's request, participate in the negotiation of the renewal or extension (whether evidenced by a new lease or an amendment to the then existing lease); and further subject to the condition that if a real estate broker or agent (other than Agent) has been designated by such tenant to represent it, then the payment shall be in accordance with Paragraph A(2)(b) of this Exhibit A.

If a lease for which a commission is payable hereunder contains an option(s) to expand, and a tenant exercises such option and occupies additional space pursuant to such option and commences payment of regularly scheduled monthly minimum or base rental following the expiration of all rental abatement [during the term of this Agreement], then subject to paragraph B(1) of this Exhibit A, Owner shall pay leasing commission, with respect to the additional space, equal to fifty percent(50%) of the leasing commission which would be payable pursuant to Section A(2)(a) of this Exhibit A in respect of such additional space; subject, however, to the condition that if a real estate broker or agent (other than Agent) has been designated by such tenant to represent it, then the payment shall be in accordance with Paragraph A(2)(b) of this Exhibit A.

3. Gross Rents:

For the purposes of this Agreement, the term "Gross Rents" shall mean the aggregate amount of minimum or base rental to be paid by a tenant during the applicable portion of the term of such tenant's lease with respect to the applicable portion of the leased premises subject to such lease, but shall exclude the following:

(a) Escalations in excess of the original minimum or base rental for each year, as stated in the lease, including without limitation, escalations resulting from increases in ad valorem/real estate taxes, in operating expense pass-throughs and/or in the Consumer Price Index or similar index resulting in a corresponding increase to the minimum or base rental (if applicable).

(b) Rentals credited to any tenant by reason of lease takeover or lease pick-ups and/or Owner take-back or subleasing.

(c) Additional rentals (whether or not called, or included in, "Base Rental" or any similar term in tenant's lease) for special tenant services specifically negotiated for by the tenant above and over Owner's customary tenant services, including without limitation the amortization of the cost of tenant improvements to the extent Owner is providing tenant improvements (or cash allowance in lieu thereof) above and over Owner's customary standard tenant finish.

(d) Cancellation or penalty payments for termination rights.

(e) Late payment charges.

(f) Payments for parking.

(g) Rentals payable upon continuation of a tenancy on a month-to-month or statutory basis or any other tenancy following the expiration or termination of the lease.

(h) Percentage rental in the case of retail leases, excepting percentage rent only in retail leases.

(i) Cash credits, payment deferments or abatements of rents or other concession items.

(j) Sums designated as "additional rent" under the lease, except to the extent such "additional rent" actually represents increases in "base rental" and is not otherwise excludable under this paragraph 3.

(k) Security deposits (including any amounts necessary to restore any security deposit after application of same.)

(l) Rent for services or facilities available to tenant at locations other

than the leased premises covered by the lease.

4. No leasing commission shall be deemed earned or payable on the cancellation portion of a lease term. A commission shall be payable only on the noncancellable portion of the lease term, and such term shall apply for the purposes of calculating the commission earned and payable. In the event the lease is not canceled, then an additional leasing commission shall be due for the remaining lease term.

5. Notwithstanding anything to the contrary contained in this Exhibit A, any commission payable to Agent hereunder in respect of new leases, expansions of leased premises, and renewals or extensions of lease terms shall be reduced by the amount of commissions, if any, which Owner is obligated to pay any prior broker ("Prior Broker") under any prior agreements relating to the Building in connection with any such leases, expansions or renewals or

extensions, including, without limitation, any tenant which has been referred to the Building by, registered with Owner by, been submitted a proposal or been listed as a tenant prospect by, Prior Broker prior to the Commencement Date, and any tenant under a lease for space on the Building existing as of the Commencement Date.

The provisions hereof are subject to the terms and provisions of the Management and Leasing Agreement to which this Exhibit A is attached.

EXHIBIT 8.1

AMENDED AND RESTATED REPLACEMENT NOTE

AGREEMENT, dated as of this __ day of January, 1997, between CALI REALTY, L.P., a Delaware limited partnership having an office c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 ("Payee") and ROBERT MARTIN COMPANY, LLC, a New York limited liability company, having an address at 100 Clearbrook Road, Elmsford, New York 10523 ("Maker").

W I T N E S S E T H

WHEREAS, Payee is the owner and holder of those certain notes in the principal amount of $11,600,000 securing those mortgages more particularly described on Exhibit A annexed hereto (the "Notes"); and

WHEREAS, Payee and Maker wish to amend, restate, replace and modify the Notes in their entirety in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of $1.00 and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

A. Maker shall pay the indebtedness evidenced by the Notes and all interest thereon at the rate of interest and on the terms provided for below, which terms shall constitute a renewal, extension, modification and restatement of the terms of the Notes, all of which terms are superseded by, and subsumed within the terms provided for as follows:

MORTGAGE NOTE

$11,600,000 New York, New York
January __, 1997

FOR VALUE RECEIVED, ROBERT MARTIN COMPANY LLC, a New York limited liability company, having an address at 100 Clearbrook Road, Elmsford, New York 10523 (hereinafter called "Maker"), promises to pay CALI REALTY, L.P., together with any future holder of this Note and their successors and assigns (hereinafter called "Payee"), or order, at c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016, or at such other place as may be designated, from time to time, in writing by Payee, the principal sum of ELEVEN MILLION SIX HUNDRED THOUSAND DOLLARS ($11,600,000) in lawful money of the United States of America, together with interest on the principal balance outstanding from time to time, as hereinafter provided.

1. Defined Terms. The following terms as used in this Note shall have the following meanings:

(a) The term "Guaranty" shall mean that certain Guaranty of even date herewith from Brad W. Berger, Timothy M. Jones, Martin S. Berger and Robert F. Weinberg (collectively, the "Guarantors"), for the benefit of Payee.

(b) The term "Loan Documents" shall mean the Mortgage and the Other Security Documents.

(c) The term "Mortgage" shall mean that certain Mortgage Modification Agreement of even date herewith given by Maker to Payee as security for this Note encumbering certain property located in Westchester County, New York, as more particularly described therein (the "Mortgaged Property"), as the same may hereafter be spread, released, extended, modified or amended from time to time.

(d) The term "Other Security Documents" shall mean all and any of the documents other than this Note or the Mortgage, now or hereafter executed by Maker or others, and by or in favor of Payee, which wholly or partially secure or guarantee payment of this Note.

(e) The term "Principal Balance" shall mean the outstanding principal balance of this Note from time to time outstanding.

2. Monthly Payments. Interest only on the outstanding Principal Balance shall be payable monthly beginning March 1,1997 and continuing on the corresponding day of each subsequent month until February 1, 2000 (hereinafter referred to as the "Maturity Date"), on which date the entire unpaid Principal Balance and interest shall be due and payable in full.

3. Interest Rate. (a) The following terms as used in this Note shall have the following meaning:

(i) The term "Interest Period" shall mean each period commencing on the date hereof or the day following the last day of the preceding Interest Period and ending on the numerically corresponding day (if there is no corresponding day, the last day) in the calendar month that is one month thereafter; provided, however, that if any such corresponding day of a calendar month shall not be a Business Day (as hereinafter defined), the Interest Period to which the same pertains shall be extended to the next succeeding Business Day, and further provided that the last Interest Period during the term of this Note shall end on the Maturity Date unless the Maturity Date is not a Business Day, in which event such last Interest Period shall end on the Business Day immediately preceding the Maturity Date.

(ii) The "LIBOR Rate" applicable to a particular Interest Period shall mean a rate per annum equal to four hundred and fifty (450) basis points plus the Base LIBOR Rate applicable to such Interest Period. The "Base LIBOR Rate" applicable to a particular Interest

Period shall mean (a) the rate per annum (rounded upward, if necessary, to the nearest one eighth (1/8th) of one percent) for one-month U.S. Dollar deposits appearing on Telerate Page 3750 (or such display substituted therefor as is then customarily used to quote the London interbank offering rate as determined by Payee in its reasonable discretion) as of approximately 11:00 a.m. (London time) on the Interest Rate Determination Date (as hereinafter defined) for such Interest Period, or (b) if on the Interest Rate Determination Date for such Interest Period no such rate appears on Telerate Page 3750 (or such display substituted therefor as is then customarily used to quote the London interbank offering as determined by Payee in its reasonable discretion), a rate determined by Payee as the arithmetic mean (rounded upwards as aforesaid) of the rates quoted at approximately 11:00 a.m., London Time, on such Interest Rate Determination Date by at least two major banks, as reasonably selected by Payee, in the London interbank market, to prime banks in the London interbank market for one-month U.S. Dollar deposits commencing on the first day of such Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time, it being understood that Payee will request the principal London office of each of such major banks to provide a quotation of its respective rate in accordance with the foregoing, and if at least two such quotations are provided, the Base LIBOR Rate for such Interest Period will be the arithmetic mean of such quotations, and if fewer than two quotations are provided as requested, the Base LIBOR Rate for such Interest Period will be the arithmetic mean of the rates quoted by money center banks in New York City as shall be selected by Payee, as of approximately 11:00 a.m., New York City time, on the Interest Rate Determination Date for loans in U.S. dollars to leading European banks with a one-month maturity commencing on the first day of such Interest Period in a principal amount equal to an amount that is representative for a single transaction in such market at such time. The "Interest Rate Determination Date" for a particular Interest Period shall mean a date that is three (3) Business Days prior to the commencement of such Interest Period. The term "Telerate 3750" means the display as designated as "Page 3750" on the Associated Press-Dow Jones Telerate Service (or such other page as may replace Page 3750 on the Associated Press-Down Jones Telerate Service). Any Base LIBOR Rate determined on the base of the rate displayed on Telerate Page 3750 in accordance with the foregoing provisions of this subparagraph shall be subject to corrections, if any, made in such rate and displayed by the Associated Press-Dow Jones Telerate Service. Each determination of the LIBOR Rate and the

Base LIBOR Rate applicable to a particular Interest Period shall be made by Payee and shall be conclusive and binding upon Maker absent manifest error. Interest at the applicable LIBOR Rate from time to time shall be calculated for the actual number of days elapsed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months.

(iii) The "Roll Over Date" applicable to a particular Interest Period shall mean the last day of such Interest Period.

(iv) The term "Business Day" shall mean any day on which commercial banks in the City of London, England are open for dealings in U.S. dollar deposits in the London Interbank Market.

(b) From and including the date hereof to, but not including, the last day of the last Interest Period during the term of this Note the entire Principal Balance, shall except as specifically

provided to the contrary in this Section 3, bear interest at the applicable LIBOR Rate in effect from time to time. If the last Interest Period during the term of this Note shall be a period of less than one month, then for such period the entire Principal Balance shall at the election of Payee either bear interest at the Floating Rate (as defined below) or at a one-month LIBOR Rate determined in accordance with the provisions of paragraph a(ii), it being agreed that the one-month LIBOR Rate applicable to such last Interest Period shall be determined as if such last Interest Period was for a period of one month.

(c) Except as otherwise specifically provided to the contrary in paragraph (b) of this Section with respect to the last Interest Period during the term of this Note, Payee shall, as soon as practicable after 10:00 a.m., New York City time, on each Interest Rate Determination Date, determine the LIBOR Rate which will be in effect during the next Interest Period and inform Maker of the LIBOR Rate so determined and the amount of the payment to be made to Payee (which determination shall be conclusive and binding upon Maker absent manifest error). Except as otherwise specifically provided to the contrary in paragraph (b) of this Section with respect to the last Interest Period during the term of this Note, the entire Principal Balance shall bear interest at the LIBOR Rate so determined from and including the first day of such particular Interest Period to, but not including, the last day of such particular Interest Period. In the event, and on each occasion, that on the Interest Rate Determination Date pertaining to a particular Interest Period, Payee shall have determined in good faith (which determination shall be conclusive and binding upon Maker) that U.S. Dollar deposits in an amount approximately equal to the Principal Balance are not generally available at such time in the London Interbank Market, or reasonable means do not exist for ascertaining a LIBOR Rate for such particular Interest Period, Payee shall so notify Maker (by telecopy or by telephone confirmed in writing) and the interest rate applicable to the entire Principal Balance shall automatically convert to the Floating Rate (hereinafter defined) as of the next occurring Roll Over Date, it being agreed that the Floating Rate shall remain in effect with respect to the entire Principal Balance for each Interest Period occurring thereafter unless and until Payee shall have determined in good faith (which determination shall be conclusive and binding upon Maker) that the aforesaid circumstances no longer exist, whereupon the interest rate applicable to the Principal Balance shall be converted back to a LIBOR Rate determined in the manner hereinabove set forth in this Note effective as of the first day of the first Interest Period which commences ten (10) Business Days or more after such good faith determination by Payee. If on any date Payee shall have in good faith determined that the making, maintaining or continuation of loans bearing interest at a spread over the Base LIBOR Rate (i) has become unlawful as a result of compliance by Payee in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even through the failure to comply therewith would not be unlawful) or (ii) would cause Payee material hardship, as a result of contingencies occurring after the date of this Note which materially and adversely affect the London Interbank Market, then, upon notice by Payee to Maker (by telecopy or by telephone confirmed in writing) the entire Principal Balance shall be automatically converted to the Floating Rate, it being agreed that any notice given by Payee to Maker pursuant to this sentence shall, if lawful, be effective on the last day of the then existing Interest Period, or if not lawful, shall be effective immediately upon being given by Payee to Maker, and that the Floating Rate shall remain in effect with respect to the entire Principal Balance for each Interest Period or portion thereof occurring thereafter unless and until Payee shall

have determined in good faith (which determination shall be conclusive and binding upon Maker) that the aforesaid circumstances no longer exist, whereupon, the interest rate applicable to the Principal Balance shall be converted to a LIBOR Rate determined in the manner hereinabove set forth in this Note effective as of the first day of the first Interest Period which commences ten (10)

Business Days or more after such good faith determination by Payee.

(d) Maker recognizes that the cost to Payee of making or maintaining a LIBOR Rate with respect to the Principal Balance or any portion thereof may fluctuate and Maker agrees to pay Payee within ten (10) days after demand by Payee an additional amount or amounts as Payee shall reasonably determine will compensate Payee for actual costs incurred by Payee in maintaining a LIBOR Rate on the Principal Balance or any portion thereof as a result of any change, after the date of this Note, in applicable law, rule or regulation or in the interpretation or administration hereof by any domestic or foreign governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) or by any domestic or foreign court changing the basis of taxation of payments to Payee, of the Principal Balance or interest on the Principal Balance or any portion thereof at LIBOR Rate or any other fees or amounts payable under this Note, or Other Security Documents, other than taxes imposed on all or any portion of the overall net income of Payee, by the State of New York or the Federal government or by any political subdivision or taxing authority of the State of New York or the Federal government or any such state or country, or imposing, modifying or applying any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, credit extended by, or any other acquisition of funds for loans by Payee or imposing on Payee, or on the London Interbank Market any other condition affecting this Note, or Other Security Documents or the portion of the Principal Balance bearing interest at a LIBOR Rate so as to increase the cost to Payee of Making or maintaining a LIBOR Rate with respect to the Principal Balance or any portion thereof or to reduce the amount of any sum received or receivable by Payee under this Note or Other Security Documents (whether of principal, interest or otherwise), by an amount deemed by Payee in good faith to be material, but without duplication for payments required under subparagraph (i) above.

Any amount or amounts payable by Maker to Payee pursuant to subparagraph (i) or (ii) above shall be paid by Maker to Payee within ten (10) days of receipt by Maker from Payee of a statement setting forth the amount or amounts due and the basis for the determination from time to time of such amount or amounts, which statement shall be conclusive and binding upon Maker absent manifest error. Failure on the part of Payee to demand compensation for any increased costs in any Interest Period shall not constitute a waiver of Payee's rights to demand compensation for any increased costs incurred during any such Interest Period or in any other subsequent Interest Period.

(e) The term "Floating Rate" shall mean a rate per annum equal to the Prime Rate. The term "Prime Rate" shall mean such rate of interest as is publicly announced by The Chase Manhattan Bank at its principal office from time to time as its prime rate. Any change in the Prime Rate shall be effective on the date such change is announced by The Chase Manhattan Bank. Any change in the Floating Rate as a result of a change in the Prime Rate shall be effective on the effective date of any such change in the Prime Rate. The Floating Rate and the components thereof shall be calculated for the actual number of days elapsed on the basis of a 360-day year. Each

determination of the Floating Rate shall be made by Payee and shall be conclusive and binding upon Maker absent manifest error.

4. Application of Payments. In the absence of any default or Event of Default under this Note or any of the other Loan Documents, all payments shall be applied first to the payment of interest, then to costs and expenses of collection incurred as a result of any default or Event of Default under this Note or any of the other Loan Documents, if any, then to late charges, if any, and then to the reduction of principal. So long as any default or Event of Default exists, payments may be applied in such manner as Payee may elect in Payee's sole discretion.

5. Right of Prepayment. (a) Maker shall not have the right to prepay the Principal Balance of this Note, in whole or in part, except as expressly set forth herein. Maker shall be entitled to prepay the entire (but not less than the entire) Principal Balance of this Note on not less than fifteen (15) days' prior written notice to Payee, provided that any prepayment of the Principal Balance shall be accompanied by (i) the amount of accrued and unpaid interest computed at the interest rate in effect at the time of prepayment on the amount prepaid, (ii) all of the amounts then due and payable under any of the Loan Documents and (iii) an amount (the "Prepayment Premium") equal to the Principal Balance multiplied by 1.5%, which is further multiplied by the number of days from the date of prepayment to the Maturity Date divided by 360. Notwithstanding the foregoing, no Prepayment Premium shall be required in the event of a casualty or a condemnation. However, a Prepayment Premium shall be due and payable upon a conveyance of either of the Mortgaged Property to Payee or its designee pursuant to that certain Put-Call Agreement between Maker and Payee dated on or about the date hereof.

(b) Maker specifically acknowledges and agrees that if all or any part of the Principal Balance shall be paid prior to the Maturity Date for any reason

whatsoever, whether such payment is voluntary or involuntary and whether or not such payment arises by virtue of (i) the exercise by Maker of the prepayment privilege expressly set forth in this Note, or (ii) a default by Maker hereunder or under the Mortgage or any other Loan Document or a default arising from the failure for any reason of Maker to pay the Principal Balance of this Note after giving Payee written notice of its intention to make such prepayment, then such payment shall include an amount equal to the Prepayment Premium.

(c) MAKER HEREBY FURTHER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT (i) THE PREPAYMENT PREMIUM IS REASONABLE IN AMOUNT, (ii) THE PREPAYMENT PREMIUM SHALL BE PAID WITHOUT PREJUDICE TO THE RIGHT OF PAYEE TO COLLECT ANY OTHER AMOUNTS PROVIDED TO BE PAID HEREUNDER OR UNDER THE MORTGAGE OR ANY OTHER LOAN DOCUMENT, (iii) ANY TENDER OF PAYMENT BEFORE THE MATURITY DATE FOR ANY REASON WHATSOEVER OF ALL OR ANY PART OF THE PRINCIPAL BALANCE SHALL INCLUDE THE PREPAYMENT PREMIUM, (iv) PAYEE SHALL BE ENTITLED TO BID ALL OR A PORTION OF THE PREPAYMENT PREMIUM AT ANY FORECLOSURE SALE UNDER THE MORTGAGE, (v) IF AN EVENT OF DEFAULT OCCURS HEREUNDER OR UNDER THE MORTGAGE OR ANY OTHER LOAN DOCUMENT, PAYEE SHALL BE ENTITLED TO DAMAGES FOR THE DETRIMENT CAUSED THEREBY, BUT THAT IT IS

EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE EXTENT OF SUCH DAMAGES AND THAT THE PREPAYMENT PREMIUM IS A REASONABLE ESTIMATE OF SUCH DAMAGE, AND (vi) NOTHING CONTAINED HEREIN OR IN THE MORTGAGE SHALL BE DEEMED TO MEAN THAT MAKER HAS ANY RIGHT TO PAY ALL OR ANY PART OF THE PRINCIPAL BALANCE PRIOR TO THE MATURITY DATE.

MAKER HEREBY ACKNOWLEDGES AND AGREES THAT PAYEE WOULD NOT LEND TO MAKER THE LOAN EVIDENCED BY THIS NOTE WITHOUT MAKER'S AGREEMENT, AS SET FORTH ABOVE IN THIS SECTION 5, TO PAY PAYEE A PREPAYMENT PREMIUM HEREUNDER, UPON THE SATISFACTION OF ALL OR ANY PORTION OF THE PRINCIPAL BALANCE FOLLOWING THE ACCELERATION OF THE MATURITY DATE HEREOF BY REASON OF A DEFAULT HEREUNDER.

6. Security. This Note is secured by the Mortgage and the Other Security Documents. Any default under this Note shall constitute a default under the Loan Documents, and any Event of Default under any of the Loan Documents shall constitute an Event of Default under this Note. Upon the occurrence of any such Event of Default, the entire unpaid Principal Balance, accrued interest and other sums owing under this Note shall, at the option of Payee and subject to any grace period provided for in the Mortgage, become at once due and payable in full, without notice or demand, and Payee shall have the option to foreclose or to require the foreclosure of any or all liens surviving the payment thereof and/or to exercise any other rights and remedies available to Payee hereunder or under any of the other Loan Documents, at law or in equity. The Principal Balance, interest and other sums due upon the maturity of this Note, by acceleration or otherwise, shall bear interest until paid in full at a rate per annum equal to the lower of (a) fifteen (15 %) percent and (b) the maximum interest rate which Maker may by law pay, for the period after notice from Payee that such costs or expenses were incurred to the date of payment to Payee ("Default Rate"). All such costs and expenses incurred by Payee pursuant to the terms of this Note, with interest, shall be secured by this Note.

7. Acceleration. Immediately upon or any time after the occurrence of an Event of Default hereunder or under any of the other Loan Documents, Payee, in its sole discretion may, without notice and demand, declare the Note to be immediately due and payable in full.

8. Waiver. Maker and all parties now or hereafter liable for payment of this Note, primarily or secondarily, directly or indirectly, and whether as endorser, guarantor, surety or otherwise, hereby severally (i) waive presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever, other than any notice which may be required pursuant to this Note and the Mortgage, (ii) consent to impairment or release of collateral, extensions of time for payment, and acceptance of late or partial payments before, at or after maturity, (iii) agree that Payee's acceptance of one or more partial payments after acceleration of the maturity of this Note will not constitute a waiver of such acceleration, regardless of any contrary notice or statement of condition which may accompany any such partial payment, (iv) waive any right to require Payee to proceed against any security for this Note before proceeding hereunder, (v) agree to pay on demand a late charge of five (5%) percent of any payment other than principal repayments which is not paid within ten (10) days after the date due, and (vi) agree to pay

all reasonable third party out-of-pocket costs and expenses, including reasonable attorney fees, which may be incurred by Payee in collecting this Note or in enforcing and realizing upon any security for this Note.

9. Remedies Cumulative; Waiver. The remedies of Payee provided herein or in any of the other Loan Documents shall be cumulative and concurrent, may be pursued singularly, successively or together, at the sole discretion of Payee, and may be exercised as often as occasion therefor shall arise. No act of

omission or commission of Payee, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Payee and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to a subsequent event. Acceptance by Payee of any payment after the due date thereof shall not be deemed to be a waiver of any default with respect to such payment or an extension of the due date of any such payment or the due date of any other payment. Furthermore, acceptance by Payee of any payment in any amount less than the amount then due hereunder or under the other Loan Documents shall be an acceptance on account only and shall not in any way affect the existence of a default hereunder or under the other Loan Documents.

10. Usury. This Note is subject to the express condition that at no time shall Maker be obligated or required to pay interest on the Principal Balance at a rate which could subject Payee to either civil or criminal liability as a result of being in excess of the maximum rate which Maker is permitted by law to contract or agree to pay. If by the terms of this Note Maker is at any time required or obligated to pay interest on the Principal Balance at a rate in excess of such maximum rate, the rate of interest under this Note shall be deemed to be immediately reduced to such maximum rate and interest payable hereunder shall be computed at such maximum rate and the portion of all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the Principal Balance.

If Maker consists of more that one person or party, the obligations and liabilities of each such person or party hereunder shall be joint and several.

11. Applicable Law. The terms of this Note shall be governed and construed under the laws of the State of New York.

12. Amendment. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

13. Validity of Obligations. Maker (and the undersigned representative of Maker, if any) represents that Maker has full power, authority and legal right to execute and deliver this Note and that the debt hereunder constitutes a valid and binding obligation of Maker.

14. Headings and General Application. The section entitlements hereof are for convenience of reference only and shall in no way affect, modify, or define, or be used in

construing the text of such section. Whenever used, the singular number shall include the plural, the plural the singular, and the words "Payee," "Guarantors," and "Maker" shall include their respective successors and assigns.

15. Counting of Days. The term "days" when used herein shall mean calendar days. If any time period ends on a Saturday, Sunday or holiday officially recognized within the state in which the Mortgaged Property is located, the period shall be deemed to end on the next succeeding business day.

16. Jurisdiction. Maker hereby consents to the personal jurisdiction of the state and federal courts of the State of New York.

17. Maker's Exculpation. Notwithstanding any other provision of this Note, the Mortgage or any other Loan Document, the obligation of Maker to pay the indebtedness evidenced by this Note, and to perform and observe and make good the other covenants, warranties, and agreements contained in this Note, the Mortgage or in any Loan Document shall not be enforced by any action or proceeding against Maker or its members wherein or whereby any deficiency or other money judgment shall be sought against Maker or its members (a "Deficiency Action"), and neither Maker nor its members shall be liable for such deficiency or money judgment and Mortgagee specifically waives any right to bring suit for a Deficiency Action; provided that Maker may be made a party defendant in a foreclosure action against the Mortgaged Property and any judgment in such foreclosure action shall be enforceable against Maker, and provided further that nothing contained above shall be deemed (i) to limit or restrict any right to seek injunctive relief against Maker or affect the lien of the Mortgage, (ii) to be a release or impairment of the other obligations of Maker under this Note, (iii) to limit Payee from enforcing its rights under this Note, the Mortgage or any Loan Document, (iv) to constitute a waiver, release or discharge of any indebtedness or obligation under this Note or secured by the Mortgage or (v) to affect the personal liability of Guarantors under the Guaranty. Notwithstanding any limitation of liability set forth above, Maker shall be personally liable to Payee for actual out-of-pocket expenses at all times for (i) the willful misapplication of (a) any insurance proceeds paid under any insurance policies by reason of damage, loss, or destruction to the Mortgaged Property, to the extent of such misapplication or (b) proceeds or awards resulting from condemnation or other taking in lieu of condemnation of any portion of the

Mortgaged Property to the extent of such misapplication, (ii) any damages to Payee resulting form any fraud or intentional misrepresentation made by Maker and (iii) any damage resulting from or on account of any action or lien on account of any environmental matters to the extent Borrower is liable for same as more particularly set forth in the Mortgage.

18. Assignment. This Note may not be assigned or transferred by Payee.

B. As hereby restated and amended, the Notes are hereby ratified and confirmed by Maker in all respects and Maker hereby represents and warrants to Payee that the Notes, as restated and amended hereby, continue in full force and effect, and that there exist no offsets, counterclaims or defenses under the Notes, as restated and amended hereby, and no event has occurred which,

with the giving of notice or the passage of time or both, would constitute a default under the Notes.

C. The execution and delivery of this Agreement shall not extinguish the indebtedness evidenced by the Notes nor impair the lien of the mortgages securing the Notes, and no part thereof shall be discharged, disturbed, canceled or impaired by the execution and delivery of this Agreement. This Agreement (a) fully amends, and restates the indebtedness evidenced by the Notes and (b) secures no new indebtedness beyond the principal indebtedness evidenced by the Notes.

D. This Agreement shall in no event be deemed to constitute a novation, waiver, release, discharge or other extinguishment of the indebtedness evidenced by the Notes. If for any reason this Agreement shall be held to be invalid, illegal or unenforceable, the principal amount of the Notes, together with interest thereon, shall become due and payable in accordance with the provisions of the Notes, without regard to this Agreement.

F. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

G. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed by each of the parties hereto.

CALI REALTY, L.P.
By: Cali Realty Corporation,
its general partner

By:________________________________
Name:
Title:

ROBERT MARTIN COMPANY, LLC

By:________________________________
Name:
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of January, 1997, before me personally came ________________ to me known, who, being duly sworn, did depose and state that he resides at _______________; that he is the ________________ of Cali Realty Corporation, the general partner of Cali Realty, L.P., the Delaware limited partnership described in and which executed the above instrument; and that he signed his name thereto by order of the Board of Directors of said corporation, as general partner of said limited partnership.

____
Notary Public

STATE OF NEW YORK)

) ss.:
COUNTY OF NEW YORK)

On this __ day of January, 1997, before me personally came ________________ to me known, who, being duly sworn, did depose and state that he resides at _______________; that he is a Manager of Robert Martin, LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto as the act and deed of, and on behalf of said company.

____
Notary Public

EXHIBIT A

(Notes)

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

Mortgagor,

-TO-

CALI REALTY, L.P., a
Delaware limited partnership

Mortgagee.

MORTGAGE MODIFICATION AND SPREADER AGREEMENT

Dated: As of January __, 1997

Location: 200 Corporate Boulevard South, Yonkers, New York
7 Skyline Drive, Mt. Pleasant, New York

RECORD AND RETURN TO:

Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022

Attention: Andrew S. Levine, Esq.

THIS MORTGAGE MODIFICATION AND SPREADER AGREEMENT (hereinafter referred to as "Agreement") made the _____ day of January, 1997, between Robert Martin Company, LLC, a New York limited liability company, having its principal place of business at 100 Clearbrook Road, Elmsford, New York 10523 (hereinafter referred to as "Mortgagor"), and Cali Realty, L.P., a Delaware limited partnership, having its principal place of business c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 (hereinafter referred to as "Mortgagee").

W I T N E S S E T H :

WHEREAS, Mortgagor is the fee owner of the real property and improvements described in EXHIBIT A-1 and EXHIBIT A-2 attached hereto (hereinafter collectively referred to as the "Premises"); and

WHEREAS, Mortgagor, Robert Martin-Eastview North Company, L.P. ("RME") and The Prudential Insurance Company of America ("Prudential") entered

into that certain Agreement of Spreader, Consolidation and Modification of Mortgage and Security Agreement dated as of August 24, 1995 (the "Original Mortgage") pursuant to which the mortgages set forth on Exhibit B attached hereto were consolidated into a single lien; and

WHEREAS, pursuant to that certain Certificate of Reduction by Prudential, dated as of the date hereof, which is intended to be recorded in the Westchester County Clerk's Office (the "Office") prior to the recording of this Agreement, the amount of the Original Mortgage was reduced to $11,600,000; and

WHEREAS, pursuant to that certain Assignment of Mortgage (the "Assignment") by Prudential to Mortgagee, dated as of the date hereof, which is intended to be recorded in the Office prior to the recording of this Agreement, the Original Mortgage was assigned to Mortgagee; and

WHEREAS, as consideration for Mortgagee's acceptance of the Assignment, Mortgagor has agreed to spread the lien of such Original Mortgage over those portions of the Mortgaged Property (as hereinafter defined) not already covered by the Original Mortgage; and

WHEREAS, there is now owing on the notes secured by the Original Mortgage (the "Notes") and the Original Mortgage the unpaid principal sum of $11,600,000 together with interest (said principal sum, interest and all other sums which may or shall become due under the Note, and/or the Original Mortgage, as spread, coordinated, modified, amended and restated pursuant to the provisions hereof, being hereinafter collectively referred to as the "Debt").

NOW, THEREFORE, in consideration of the mutual agreements herein expressed and other valuable consideration, the receipt of which is hereby acknowledged, Mortgagor and Mortgagee covenant and agree as follows:

The lien of the Original Mortgage is hereby spread by this Agreement over the Premises described on Exhibit A-2, such that the lien evidenced by this Agreement includes the Premises described in Exhibit A-1 and Exhibit A-2 and which Premises includes all right, title and estate of Mortgagor, now owned, or hereafter acquired, in and to the following property, rights, interests and estates (such property, rights, and interests being hereinbefore and hereinafter collectively referred to as the "Mortgaged Property"):

(a) the Premises;

(b) all the estate, right, title, claim or demand of any nature whatsoever of Mortgagor, either in law or in equity, in possession or expectancy, in and to the Mortgaged Property or any part thereof;

(c) all buildings and improvements now or hereafter located on the Premises (hereinafter referred to as the "Improvements");

(d) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property including, without limitation, all air rights and transfer developments rights and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof;

(e) all machinery, apparatus, equipment, fittings, fixtures and other property of every kind and nature whatsoever owned by Mortgagor, or in which Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property, or appurtenances thereto, and usable in connection with the present or future operation and occupancy of the Mortgaged Property, all general intangibles including abstracts of title, surveys, engineering drawings, permits, licenses, franchises, certificates and other rights and privileges obtained in connection with the Mortgaged Property, and all building equipment, materials and supplies of any nature whatsoever owned by Mortgagor, or in which Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property (hereinafter collectively referred to as the "Equipment"), and the right, title and interest of Mortgagor in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code of the State in which the Premises are located), superior in lien to the lien of this Mortgage;

(f) subject to the terms of this Mortgage, all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Property, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right), or for any other injury to or decrease in the value of the Mortgaged Property;

(g) all leases, contracts, subleases and other agreements affecting the use or occupancy of the Mortgaged Property now or hereafter entered into (hereinafter referred to as the "Leases") and the right to receive and apply the

income, rents, royalties, revenues, issues and profits (other

than income, rents, issues, and profits received from the operation of parking areas and parking structures now or hereafter located on the Premises) and the security deposits (to the extent permitted by law) of the Mortgaged Property as such sums become due (hereinafter referred to as the "Rents") to the payment of the Debt;

(h) subject to the terms of this Mortgage, all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Mortgaged Property; and

(i) the right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of Mortgagee in the Mortgaged Property.

TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto and to the proper use and benefit of Mortgagee, and the successors and assigns of Mortgagee, forever.

PROVIDED, ALWAYS, and these presents are upon this express condition, if Mortgagor shall well and truly pay to Mortgagee the Debt in the manner provided in the Note and this Mortgage and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, then these presents and the estate hereby granted shall cease, determine and be void.

AND Mortgagor covenants with and represents and warrants to Mortgagee as follows:

1. Payment of Debt. Mortgagor will pay the Debt at the time and in the manner provided for its payment in the Note and in this Mortgage.

2. Warranty of Title. Mortgagor warrants the title to the Premises and the Improvements subject to the state of title as set forth on the policy of title insurance issued by First American Title Insurance Company insuring the first lien of this Mortgage on the Mortgaged Property.

3. Insurance. Mortgagor (i) will keep the Improvements and the Equipment insured against loss or damage by fire, standard extended coverage perils and such other hazards as Mortgagee shall from time to time reasonably require in amounts approved by Mortgagee, which amounts shall in no event be less than 100% of the full insurable value of the Improvements and the Equipment and shall be sufficient to meet all applicable co-insurance requirement, and (ii) will maintain rental and business interruption insurance and such other forms of insurance coverage with respect to the Mortgaged Property as Mortgagee shall from time to time reasonably require, as determined by buildings of a similar nature in the vicinity of the Mortgaged Property, in amounts approved by Mortgagee not to exceed twelve (12) months. All policies of insurance (hereinafter referred to as the "Policies") shall be issued by an insurer lawfully doing business in New York and acceptable to Mortgagee and shall contain the standard New York mortgagee non-contribution

clause endorsement or an equivalent endorsement reasonably satisfactory to Mortgagee naming Mortgagee as the person to which all payments made by such insurance company shall be paid, a waiver of subrogation endorsement (if available) benefiting Mortgagee and shall contain a provision requiring each such insurance company to notify Mortgagee prior to cancelling or terminating the Policies. Mortgagor shall pay or cause to be paid the premiums for the Policies as the same become due and payable. At the request of Mortgagee, Mortgagor will assign and deliver the Policies to Mortgagee. Not later than thirty (30) days prior to the expiration date of each of the Policies, Mortgagor will deliver to Mortgagee a renewal policy or policies or certificates thereof marked "premium paid" or accompanied by other evidence of payment of premium reasonably satisfactory to Mortgagee. If at any time Mortgagee is not in receipt of written evidence that all insurance required hereunder is in force and effect, Mortgagee shall have the right after prior notice to Mortgagor and a fifteen (15) business day cure period (except where Mortgagee reasonably believes its interest in the Mortgaged Property is threatened, in which case no notice shall be required) to take such action as Mortgagee deems reasonably necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of the insurance set forth above, and all reasonable third party out-of pocket expenses incurred by Mortgagee in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Mortgagor to Mortgagee within ten (10) business days of demand. If the Mortgaged Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, Mortgagor shall give prompt notice thereof to Mortgagee. If Mortgagor

decides to restore the improvements, Mortgagee shall make the net amount of all insurance proceeds received by Mortgagee pursuant to the provisions of the Mortgage as a result of such damage or destruction after deduction of its reasonable third party out-of-pocket costs and expenses, if any, in collecting the same (hereinafter referred to as the "Net Proceeds") available for the repair and restoration of the Improvements and the Equipment, provided that (i) no default beyond the expiration of applicable grace or cure periods, if any, shall exist under the Note or this Mortgage; (ii) Mortgagor shall proceed with the repair and restoration of the Improvements and the Equipment as nearly as possible to a condition (with respect to both use and value) equal to or better than the condition the Improvements and Equipment were in immediately prior to such fire or other casualty promptly after the insurance claims are settled; and (iii) Mortgagee shall be satisfied that upon completion of the repair and restoration the gross cash flow and the net cash flow of the Mortgaged Property will be restored to a level sufficient to cover all carrying costs and operating expenses of the Mortgaged Property, including, without limitation, debt service on the Note. Upon satisfaction of the provisions of the preceding sentence of this paragraph or, provided, in Mortgagee's reasonable judgment, Mortgagor will be able to satisfy such provisions, the Net Proceeds will be disbursed by Mortgagee to Mortgagor to pay for the costs of repair and restoration of the Improvements and the Equipment. The Net Proceeds shall be held by Mortgagee in escrow in an interest bearing special account until expended in connection with the repair and restoration of the Improvements and the Equipment, it being agreed that any Net Proceeds (including interest earned thereon) so held by Mortgagee shall constitute additional security for the payment of the Debt. The Net Proceeds shall be paid by Mortgagee to, or as directed by, Mortgagor from time to time during the course of the repair and restoration, upon receipt of evidence reasonably satisfactory to Mortgagee that (i) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested payment) in connection with the repair and restoration have been paid for in full (or will be paid for out of the requested payment), (ii) there exists no notices of intention, mechanics or other liens and

encumbrances on the Mortgaged Property arising out of the repair and restoration, and (iii) the balance of the Net Proceeds plus the balance of any deficiency deposits made by Mortgagor pursuant to the provisions of this paragraph hereinafter set forth shall be sufficient to pay in full the balance of the cost of the repair and restoration. The repair and restoration shall be done and completed by Mortgagor in an expeditious and diligent fashion and in compliance with all applicable laws, rules and regulations, and all plans and specifications required in connection with the repair and restoration shall be subject to review and approval in all respects by an independent inspecting engineer selected by Mortgagee (hereinafter referred to as the "Inspecting Engineer"). All reasonable third party out-of-pocket costs and expenses incurred by Mortgagee in connection with making the Net Proceeds available for the repair and restoration, including, without limitation, appraisal fees, counsel fees and the Inspecting Engineer's fees incurred by Mortgagee, shall be paid by Mortgagor. In no event shall Mortgagee be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred for work in place as part of the repair and restoration, as certified by the Inspecting Engineer, minus a retainage equal to 10% of the costs actually incurred in connection with the making of such repair and restoration until such time as 50% of such repair and restoration are certified to have been satisfactorily completed by the Inspecting Engineer after which there will be no further retainage (hereinafter referred to as the "Retainage"). Mortgagee shall not be obligated to make disbursements of the Net Proceeds more than once every thirty (30) days. The Retainage shall not be released until the Inspecting Engineer certifies that the repair and restoration have been completed in accordance with the provisions of this paragraph, and Mortgagee receives evidence reasonably satisfactory to Mortgagee that the costs of the repair and restoration have been completed in accordance with the provisions of this paragraph, and Mortgagee receives evidence reasonably satisfactory to Mortgagee that the costs of the repair and restoration have been paid in full or will be paid in full out of the Retainage. Notwithstanding anything to the contrary contained in this paragraph, if the Net Proceeds shall be less than $100,000 and if the costs of making the repair and restoration shall be less than $150,000, the Net Proceeds will be disbursed by Mortgagee to Mortgagor upon receipt, provided that no default beyond the expiration of any applicable grace or cure period has occurred and is continuing under the Note or this Mortgage and Mortgagor delivers to Mortgagee a written undertaking to expeditiously commence and to satisfactorily complete with due diligence such repair and restoration or to cause the same to so occur. The excess, if any, of the Net Proceeds after the repair and restoration of the Improvements as nearly as possibly to a condition equal to or better than their former condition and the payment in full of all costs incurred in connection therewith shall be remitted by Mortgagee to Mortgagor provided Mortgagor is not in default beyond the expiration of any applicable grace or cure period under the terms of the Note or this Mortgage. If at any time the Net Proceeds, or the undisbursed balance thereof, shall not, in the opinion of Mortgagee, be sufficient to pay in full the balance of the costs which will be incurred in connection with the completion of the repair and restoration, Mortgagor shall deposit the deficiency with Mortgagee before any further disbursement of the Net Proceeds shall be made, which deficiency deposit

shall be held in an interest bearing special account and shall be disbursed for costs actually incurred in connection with the repair and restoration, on the same conditions applicable to the Net Proceeds. Any such deficiency deposit until disbursed pursuant to this paragraph shall constitute additional security for the payment of the Debt. The balance, if any, of any such deficiency deposit remaining after the Inspecting Engineer certifies that the repair and restoration have been completed in accordance with the provisions of this paragraph and the receipt by Mortgagee of evidence

reasonably satisfactory to Mortgagee that all costs incurred in connection with the repair and restoration have been paid in full or will be paid in full upon release of such deposit, shall be returned by Mortgagee to Mortgagor. All costs of the repair and restoration in excess of the Net Proceeds shall be paid for by Mortgagor. All insurance proceeds received by Mortgagee and not required to be disbursed for the repair and restoration shall be remitted to Mortgagor pursuant to the provisions of this paragraph hereinabove set forth may be retained and applied by Mortgagee toward the payment of the Debt whether then due and payable in such priority and proportions as Mortgagee in its discretion shall deem proper or, at the discretion of Mortgagee, the same may be paid, either in whole or in part, to Mortgagor for such purposes as Mortgagee shall designate. If Mortgagee shall receive and retain such insurance proceeds, the lien of this Mortgage shall be reduced only by the amount thereof received and retained by Mortgagee and actually applied by Mortgagee in reduction of the Debt.

4. Payment of Taxes, etc. Mortgagor shall pay or cause to be paid all taxes, assessments, water rates, sewer rents and other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Premises, now or hereafter levied or assessed against the Mortgaged Property by any local, county or state governmental entity having jurisdiction over the Mortgaged Property (hereinafter referred to as the "Taxes") prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof. Mortgagor shall deliver to Mortgagee, upon request, receipted bills, cancelled checks and other evidence reasonably satisfactory to Mortgagee evidencing the payment of the Taxes prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

5. Contestment of Taxes. After prior notice to Mortgagee, in the case of any material item, Mortgagor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes, provided that (i) Mortgagor shall pay the Taxes "under protest" or otherwise in accordance with the provisions of New York State law; (ii) no default beyond the expiration of applicable grace or cure periods, if any, exists under the Note or this Mortgage; (iii) Mortgagor is permitted to do so under the provisions of any mortgage superior in lien to the Mortgage, if any; (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Mortgagor or the Mortgaged Property is subject and shall not constitute a default thereunder; and (v) neither the Mortgaged Property nor any part thereof or interest therein will in the opinion of the Mortgagee be in danger of being sold, forfeited, terminated, cancelled or lost.

6. Escrow Fund. Mortgagor will, at the option of Mortgagee, pay to Mortgagee, on the first day of each calendar month one-twelfth of an amount (hereinafter referred to as the "Escrow Fund") which would be sufficient to pay the Taxes payable, or estimated by Mortgagee to be payable, during the ensuing twelve (12) months. Mortgagee will apply the Escrow Fund to the payment of Taxes which are required to be paid by Mortgagor pursuant to the provisions of this Mortgage. If the amount of the Escrow Fund shall exceed the amount of the Taxes payable by Mortgagor pursuant to the provisions of this Mortgage, Mortgagee shall, in its discretion, (a) return any excess to Mortgagor, or (b) credit such excess against future payments to be made to the

Escrow Fund. If the Escrow Fund is not sufficient to pay the Taxes, as the same become payable, Mortgagor shall pay to Mortgagee, upon request, an amount which Mortgagee shall estimate as sufficient to make up the deficiency. Until expended or applied as above provided, any amounts in the Escrow Fund shall be held by Mortgagee in a special interest bearing account and shall constitute additional security for the Debt. Notwithstanding the foregoing, Mortgagee shall not require payments by Mortgagor to the Escrow Fund unless and until a default shall have occurred and shall be continuing beyond the expiration of applicable grace or cure periods, if any, under the Note or this Mortgage.

7. Condemnation. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, Mortgagor shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and this Mortgage and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by Mortgagee to the

discharge of the Debt. Subject to the provisions of this paragraph hereinafter set forth, Mortgagee may apply the entire amount of any such award or payment to the discharge of the Debt whether or not then due and payable in such priority and proportions as Mortgagee in its discretion shall deem proper. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by Mortgagee of such award or payment, Mortgagee shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Debt, whichever is less. Mortgagor shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to Mortgagee, and hereby irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor or otherwise to collect and receipt for any such award or payment and to file and prosecute such claim or claims (provided that, as long as Mortgagor is, in Mortgagee's reasonable judgment, in good faith and with due diligence prosecuting its claim or claims, Mortgagor shall have the right to control any such proceeding and Mortgagee shall only have the right to participate in such proceeding), and although it is hereby expressly agreed that the same shall not be necessary in any event, Mortgagor shall, upon demand of Mortgagee, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to Mortgagee, free and clear of any encumbrances of any kind or nature whatsoever. If less than all the Mortgaged Property is taken, Mortgagee shall make the portion of the aggregate award or payment received by Mortgagee pursuant to the provisions of the Mortgage as a result of such taking which is specifically awarded for the repair and restoration of the portion of the Improvements not taken or, in the absence of any such specific award, is in the reasonable opinion of Mortgagee and the Inspecting Engineer necessary to pay for the costs which will be incurred in connection with the repair and restoration of the portion of the Improvements not taken after deduction of its reasonable third party out-of-pocket costs and expenses, if any, in collecting the same (hereinafter referred to as the "Net Restoration Award") available for the repair and restoration of the Improvements, provided that (i) no default beyond applicable grace and cure periods, if any, shall exist under the Note or this Mortgage; (ii) Mortgagor shall proceed with the repair and restoration of the Improvements to a condition equal to or better than the condition the Improvements were in immediately prior to such taking promptly after the award is settled; and (iii) Mortgagee shall be satisfied that upon completion of the repair and restoration the gross cash flow and the net cash flow of the Mortgaged Property will be restored to a level sufficient to cover all carrying costs and

operating expenses of the Mortgaged Property, including, without limitation, debt service on the Note. Upon satisfaction of the provisions of the preceding sentence of this paragraph, the Net Restoration Award will be disbursed by Mortgagee to Mortgagor to pay for the costs of repair and restoration of the Improvements. The Net Restoration Award shall be held by Mortgagee in escrow until expended in connection with the repair and restoration of the Improvements in an interest bearing special account, and such Net Restoration Award together with all interest earned thereon shall constitute additional security for the payment of the Debt. The Net Restoration Award shall be paid by Mortgagee to, or as directed by, Mortgagor from time to time during the course of the repair and restoration, upon receipt of evidence satisfactory to Mortgagee that (i) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested payment) in connection with the repair and restoration have been paid for in full; (ii) there exists no notices of intention, mechanics or other liens and encumbrances on the Mortgaged Property arising out of the repair and restoration; and (iii) the balance of the Net Restoration Award plus the balance of any deficiency deposits made by Mortgagor pursuant to the provisions of this paragraph hereinafter set forth shall be sufficient to pay in full the balance of the cost of the repair and restoration. The repair and restoration shall be done and completed by Mortgagor in an expeditious and diligent fashion and in compliance with all applicable laws, rules and regulations, and all plans and specifications required in connection with the repair and restoration shall be subject to review and approval in all respects by the Inspecting Engineer. All reasonable third party out-of-pocket costs and expenses incurred by Mortgagee in connection with making the Net Restoration Award available for the repair and restoration, including, without limitation, appraisal fees, counsel fees and the Inspecting Engineer's fees incurred by Mortgagee, shall be paid by Mortgagor. In no event shall Mortgagee be obligated to make disbursements of the Net Restoration Award in excess of an amount equal to the costs actually incurred for work in place as part of the repair and restoration, as certified by the Inspecting Engineer, minus a retainage equal to 10% of the costs actually incurred in connection with the making of such repair and restoration until such time as 50% of such repair and restoration are certified to have been satisfactorily completed by the Inspecting Engineer after which there will be no further retainage (hereinafter referred to as the "Retainage"). Mortgagee shall not be obligated to make disbursements of the Net Restoration Award more than once every thirty (30) days. The Retainage shall not be released until the Inspecting Engineer certifies that the repair and restoration have been completed in accordance with the provisions of this paragraph, and Mortgagee receives evidence reasonably

satisfactory to Mortgagee that the costs of the repair and restoration have been paid in full or will be paid in full out of the Retainage. Notwithstanding anything to the contrary contained in this paragraph, if the Net Restoration Award shall be less than $100,000 and if the costs of making the repair and restoration shall be less than $150,000, the Net Restoration Award will be disbursed by Mortgagee to Mortgagor upon receipt, provided that no default beyond the expiration of any applicable grace or cure periods under the Note or this Mortgage has occurred and is continuing and Mortgagor delivers a written undertaking to Mortgagee to expeditiously commence and to satisfactorily complete such repair and restoration. The excess, if any, of the Net Restoration Award after the repair and restoration of the Improvements as nearly as possible to their former condition and the payment in full of all costs incurred in connection therewith shall be applied by Mortgagee in reduction of the Debt in such priority and proportions as Mortgagee in its discretion shall deem proper. If at any time the Net Restoration Award, or the undisbursed balance thereof, shall not, in the opinion of Mortgagee, be sufficient to pay in full the balance of the costs which will be incurred

in connection with the completion of the repair and restoration, Mortgagor shall deposit the deficiency with Mortgagee before any further disbursement of the Net Restoration Award shall be made, which deficiency deposit shall be held in an interest bearing special account and shall be disbursed for costs actually incurred in connection with the repair and restoration on the same conditions applicable to the Net Restoration Award. Any such deficiency deposit until disbursed pursuant to this paragraph shall constitute additional security for the payment of the Debt. The balance, if any, of any such deficiency deposit remaining after the Inspecting Engineer certifies that the repair and restoration have been completed in accordance with the provisions of this paragraph and the receipt by Mortgagee of evidence reasonably satisfactory to Mortgagee that all costs incurred in connection with the repair and restoration have been paid in full, shall be returned by Mortgagee to Mortgagor. All costs of the repair and restoration in excess of the Net Restoration Award shall be paid for by Mortgagor.

8. Lease and Rents. Mortgagor hereby grants to Mortgagee an absolute and present assignment (i) of all of the Leases in effect or hereinafter in effect, and (ii) to collect all Rents with respect to the Mortgaged Property, and Mortgagee hereby grants to Mortgagor a concurrent license to Mortgagor to manage and control the Mortgaged Property and collect the Rents therefrom and to retain, use and enjoy the same. The license created and granted hereby may be revoked by Mortgagee upon any default beyond the expiration of applicable grace or cure periods, if any, by Mortgagor under the terms of the Note or this Mortgage by giving notice of such revocation to Mortgagor. Following such notice Mortgagee may retain and apply the Rents toward payment of the Debt in such priority and proportions as Mortgagee, in its discretion, shall deem proper, or to the operation, maintenance and repair of the Mortgaged Property. Mortgagor shall not, without the consent of Mortgagee (which consent shall not be unreasonably withheld, conditioned or delayed), make, or suffer to be made, or modify any Leases which provide for a rental rate which is less than the fair market rate, or cancel any Leases which are in excess of 5,000 square feet, or accept prepayments of installments of the Rents for a period of more than one (1) month in advance or further assign the whole or any part of the Rents. Mortgagor shall (a) fulfill or perform each and every material provision of the Leases on the part of Mortgagor to be fulfilled or performed, (b) promptly send copies of all notices of default which Mortgagor shall send or receive under the Leases to Mortgagee, and (c) enforce, short of termination of the Leases, the performance or observance of the provisions thereof by the tenants thereunder. In addition to the rights which Mortgagee may have herein, in the event of any default beyond the expiration of applicable grace or cure periods, if any, under this Mortgage, Mortgagee, at its option, may require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Mortgagor. Upon default in any such payment, Mortgagor will vacate and surrender possession of the Mortgaged Property to Mortgagee, or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise. Nothing contained in this paragraph shall be construed as imposing on Mortgagee any of the obligations of the lessor under the Leases.

9. Maintenance of the Mortgaged Property. Mortgagor shall cause the Mortgaged Property to be maintained in good condition and repair and will not commit or suffer to be committed any waste of the Mortgaged Property. The Improvements and the Equipment shall not

be removed, demolished or materially altered (except for normal replacement of the Equipment) without the consent of Mortgagee, such consent not to be unreasonably withheld, conditioned or delayed. Mortgagor shall promptly repair, replace or rebuild any part of the Mortgaged Property which may be damaged or destroyed by any casualty (including any casualty for which insurance was not

obtained) or which may be affected by any taking by any public or quasi-public authority through eminent domain or otherwise. If such casualty shall be covered by the Policies, Mortgagor's obligation to repair, replace or rebuild such portion of the Mortgaged Property shall be contingent upon Mortgagee paying Mortgagor the proceeds of the Policies, or such portion thereof as shall be sufficient to complete such repair, replacement or rebuilding, whichever is less. Mortgagor will not, without obtaining the prior consent of Mortgagee (which consent shall not be unreasonably withheld, conditioned or delayed), initiate, join in or consent to any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Mortgaged Property or any part thereof. Mortgagor shall promptly comply with or cause compliance with all existing and future governmental laws, orders, ordinances, rules and regulations affecting the Mortgaged Property, or the use thereof (including, without limitation, all environmental, petroleum products and hazardous waste laws, orders, ordinances, rules and regulations including those relating to the presence of asbestos) (hereinafter referred to collectively as "Environmental Requirements"). After prior notice to Mortgagee, Mortgagor, at its own cost and expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the validity or application in whole or in part of any governmental laws, orders, ordinances, rules and regulations affecting the Mortgaged Property (other than Taxes, which may be contested as provided in Section 5 of this Mortgage) or the use thereof (including any Environmental Requirement) provided that (i) no default beyond the expiration of applicable grace or cure periods, if any, exists under the Note or this Mortgage; (ii) Mortgagor is permitted to do so under the provisions of any mortgage superior in lien to this Mortgage; (iii) such proceeding shall suspend enforcement of such legal requirement against Mortgagor and the Mortgaged Property; (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Mortgagor or the Mortgaged Property is subject and shall not constitute a default thereunder; (v) neither the Mortgaged Property nor any part thereof or interest therein will in the opinion of Mortgagee be in danger of being sold, forfeited, terminated, lost, or cancelled nor shall the value thereof be threatened or impaired; and (vi) Mortgagor shall have either set aside adequate reserves or shall have furnished such security as may be required in the proceeding, or as may be reasonably requested by Mortgagee to insure full compliance with such legal requirements.

10. Estoppel Certificates. Mortgagor, within ten (10) business days after request by Mortgagee and at its expense, will furnish Mortgagee with a statement, duly acknowledged and certified, setting forth the amount of the Debt and the offsets or defenses thereto, if any. Mortgagee, within ten (10) business days after request by Mortgagor, will furnish Mortgagor with a statement setting forth the amount of the Debt and the date to which interest was last paid and whether, to the best of Mortgagee's knowledge without any independent investigation, Mortgagor is in default under this Mortgage or the Note.

11. Subordination Agreements. Mortgagee, as of the date hereof, will furnish Mortgagor with a Subordination, Non-Disturbance and Attornment Agreement in form reasonably

acceptable to Mortgagee for the benefit of any existing bona fide third party tenants leasing in excess of 25,000 square feet.

12. Transfer of Mortgaged Property or Controlling Interest in Mortgagor; Assumption. The sale, transfer, assignment or conveyance of all or any portion of the Mortgaged Property or the transfer, assignment or conveyance of a controlling interest in Mortgagor, whether voluntarily or by operation of law (other than through death or incapacity), without the prior written approval of Mortgagee, shall constitute a default under the terms of this Mortgage and entitle Mortgagee, at its sole option, to accelerate all sums due on the Note, late payment charges, or any other amounts secured hereby.

It shall be a default hereunder if Mortgagor shall amend, modify, transfer, assign or terminate the operating agreement, partnership agreement, certificate of partnership or articles of incorporation, as the case may be, of Mortgagor to change the management or control or both of Mortgagor and, in the reasonable determination of Mortgagee, such amendment, modification, transfer, assignment or termination shall have a material adverse effect on Mortgagee, the Mortgaged Property or the security thereof; provided that any amendment, modification, transfer, assignment or termination of Mortgagor's operating agreement or any other action pursuant to which the current members of Mortgagor shall (a) cease to be the members of Mortgagor (other than through death or incapacity); or (b) except to the extent permitted herein, cease to own or maintain an interest in Mortgagor equal to or greater than its interest at the time this Mortgage is executed shall be deemed to have a material adverse effect upon Mortgagee and the Mortgaged Property and shall be a default hereunder. Mortgagor shall provide Mortgagee with copies of any proposed amendment to its operating agreement, partnership agreement, certificate of partnership or articles of incorporation, as the case may be, so that Mortgagee may, in its sole discretion, determine whether such amendment adversely affects Mortgagee, the Mortgaged Property, or the security value thereof. Transfers to family

members and trusts shall not be deemed to be a violation of this provision.

In the event the ownership of the Mortgaged Property, or any part thereof, shall become vested in a person or entity other than Mortgagor, whether with or without the prior written consent of Mortgagee, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to the Mortgaged Property, this Mortgage and the Note in the same manner and to the same extent as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or under the Note. No sale, transfer or conveyance of the Mortgaged Property, no forbearance on the part of Mortgagee and no extension of the time for the payment of the Note hereby secured given by Mortgagee to Mortgagor shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, either in whole or in part, unless expressly set forth in writing executed by Mortgagee. Notwithstanding anything contained herein to the contrary, Mortgagor hereby waives any right it now has or may hereafter have to require Mortgagee to prove an impairment of its security as a condition to exercise Mortgagee's rights under this Section 12.

13. Further Encumbrance Prohibited; Subrogation. So long as the Note remains unpaid, Mortgagor shall neither voluntarily nor involuntarily permit the Mortgaged Property or any part

thereof to become subject to any secondary lien, mortgage, security interest or encumbrance of any kind whatsoever, except for easements, rights-of-ways or similar encumbrances granted for utilities, which must be approved in writing by Mortgagee, which approval shall not be unreasonably delayed, conditioned or withheld. The imposition of any such secondary lien, mortgage, security interest or encumbrance, except for any utility easements, right-of-ways or similar encumbrances approved by Mortgagee, shall constitute an Event of Default hereunder and entitle Mortgagee, at its sole option, to declare all sums due in accordance with the terms of the Note to be and become immediately due and payable. In the event that Mortgagee shall hereafter give its written consent to the imposition of any such secondary lien, mortgage, security interest or other encumbrance upon the Mortgaged Property, Mortgagee, at its sole option, shall be entitled to accelerate the maturity of the Note and exercise any and all remedies provided and available to Mortgagee hereunder in the event that the holder of any such secondary lien or encumbrance shall institute foreclosure or other proceedings to enforce the same; it being understood and agreed that a default under any instrument or document evidencing, securing or secured by any such secondary lien or encumbrance shall be and constitute an Event of Default hereunder.

14. Notice. Any notice, request, demand, statement or consent made hereunder shall be in writing and shall be sent by hand or by reputable overnight courier or by registered or certified mail, return receipt requested, and shall be deemed given when delivered if by hand (if delivered by 3:00 p.m.) or by overnight courier or three (3) business days after mailing when delivery is by first class mail with sufficient postage to cause the notice to be sent to its intended addressee, certified mail, return receipt requested. In all cases, same shall be addressed as follows:

If to Mortgagor:	Robert Martin Company, LLC 100 Clearbrook Road Elmsford, New York 10523 Attention: Brad Berger Lloyd I. Roos, Esq. Fax No. (914) 592-4836
With a copy to:	Battle Fowler LLP 75 East 55th Street New York, New York 10022 Attention: Robert J. Wertheimer, Esq. Fax No. (212) 856-7808
To Mortgagee:	Cali Realty, L.P. 11 Commerce Drive Cranford, New Jersey 07016 Attn: Roger W. Thomas, Esq. Fax No. (908) 272-6755

With a copy to:	Pryor, Cashman, Sherman & Flynn 410 Park Avenue New York, New York 10022 Attn: Jonathan A. Bernstein, Esq. Fax No. (212) 326-0806

Each party may designate a change of address by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

15. Changes in Laws Regarding Taxation. In the event of the passage after the date of this Mortgage of any law of the State in which the Premises are located deducting from the value of real property for the purpose of taxation any lien or encumbrance thereon or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for state or local purposes or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly, on this Mortgage, the Note or the Debt, Mortgagor shall, if permitted by law, pay any tax imposed as a result of any such law within the statutory period or within fifteen (15) days after demand by Mortgagee, whichever is less, provided, however, that if, in the opinion of the attorneys for Mortgagee, Mortgagor is not permitted by law to pay such taxes, Mortgagee shall have the right, at its option, to declare the Debt due and payable on a date specified in a prior notice to Mortgagor of not less than one hundred eighty (180) days.

16. No Credits on Account of the Debt. Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes assessed against the Mortgaged Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Mortgaged Property, or any part thereof, by reason of this Mortgage or the Debt.

17. Other Security for the Debt. Mortgagor shall observe and perform all of the terms, covenants and provisions contained in the Note and in all other mortgages and other instruments or documents evidencing, securing or guaranteeing payment of the Debt, in whole or in part, or otherwise executed and delivered in connection with the Note, this Mortgage or the loan evidenced and secured thereby (hereinafter collectively referred to as the "Loan Documents"), in each case within the applicable notice and grace periods, if any, set forth therein.

18. Documentary Stamps. If at any time the United States of America, any state thereof or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the Note or this Mortgage, Mortgagor will pay for the same, with interest and penalties thereon, if any.

19. Right of Entry. Subject to the rights of tenants under Leases, Mortgagee and its agents shall have the right during normal business hours to enter and inspect the Mortgaged Property at all reasonable times after giving Mortgagor reasonable prior notice.

20. Books and Records. Mortgagor will keep and maintain or will cause to be kept and maintained on a fiscal year basis in accordance with generally accepted accounting practices

consistently applied proper and accurate books, records and accounts reflecting all of the financial affairs of Mortgagor and all items of income and expense in connection with the operation of the Mortgaged Property or in connection with any services, equipment or furnishings provided in connection with and which are material to the operation of the Mortgaged Property, whether such income or expense be realized by Mortgagor or by any other person either related to or affiliated with Mortgagor in connection with the operations of Mortgagor or the Mortgaged Property. Mortgagee shall have the right from time to time at all times during normal business hours, upon giving Mortgagor reasonable prior notice, to examine such books, records and accounts at the office of Mortgagor or other person maintaining such books, records and accounts and to make copies or extracts thereof as Mortgagee shall desire.

21. Performance of Other Agreements. Mortgagor shall observe and perform each and every material term to be observed or performed by Mortgagor pursuant to the terms of any material agreement or recorded instrument affecting or pertaining to the Mortgaged Property.

22. Defaults. The Debt shall become due at the option of Mortgagee upon the occurrence of any one of the following events:

(a) if any portion of the Debt is not paid on the date the same shall become due and payable and such failure continues for five (5) days after Mortgagee delivers written notice thereof to Mortgagor;

(b) if Mortgagor shall fail to pay or cause to be paid within twenty (20) days of written notice and demand by Mortgagee, any installment of any assessment against the Mortgaged Property for local improvements heretofore or hereafter laid, which assessment is or may become payable in annual or periodic installments and is or may become a lien on the Mortgaged Property, notwithstanding the fact that such installment may not be due and payable at the time of such notice and demand;

(c) if any Federal tax lien is filed against Mortgagor or the Mortgaged Property and the same is not discharged of record within ninety (90) days; provided, however, Mortgagor shall have the right to contest, at its own expense, by appropriate legal proceeding promptly initiated and conducted in good faith and with due diligence, the amount or validity of such tax lien,

provided neither the Mortgaged Property nor any part thereof or interest therein will in the opinion of Mortgagee be in danger of being sold, forfeited, terminated, lost or cancelled and, provided further, Mortgagor shall have either set aside adequate reserves or shall have furnished such security as may be required in the proceeding, or as may be reasonably required by Mortgagee;

(d) if without the consent of Mortgagee any part of the Mortgaged Property or any interest therein is in any manner further encumbered, sold, transferred or conveyed in violation of the terms and provisions of Section 12 of this Mortgage, or if any Improvement or the Equipment (except for normal replacement of the Equipment or the renovation and construction of the Improvements) is removed, demolished or materially altered;

(e) if without the consent of Mortgagee any Leases are made, cancelled or modified in violation of the terms and provisions of Section 8 of this Mortgage or if any portion of the Rents is paid for a period of more than one (1) month in advance or if any of the Rents are further assigned;

(f) if any representation or warranty of Mortgagor, or of any person (hereinafter referred to as a "Guarantor") guaranteeing payment of the Debt or any portion thereof or performance by Mortgagor of any of the material terms of this Mortgage made herein or in any such guaranty, or in any certificate, report, financial statement or other instrument furnished in connection with the making of the Note, this Mortgage, or any such guaranty, shall prove false or misleading in any material respect;

(g) if Mortgagor or any Guarantor shall make an assignment for the benefit of creditors;

(h) if a court of competent jurisdiction enters a decree or order for relief with respect to Mortgagor or any Guarantor under Title 11 of the United States Code as now constituted or hereafter amended or under any other applicable Federal or state bankruptcy law or other similar law, or if such court enters a decree or order appointing a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of Mortgagor or any Guarantor, or of any substantial part of their respective properties, or if such court decrees or orders the winding up or liquidation of the affairs of Mortgagor or any Guarantor and such order or decree is not vacated within one hundred twenty (120) days of entry; provided, however, Mortgagee and its affiliates shall not be permitted to participate in such involuntary petition;

(i) if Mortgagor or any Guarantor files a petition or answer or consent seeking relief under Title 11 of the United States Code as now constituted or hereafter amended, or under any other applicable Federal or state bankruptcy law or other similar law, or if Mortgagor or any Guarantor consents to the institution of proceedings thereunder or to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Mortgagor or any Guarantor, or of any substantial part of their respective properties, or if Mortgagor or any Guarantor fails generally to pay their respective debts as such debts become due, or if Mortgagor or any Guarantor takes any action in furtherance of any action described in this subparagraph;

(j) if Mortgagor or other person shall be in default beyond any applicable grace or cure periods under the Note or under any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt, in whole or in part;

(k) if Mortgagor shall be in default beyond applicable grace or cure periods under any mortgage covering any part of the Mortgaged Property whether superior or inferior in lien to this Mortgage;

(l) if the Mortgaged Property shall become subject (i) to any tax lien which is not released within sixty (60) days, other than a lien for local real estate taxes and assessments not

due and payable, or (ii) to any mechanic's, materialman's or other lien and such lien shall remain undischarged or unbonded for forty-five (45) days after actual or constructive notice of such lien is received by Mortgagor;

(m) if any claim of priority to the lien of the Mortgage, whether by title, lien or otherwise, is consented to by Mortgagor or upheld by a court of competent jurisdiction;

(n) if Mortgagor shall continue to be in default under any of the other terms, covenants or conditions of this Mortgage or any of the other Loan Documents for five (5) days after notice from Mortgagee in the case of any default which can be cured by the payment of a sum of money or for thirty (30)

days after notice from Mortgagee in the case of any other default, provided that if such default cannot reasonably be cured within such thirty (30) day period and Mortgagor shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Mortgagor in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of one hundred eighty (180) days (unless a condition exists which is beyond Mortgagor's control, in which case such period shall be extended for a period beyond such 180-day period as long as the Mortgaged Property and the value thereof is in no way jeopardized or threatened by such further extension); or

(o) if Mortgagor shall fail to comply with the environmental requirements set forth in Section 43 of this Mortgage.

23. Acceleration. Immediately upon or any time after the occurrence of any Event of Default hereunder, Mortgagee may, without notice or demand, declare the Debt to be immediately due and payable in full.

24. Right to Cure Defaults. If default beyond the expiration of applicable grace or cure periods, if any, in the performance of any of the covenants of Mortgagor herein occurs, Mortgagee may, at its discretion, remedy the same and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to Mortgagor or any person in possession thereof holding under Mortgagor. If Mortgagee shall remedy such a default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose this Mortgage or collect the Debt, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), shall be paid by Mortgagor to Mortgagee within ten (10) business days of demand, with interest accruing after such (10) day period at the Default Rate as defined in the Note; provided, however, that such interest rate shall in no event exceed the maximum interest rate which Mortgagor may by law pay, for the period after notice from Mortgagee that such costs or expenses were incurred to the date of payment to Mortgagee. All such costs and expenses incurred by Mortgagee pursuant to the terms of this Mortgage, with interest, shall be secured by this Mortgage.

25. Late Payment Charge. If any portion of the Debt is not paid within ten (10) days after the date on which it is due, Mortgagor shall pay to Mortgagee upon demand an amount equal

to 5% of such unpaid portion of the Debt as a late payment charge, and such amount shall be secured by this Mortgage.

26. Appointment of Receiver. Mortgagee, in any action to foreclose this Mortgage or upon the actual or threatened waste to any part of the Mortgaged Property or upon the occurrence of any default beyond the expiration of applicable grace or cure periods, if any, hereunder, shall be at liberty, without notice, to apply for the appointment of a receiver of the Rents, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Debt, or the solvency or insolvency of any person then liable for the payment of the Debt. Mortgagor hereby specifically waives its right to the appointment of a receiver as aforesaid and hereby expressly agrees that such appointment shall be made as an admitted equity and as a matter of absolute right to Mortgagee.

27. Non-Waiver. The failure of Mortgagee to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligation to pay the Debt at the time and in the manner provided for its payment in the Note and this Mortgage by reason of (i) failure of Mortgagee to comply with any request of Mortgagor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof; (ii) the release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the Debt; or (iii) any agreement or stipulation between Mortgagee and any subsequent owner or owners of the Mortgaged Property or other person extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, without first having obtained the consent of Mortgagor, and in the latter event, Mortgagor shall continue to be obligated to pay the Debt at the time and in the manner provided in the Note and this Mortgage, as so extended, modified and supplemented, unless expressly released and discharged by Mortgagee. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Mortgagee may release any person at any time liable for the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend the time of payment or otherwise modify the terms of the Note or this Mortgage, including, without limitation, a modification of the interest rate payable on the principal balance of the Note, without in any manner impairing or

affecting this Mortgage or the lien thereof or the priority of this Mortgage, as so extended and modified, as security for the Debt over any such subordinate lien, encumbrance, right, title or interest. Mortgagee may resort for the payment of the Debt to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

28. Construction. The terms of this Mortgage shall be construed in accordance with the laws of the State in which the Premises are located.

29. Effect of Security Agreement. Mortgagor does hereby grant and this Mortgage is and shall be deemed to create, grant, give and convey a Mortgage of, a lien and encumbrance upon, and a present security interest in both real and personal property owned by Mortgagor, including all improvements, goods, chattels, furniture, furnishings, fixtures, equipment, apparatus, appliances and other items of tangible or intangible personal property, hereinabove particularly or generally described and conveyed, whether now or hereafter affixed to, located upon, necessary for or used or useful, either directly or indirectly, in connection with the operation of the Mortgaged Property as an office building project, and this Mortgage shall also serve as a "security agreement" within the meaning of that term as used in the Uniform Commercial Code as adopted and in force from time to time in the State of New York, and shall be operative and effective as a security agreement in addition to, and not in substitution for, any other security agreement executed by Mortgagor in connection with the extension of the credit transaction secured hereby. Mortgagor agrees to and shall, upon the request of Mortgagee, execute and deliver to Mortgagee, in form and content satisfactory to Mortgagee, such financing statements, descriptions of property and such further assurances as Mortgagee, in its sole discretion, may from time to time consider necessary to create perfect, continue and preserve the lien and encumbrances hereof and the security interest granted herein upon and in such real and personal property and fixtures described herein, including all buildings, improvements, goods, chattels, furniture, furnishings, fixtures, equipment, apparatus, appliances and other items of tangible and intangible personal property herein specifically or generally described and intended to be the subject of the security interest, lien and encumbrance hereby created, granted and conveyed. Without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created, pursuant to the Uniform Commercial Code, any other security interest in such real and personal property and fixtures described herein. Upon the occurrence of a default hereunder or Mortgagor's breach of any other covenants or agreements between the parties entered into in conjunction herewith, Mortgagor shall have the remedies of a secured party under the Uniform Commercial Code and, at Mortgagee's option, the remedies provided for in this Mortgage. Mortgagee, at the expense of Mortgagor, may or shall cause such statements, descriptions and assurances, as herein provided in this Section 29, and this Mortgage to be recorded and re-recorded, filed and refiled, at such times and in such places as may be required or permitted by law to so create, perfect and preserve the lien and encumbrance hereof upon all of the Mortgaged Property.

30. Further Acts, etc. Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby mortgaged or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage and, on demand, will

execute and deliver one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Mortgaged Property.

31. Headings, etc. The headings and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

32. Filing of Mortgage, etc. Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this

Mortgage, and any security instrument creating a lien or evidencing the lien hereof upon the Mortgaged Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien hereof upon, and the interest of Mortgagee in the Mortgaged Property, Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property and any instrument of further assurance, and all Federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property or any instrument of further assurance. Mortgagor shall hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making and recording of this Mortgage.

33. Usury Laws. This Mortgage and the Note are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Note, Mortgagor is at any time required or obligated to pay interest on the principal balance due under the Note at a rate in excess of such maximum rate, the rate of interest under the Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note.

34. Discretion of Mortgagee. Wherever pursuant to this Mortgage, Mortgagee exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Mortgagee, except where otherwise expressly provided to the contrary, the decision of Mortgagee to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be the reasonable discretion of Mortgagee.

35. Recovery of Sums Required To Be Paid. Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without

prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

36. Authority. Mortgagor (and the undersigned representative of Mortgagor, if any) has full power, authority and legal right to execute this Mortgage and to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on Mortgagor's part to be performed.

37. Actions and Proceedings. Mortgagee shall have the right but not the obligation to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee, in its reasonable discretion, feels should be brought to protect its interest in the Mortgaged Property.

38. Inapplicable Provisions. If any terms, covenant or condition of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

39. Duplicate Originals. This Mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

40. Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage shall be used interchangeably in singular or plural form and the word "Mortgagor" shall mean each Mortgagor and any subsequent owner or owners of the Mortgaged Property or any part thereof or interest therein, the word "Mortgagee" shall mean Mortgagee or any subsequent holder of the Note, the word "Note" shall mean the Note or any other evidence of indebtedness secured by this Mortgage, the word "Guarantor" shall mean each person guaranteeing payment of the Debt or any portion thereof or performance by Mortgagor of any of the terms of this Mortgage and their respective heirs, executors, administrators, legal representatives, successors and assigns, the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity, the words "Mortgaged Property" shall include any portion of the Mortgaged Property or interest therein, and the word "Debt" shall mean all sums secured by this Mortgage.

Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

41. Waiver of Notice. Mortgagor shall not be entitled to any notices of any nature whatsoever from Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by Mortgagee to Mortgagor, and Mortgagor hereby expressly waives the right to receive any notice from Mortgagee with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor.

42. No Oral Change. This Mortgage may only be modified or amended by an agreement in writing signed by Mortgagor and Mortgagee, and may only be released, discharged or satisfied of record by an agreement in writing signed by Mortgagee.

43. Environmental Requirements. Mortgagor shall keep or cause the Mortgaged Property to be kept free of Hazardous Materials; provided however that to the extent the presence of Hazardous Materials on the Mortgaged Property has been disclosed to Mortgagee pursuant to the Contribution and Exchange Agreement by and between Mortgagor, Robert Martin-Eastview North Company, L.P., Mortgagee and Cali Realty Corporation, dated as of January __, 1997 (the "Contribution and Exchange Agreement"), the provisions of the Contribution and Exchange Agreement shall govern the remediation thereof. In furtherance thereof and subject to any express provisions in the Contribution and Exchange Agreement relating to Hazardous Materials, Mortgagor shall not cause or permit the Mortgaged Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant or subtenant, a release of Hazardous Materials onto the Mortgaged Property or onto any other property. Mortgagor shall comply with and use its best efforts to ensure compliance by all tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations whenever and by whomever triggered, and shall obtain and comply with any and all approvals, registrations or permits required thereunder. Mortgagor shall defend, indemnify, and hold harmless the Mortgagee and its employees, agents, officers, and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (i) the presence, disposal, release, or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials; and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses; provided however that in the event Mortgagor has transferred the Mortgaged Property to Mortgagee pursuant to the Put-Call Agreement (as hereinafter defined), Mortgagor shall not indemnify, defend or hold Mortgagee harmless from and against any claims relating to Hazardous Materials disclosed to Mortgagee in the Contribution and Exchange Agreement or otherwise disclosed to Mortgagee and consented to by Mortgagee in writing. In the event this Mortgage is foreclosed, or Mortgagor tenders a deed in lieu of foreclosure, Mortgagor shall deliver the Mortgaged Property to the Mortgagee free of any and all Hazardous Materials that do not exist on the Mortgaged Property as of the date hereof so that the condition of the Mortgaged Property shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Mortgaged Property. The provisions of this Section 43 shall be in addition to any and all obligations and liabilities Mortgagor may have to the Mortgagee at common law and shall survive the transactions contemplated herein.

"Environmental Law" means any and all present and future federal, state or local laws, statutes, codes, ordinances, rules, regulations, permits, consents, approvals, licenses, judgments, orders, writs, decrees, injunctions or other restrictions or requirements relating to health, the environment, any Hazardous Materials or any use, storage, release, threatened release, emission, discharge, generation, processing, abatement, removal or disposition of any Hazardous Materials from, under, into or on the Mortgaged Property or any handling, transportation or treatment of Hazardous Materials relating to the Mortgaged Property, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6921, et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Section 1801, et seq.), the Clean Air Act, as amended (42

U.S.C. Sections 7401, et seq.), the Clean Water Act, as amended (33 U.S.C. Sections 1251, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f et seq.), the Atomic Energy Act, as amended (42 U.S.C. Sections 2011 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. Sections 136 et seq), the Occupational Safety and Health Act, as amended (29 U.S.C. Sections 651 et seq.), and the regulations adopted and publications promulgated pursuant thereto.

"Hazardous Materials" means any substance, material or waste which is regulated by any federal, state or local governmental or quasi-governmental authority, and includes, without being limited to (a) any substance, materials or waste defined, used or listed as a "hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "hazardous substance", "Hazardous Material", "toxic substance" or other similar or related terms as defined, used or listed in any Environmental Law, (b) any petroleum products, asbestos, polychlorinated biphenyls, flammable explosives or radioactive materials, (c) any additional substances or materials which are now or hereafter hazardous or toxic substances under any Environmental Law relating to the Premises and (d) as of any date of determination, any additional substances or materials which are hereafter incorporated in or added to the definition of "hazardous substance" for purpose of any Environmental Law.

44. Accessibility Requirements.

(a) Mortgagor hereby agrees to indemnify Mortgagee and hold Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Mortgagee for, with respect to, or as a direct or indirect result of, the noncompliance of the Mortgaged Property with the Accessibility Laws (hereinafter defined) from and after the date hereof, provided that such loss, liability, damage, injury, cost, expense or claim arises prior to such time as Mortgagee takes title to the Mortgaged Property pursuant to the Put-Call Agreement (as hereinafter defined), a deed-in-lieu of foreclosure or another transfer of the Mortgaged Property.

(b) It is expressly understood and agreed that the obligations of Mortgagor with respect to this Section 44 of this Mortgage shall survive any termination, satisfaction, assignment, entry of judgment of foreclosure, or delivery of a deed in lieu of foreclosure including, but not limited to, the obligation to remedy and cure any such condition at Mortgagor's sole cost and

expense, and to indemnify Mortgagee as aforesaid, and shall survive Mortgagee's sale, lease or assignment of the Mortgaged Property or its interest therein.

(c) "Accessibility Laws" shall be defined as all federal, state and municipal laws, ordinances, rules and regulations currently in existence or hereinafter enacted or rendered governing accessibility for the disabled including, but not limited to (i) [The Architectural Barriers Act of 1968, The Rehabilitation Act of 1973,] The Fair Housing Act of 1988, The Americans With Disabilities Act, and all New York statutes and regulations; (ii) judicial or administrative interpretations thereof, including any judicial or administrative orders or judgments; and (iii) ordinances, codes, plans, injunctions, decrees, permits, demand letters, concessions, grants, franchises, licenses, agreements, notices or other governmental restrictions relating to the protection of the disabled or the handicapped.

45. Mortgagor's Exculpation. Notwithstanding any other provision of this Mortgage, the Note or any other Loan Document, the obligations of Mortgagor to pay the indebtedness evidenced by the Note, and to perform and observe and make good the other covenants, warranties, and agreements contained in the Note, this Mortgage or in any Loan Document shall not be enforced by an action or proceeding against Mortgagor or its members wherein or whereby any deficiency or other money judgment shall be sought against Mortgagor or its members (a "Deficiency Action"), and neither Mortgagor nor its members shall be liable for such deficiency or money judgment and Mortgagee specifically waives any right to bring suit for a Deficiency Action; provided that Mortgagor may be made a party defendant in a foreclosure action against the Mortgaged Property and any judgment in such foreclosure action shall be enforceable against Mortgagor, and provided further that nothing contained above shall be deemed (i) to limit or restrict any right to seek injunctive relief against Mortgagor or affect the lien of the Mortgage, (ii) to be a release or impairment of the other obligations of Mortgagor under this Mortgage, (iii) to limit Mortgagee from enforcing its rights under the Note, this Mortgage or any Loan Document, (iv) to constitute a waiver, release or discharge of any indebtedness or obligation under the Note or secured by this Mortgage or (v) to affect the liability of Guarantors under any guaranty. Notwithstanding any limitation of liability set forth above, Mortgagor shall be personally liable to Mortgagee for actual out-of-pocket expenses at all times for (i) the willful misapplication of (a) any insurance proceeds paid under any Policies by reason of damage, loss, or destruction to the Mortgaged Property, to the extent of such misapplication or (b) proceeds or awards resulting from condemnation or other taking in lieu of

condemnation of any portion of the Mortgaged Property to the extent of such misapplication, (ii) any damages to Mortgagee resulting from any fraud or intentional misrepresentation made by Mortgagor and (iii) any damage resulting from or on account of any action or lien on account of any environmental matters to the extent Mortgagor is liable for same as more particularly set forth in Section 43 hereof.

46. Release of Individual Parcel. Mortgagor and Mortgagee have entered into a certain Put-Call Agreement dated on or about the date hereof (the "Put-Call Agreement"). In the event that Mortgagee acquires either of the parcels constituting the Premises pursuant to the Put-Call Agreement (an "Acquired Parcel"), then upon payment of the release price for the Acquired Parcel, as set forth on Exhibit C annexed hereto and made a part hereof, and upon payment of all other amounts and charges then due and payable hereunder or under any of the Loan Documents,

the Mortgagor shall be entitled to a release of the Acquired Parcel from the lien of this Mortgage. The Mortgagor will pay all reasonable third party out-of-pocket costs and expenses, including attorney's fees, incurred by the Mortgagee in connection with any release requested by the Mortgagor hereunder.

47. Multiple Dwelling. The Mortgaged Property is not principally improved or to be improved by one or more structures containing in the aggregate not more than six (6) residential dwelling units, each dwelling unit having its own separate cooking facilities.

IN WITNESS WHEREOF, Mortgagor and Mortgagee have duly executed this Mortgage the day and year first above written.

ROBERT MARTIN COMPANY, LLC

By:__________________________________
Martin S. Berger, Manager

CALI REALTY, L.P.

By: Cali Realty Corporation,
its general partner

By:__________________________________
Roger W. Thomas, Vice President

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this ___ day of _______________, 1997, before me, personally came ___________________ to me known, who, being by me duly sworn, did depose and say that he resides at _____________________________________; that he is an authorized member of ROBERT MARTIN COMPANY, LLC, a New York limited liability company, and the company described in and which executed the foregoing instrument and that he executed such instrument as the act and deed of, and on behalf of, said company.

____

My Commission Expires:_________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of January, 1997, before me personally came ________________ to me known, who, being duly sworn, did depose and state that he resides at _______________; that he is the ________________ of Cali Realty Corporation, the general partner of Cali Realty, L.P., the Delaware limited partnership described in and which executed the above instrument; and that he signed his name thereto by order of the Board of Directors of said corporation, as general partner of said limited partnership.

____
Notary Public

25

EXHIBIT A-1

(Skyline Premises)

26

EXHIBIT A-2

(200 Premises)

27

EXHIBIT B

(Mortgages)

28

EXHIBIT C

(Release Prices)

	Parcel	Price
1.	7 Skyline Drive Mount Pleasant, New York	$7,250,000
2.	200 Corporate Boulevard South Yonkers, New York	$4,350,000

29

EXHIBT 8.1 (cont.)

GUARANTY

THIS GUARANTY ("Guaranty"), dated January __, 1997, made by MARTIN S. BERGER, having an address at 630 Park Avenue, Apt. 8A, New York, New York 10021, ROBERT F. WEINBERG, having an address at 5 Barker Avenue, White Plains, New York 10601, BRAD W. BERGER, having an address at 455 East 86th Street, Apt. 30D, New York, New York 10028, and TIMOTHY M. JONES, having an address at 20 Church Street, Greenwich, Connecticut 06830 (collectively, the "Guarantors") in favor of CALI REALTY, L.P., a Delaware limited partnership, having an address c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 (the "Lender").

RECITALS

A. Robert Martin Company LLC, a New York limited liability company (the "Borrower"), has agreed to execute its Amended and Restated Replacement Note in the principal amount of Eleven Million Six Hundred Thousand ($11,600,000) Dollars payable to the order of Lender (the "Note").

B. Borrower has executed or will execute a Mortgage Modification and Spreader Agreement (the "Mortgage") encumbering certain real property interests in Westchester County, New York, more particularly described on Exhibits A-1 and A-2 to the Mortgage (the "Property") to secure the payment of the Note.

C. In addition, the Borrower has executed or will execute an Absolute Assignment of Leases and Rents of even date herewith (the "Assignment of Leases") to secure the payment of the Note.

D. In order to induce the Lender to accept the Note, which Lender would not do but for the execution, delivery and performance of this Guaranty, each of the Guarantors has agreed to guarantee the prompt payment of the Obligations (as hereinafter defined) and the performance by Borrower of the terms, covenants, and conditions of the Note, the Mortgage, and the Security Documents (as hereinafter defined).

E. Upon the execution of the Note by Borrower and the delivery thereof to Lender, this Guaranty will be the legal, valid and binding obligation of each of the Guarantors.

Prepared by and return to:

____

GUARANTY

1. For valuable consideration, each of the Guarantors hereby jointly and severally and unconditionally guarantees to Lender, irrespective of the validity and enforceability of the Note or the obligations of Borrower thereunder, and irrespective of any other circumstances that might affect the liability of a guarantor or surety:

(a) the prompt and unconditional payment by Borrower of all sums from time to time owing to Lender from Borrower on account of: (i) principal and interest on the Note when due and payable; and (ii) any other sums payable by Borrower to Lender under the Note, the Mortgage, the Assignment of Leases, or any other instrument whether now in existence or hereafter executed relating to or securing payment of the Note (the "Security Documents"); and

(b) the performance by Borrower of the terms and conditions contained in the Note, and any of the Security Documents.

All of the foregoing obligations described in this Section 1 are herein collectively referred to as the "Obligations."

2. Each of the Guarantors authorizes Lender, without notice to Guarantor and without impairing the liability of Guarantor hereunder, from time to time: (a) to renew, extend, accelerate, modify, or otherwise change the times for or terms of payment or performance of the Obligations including, but not limited to any increase or decrease in the rate of interest provided for in the Note; (b) to take and hold security for the performance of this Guaranty or the Obligations, and to exchange, enforce, waive, and release any such security; (c) to apply such security or direct the order or manner of sale thereof as Lender, in its sole discretion, may determine; and (d) to release or substitute, in whole or in part, any one or more of the parties who guarantee the Obligations without affecting the liability of the remaining Guarantors. Without limiting the generality of the foregoing, each of the Guarantors waives any rights which they might otherwise have by reason of any release of fewer than all of the Guarantors of the Obligations.

3. Each of the Guarantors hereby waives presentation to, demand of, payment from, and protest to Borrower of the Obligations, and notice of dishonor and protest for nonpayment. The obligations of the Guarantors hereunder shall not be affected by: (a) the failure of Lender to assert any claim or demand or to enforce any right or remedy against Borrower under the provisions of the Note, the Mortgage, the Assignment of Leases or any of the other Security Documents; (b) any extension or renewal of the Note, the Mortgage, the Assignment of Leases, or any of the other Security Documents; (c) any rescission, waiver, amendment, or modification of any of the terms or

provisions hereof or of the Note, the Mortgage, the Assignment of Leases, or any of the other Security Documents; or (d) the release of any security held by Lender for the Obligations.

4. Each of the Guarantors further agrees that this Guaranty constitutes a guarantee of payment and not of collection, and waive any right to require that any resort be had by Lender to any security held by it for payment of the Obligations before demanding payment hereunder.

5. The obligations of each of the Guarantors hereunder shall not be subject to any reduction, limitation, impairment, or termination for any reason including, without limitation, any claim or waiver, release, surrender, alteration, or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each of the Guarantors hereunder shall not be discharged or impaired or otherwise affected by the failure of Lender to assert or enforce any claim, demand, or remedy

hereunder or under the Note or any instrument securing payment of the Note, by any waiver or modification of the Note, the Mortgage, the Assignment of Leases, or any of the other Security Documents, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or any other act, omission, or delay which might in any manner or to any extent vary the risk of the Guarantors or which might otherwise discharge the Guarantors by operation of law.

6. Each of the Guarantors further agrees that this Guaranty shall continue to be effective or shall be reinstated if any payment of principal or interest on the Note or any other obligation or any part thereof is rescinded or must otherwise be restored by Lender, or if any other right which Lender may have at law or in equity against the Guarantors by virtue hereof becomes subject to any bankruptcy limitation. Upon failure of Borrower to pay any sum on the Note when and as the same shall become due and payable beyond any applicable grace and cure periods available to Borrower thereunder, each of the Guarantors hereby promises to and will, upon receipt of written demand by Lender, forthwith pay or cause to be paid to Lender in cash an amount equal to the sum of: (a) the unpaid principal amount of the Note plus accrued and unpaid interest and all expenses of collection; and (b) all other unpaid Obligations. Thereupon, Lender shall assign the Note or Obligations, together with all security then held by it for the Note or hereunder, to the Guarantors (on a prorata basis with payments made by any other guarantor) or shall make such other disposition thereof as the Guarantors shall direct (all without recourse to Lender and without any representation or warranty by Lender).

7. In the event any payment of Borrower to Lender is held to constitute a preference under the bankruptcy laws, or if for any other reason Lender is required to refund such payment or pay the amount thereof to any other party, such payment by Borrower to Lender shall not constitute a release of Guarantors from any liability hereunder, but each of the Guarantors agrees to pay such

Prepared by and return to:

____
Bryant Messner, Esq.
Messner Pavel & Reeves, LLC
600 Seventeenth Street
Suite 2100-South
Denver, Colorado 80202

amount to Lender upon demand and this Guaranty shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

8. Upon a default of Borrower, Lender may elect to foreclose against any real or personal property security it holds for the Obligations or any part thereof, or exercise any other remedy against Borrower, any security or any Guarantor of the Obligations, even if the effect of that action is to deprive any or all Guarantors of the Obligations of the right to collect reimbursement from Borrower for any sums paid to Lender.

9. No delay on the part of Lender in exercising any right hereunder, nor any failure by Lender to exercise the same, shall operate as a waiver of such rights. No notice to or demand on any of the Guarantors shall be deemed to be a waiver of the Obligations or of the right of Lender to take further action without notice or demand as provided herein.

10. Each of the Guarantors hereby agrees to pay to Lender the amount of any actual third-party out-of-pocket costs and reasonable attorneys' fees incurred by Lender in the collection of any amounts due Lender pursuant to, or in respect of, this Guaranty whether or not suit is filed hereon.

11. Any notice, request, demand, statement or consent made hereunder shall be in writing and shall be sent by hand or by reputable overnight courier or by registered or certified mail, return receipt requested, and shall be deemed given when delivered if by hand or by overnight courier or when postmarked and addressed as follows:

To Guarantors:

Martin S. Berger
630 Park Avenue, Apt. 8A
New York , New York 10021

Robert F. Weinberg
5 Barker Avenue
White Plains, New York 10601

Brad W. Berger
455 East 86th Street, Apt. 30D
New York, New York 10028

Timothy M. Jones
20 Church Street
Greenwich, Connecticut 06830

With a copy to: Battle Fowler, LLP
75 East 55th Street
New York, New York 10022
Attn: Robert J. Wertheimer, Esq.
Fax No. (212) 856-7808

To Lender: Cali Realty, L.P.
c/o Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
Fax No. (908) 272-6755

With a copy to: Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Jonathan A. Bernstein, Esq.
Fax No. (212) 326-0806

Each party may designate a change of address by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

12. Each of the Guarantors assumes full responsibility for keeping fully informed of the financial condition of Borrower and all other circumstances affecting Borrower's ability to perform its Obligations to Lender, and agrees that Lender will have no duty to report to the Guarantors any information which Lender receives about Borrower's financial condition or any circumstances bearing on its ability to perform.

13. Each of the Guarantors hereby postpones and subordinates to the claims of Lender against Borrower any indebtedness or other claim which each of the Guarantors may have against Borrower. Until all of the Obligations have been paid and satisfied in full, each of the Guarantors shall have no right of subrogation, and waives any right to enforce any remedy which Lender now has or may hereafter have against Borrower, and waives any benefit of, and any right to participate in, any security now or hereafter held by Lender.

14. Neither this Guaranty nor any provisions hereof may be amended, modified, waived, discharged, or terminated orally, but only by an instrument in writing duly signed by or on behalf of each of the Guarantors and Lender. This is a continuing Guaranty and shall remain in full force and

effect and be binding upon each of the Guarantors and its successors and assigns and shall inure to the benefit of any successor or assign of Lender (including, without limitation, any holder of the Note).

15. This Guaranty shall be deemed to be made under and shall be governed by the laws of the State of New York.

16. For any action related to the judicial enforcement or interpretation of this Guaranty and all other agreements or documents contemplated by this Guaranty, each of the Guarantors expressly submits to the nonexclusive jurisdiction of the competent courts of the state or federal courts located in the State of New York, United States of America. Nothing contained in this Section shall affect the right to serve process in any other manner permitted by law or the right of Lender to bring legal action or proceedings in any other

jurisdiction.

17. In the event that Borrower voluntarily transfers the Property to Lender or its designee, each of the Guarantor's liability hereunder shall terminate as of the date of said transfer, provided that (a) all transfer taxes and recording and other fees due as a result of said transfer have been fully paid by Borrower, (b) title to the Property shall be subject only to the encumbrances set forth as exceptions to title policy numbers 221-W-6569-9 and 221-W-6569-25 issued by First American Title Insurance Company insuring the lien of the Mortgage on the Property; (c) the Property has been leased in accordance with the provisions of the Mortgage; and (d) the Property is conveyed subject to the Guarantor's continuing obligations under that certain Environmental Indemnity given on the date hereof from the Borrower to the Lender and subject to such parties performance thereunder. Title shall also be free and clear of all liens, encumbrances, judgments, real estate taxes and water and sewer charges. Current real estate taxes, water and sewer charges and other items customarily apportioned shall be apportioned as of the transfer date from Borrower to Lender. Notwithstanding the foregoing provision, the each of the Guarantors shall continue to be liable for any Obligations arising between the date upon which Lender notifies Borrower that Borrower is in default beyond applicable grace and cure periods, if any, under the Note, the Mortgage or any other Security Document and the date upon which Borrower tenders a deed to the Property to the Lender in the manner and condition set forth in this Section 17.

18. This Guaranty may be executed by the parties hereto in counterparts, all of which together shall constitute a single Guaranty.

Prepared by and return to:

____
Bryant Messner, Esq.
Messner Pavel & Reeves, LLC
600 Seventeenth Street
Suite 2100-South
Denver, Colorado 80202

IN WITNESS WHEREOF, each of the Guarantors has caused this Guaranty to be executed as of the day and year first above written.

____
Martin S. Berger

____
Robert F. Weinberg

____
Brad W. Berger

____
Timothy M. Jones

Prepared by and return to:

____
Bryant Messner, Esq.
Messner Pavel & Reeves, LLC
600 Seventeenth Street
Suite 2100-South
Denver, Colorado 80202

STATE OF NEW YORK)
:ss.:
COUNTY OF NEW YORK)

On the ___ day of January, 1997 before me personally came Martin S. Berger, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed same.

____
Notary Public

STATE OF NEW YORK)
:ss.:
COUNTY OF NEW YORK)

On the ___ day of January, 1997 before me personally came Robert F. Weinberg, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed same.

____
Notary Public

Prepared by and return to:

____
Bryant Messner, Esq.
Messner Pavel & Reeves, LLC
600 Seventeenth Street
Suite 2100-South
Denver, Colorado 80202

STATE OF NEW YORK)
:ss.:
COUNTY OF NEW YORK)

On the ___ day of January, 1997 before me personally came Brad W. Berger, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed same.

____
Notary Public

STATE OF NEW YORK)
:ss.:
COUNTY OF NEW YORK)

On the ___ day of January, 1997 before me personally came Timothy M. Jones, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed same.

____
Notary Public

Prepared by and return to:

____
Bryant Messner, Esq.
Messner Pavel & Reeves, LLC
600 Seventeenth Street
Suite 2100-South
Denver, Colorado 80202

EXHIBIT 8.1 (cont.)

==

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

Assignor,

-TO-

CALI REALTY, L.P., a
Delaware limited partnership

Assignee.

ABSOLUTE ASSIGNMENT OF LEASES AND RENTS

Dated: As of January __, 1997

Location: 200 Corporate Boulevard South, Yonkers, New York
7 Skyline Drive, Mt. Pleasant, New York

Section:

Block:

Lot:

RECORD AND RETURN TO:

Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022

Attention: Andrew S. Levine, Esq.

ABSOLUTE ASSIGNMENT OF LEASES AND RENTS
(With License Back)

THIS ABSOLUTE ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of the ___ day of January, 1997, by and between ROBERT MARTIN COMPANY, LLC, a New York limited liability company, having an address at 100 Clearbrook Road, Elmsford, New York 10523 (the "Borrower"), and CALI REALTY, L.P., a Delaware limited partnership, having an address c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 ("Lender").

WITNESSETH:

FOR AND IN CONSIDERATION of the indebtedness hereinafter described, Borrower does hereby assign, transfer and set over unto Lender, subject to the terms hereof, all of the right, title and interest of Borrower in and to the property hereinafter described (the "Security"), to wit:

(a) All rents, issues and profits arising from or related to the land, situated in the County of Westchester and State of New York and described in Exhibit A attached hereto and fully incorporated herein by reference for all purposes and all improvements and any other property, whether real, personal or mixed, located thereon (which land, improvements and other property are hereinafter collectively called the "Property");

(b) All of Borrower's rights, titles, interests and privileges, as lessor, in the leases now existing or hereafter made affecting the Property, whether or not made by Borrower and as the same may have been, or may from time to time hereafter be, modified, extended and renewed (hereinafter collectively called the "Leases");

(c) All tenant security deposits and other amounts due and becoming due under the Leases;

(d) All guarantees of the Leases, including guarantees of tenant performance;

(e) All insurance proceeds, including rental loss coverage and business interruption coverage with respect to the Leases; and

(f) All judgment and settlements of claims in favor of Borrower (including condemnation proceeds, if any) and all rights, claims and causes of action under any court proceeding including, without limitation, any bankruptcy, reorganization or insolvency proceeding, or otherwise arising from the Leases.

TO HAVE AND TO HOLD the Security unto Lender, its successors and assigns forever, subject to the terms hereof.

ARTICLE 1
DEFINITIONS

1.1 Terms Defined Above. As used in this Assignment, the terms "Borrower," "Leases," "Lender," "Property," and "Security" shall have the respective meanings indicated above.

1.2 Certain Definitions. The following terms shall have the meanings assigned to them below whenever they are used in this Assignment, unless the context clearly otherwise requires. Except where the context otherwise requires, words in the singular form shall include the plural and vice versa.

(a) "Event of Default" shall mean any Event of Default as defined in the Lien Instrument.

(b) "Guaranty" shall mean that certain Guaranty of even date

herewith, executed by Martin S. Berger, Robert F. Weinberg, Brad W. Berger and Timothy M. Jones (the "Guarantors").

(c) "Lien Instrument" or "Mortgage" shall mean that certain Mortgage Modification and Spreader Agreement of even date herewith, executed by Borrower and granting a lien on the Property to Lender, as such instrument may be amended and restated from time to time.

(d) "Loan Documents" shall mean the Note, the Lien Instrument, the Guaranty, the Other Security Documents and all other instruments and documents (as the same may be amended from time to time) executed by Borrower and delivered to Lender in connection with, or as security for, the indebtedness evidenced by the Note, except any separate environmental indemnity agreement.

(e) "Note" shall mean the Amended and Restated Replacement Note of even date herewith, in the original principal amount of Eleven Million Six Hundred Thousand ($11,600,000) Dollars, executed by Borrower and payable to the order of Lender, as such instrument may be amended, renewed and restated from time to time.

(f) "Obligations" shall mean the following:

(i) The indebtedness evidenced by the Note and all interest thereon;

(ii) The performance of all covenants and agreements of Borrower contained in the Loan Documents;

(iii) All funds hereafter advanced by Lender to or for the benefit of Borrower in accordance with the terms of any Loan Document and all interest thereon;

(iv) All renewals, extensions, rearrangements and modifications of any of the Obligations described hereinabove; and

(v) Actual reasonable attorneys' fees and actual reasonable third party expenses of collection payable under the terms of any Loan Document.

(g) "Other Security Documents" shall mean all and any of the Documents other than the Note, Lien Instrument and the Guaranty, now or hereafter executed by Borrower or others, and by or in favor of Lender, which wholly or partially secure or guarantee payment of the Note.

ARTICLE 2
ASSIGNMENT

2.1 Absolute Assignment. This Assignment is, and is intended to be, an absolute and present assignment of the Security from Borrower to Lender with a concurrent license back to the Borrower (which license is subject to revocation upon the occurrence of an Event of Default as herein provided) and is not intended as merely the granting of a security interest relating to the Obligations.

2.2 License. Borrower is hereby granted the license to manage and control the Security and to collect at the time of, or within thirty (30) days in advance of, the date provided for the payment thereof, all rents, issues, and profits from the Property and to retain, use and enjoy the same. The license created and granted hereby shall be recoverable upon the terms and conditions contained herein.

2.3 Revocation of License. Immediately upon the occurrence of an Event of Default and at any time thereafter, Lender, without in any way waiving such default, may, at its option and without regard to the adequacy of the security for the Obligations, either by an authorized representative or agent, with or without bringing or instituting any judicial or other action or proceeding, or by a receiver appointed by a court, immediately revoke the license granted in Section 2.2, as evidenced by a written notice to said effect given to Borrower and, further, at Lender's option (without any obligation to do so), take possession of the Property and the Security and have, hold, manage, lease and operate the Property and the Security on such terms and for such period of time as Lender may deem proper and, in addition, either with or without taking possession of the Property, demand, sue for or otherwise collect and receive all rents, issues and profits from the Property, including those past due and unpaid, with full power to make, from time to time, all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to the Lender in its sole discretion, and to apply (in such order and priority as Lender shall determine in its sole discretion, any statute, law, custom or use to the contrary notwithstanding) such rents, issues and profits to the payment of:

(a) all reasonable expenses of (i) managing the Property including, without limitation, the salaries, fees and wages of a managing agent and such other employees as Lender may, in its sole discretion, deem necessary or desirable and (ii) operating and maintaining the Property including, without limitation, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens, and premiums for all insurance which Lender may in its sole discretion deem necessary or desirable; the cost of any and all alterations, renovations, repairs or replacements of or to the Property; and any and all expenses incident to taking and retaining possession of the Property and the Security; and

(b) the Obligations.

The exercise by Lender of the rights granted it in this Section 2.3, and the collection and receipt of rents, issues and profits and the application thereof as herein provided, shall not be considered a waiver of any Event of Default.

2.4 Trust Funds. All monies or funds covered by this Assignment paid to, or for the benefit of, Borrower after the occurrence of an Event of Default are hereby declared, and shall be deemed to be, trust funds in the hands of Borrower for the sole benefit of Lender, until all Events of Default have been cured or waived or the Obligations have been paid and performed in full. Borrower, or any officer, director, representative or agent thereof receiving such trust funds or having control or direction of same, is hereby made and shall be construed to be a trustee of such trust funds so received or under its control and direction, and such person shall be under a strict obligation and duty should such persons receive or constructively receive trust funds to (1) remit any and all such trust funds to Lender within five (5) days of receipt, upon demand therefor by Lender; or (2) to apply such trust funds only to Obligations then due or the operating expenses of the Property.

ARTICLE 3
COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Liability. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Property after the occurrence of an Event of Default or from any other act or omission of Lender in managing the Property or the Security after taking possession of the Property following the occurrence of an Event of Default, except for acts constituting gross negligence, willful misconduct or bad faith. Lender shall not be obligated to perform or discharge, nor does Lender hereby undertake to perform or discharge, any obligation, duty or liability under any Lease or under or by reason of this Assignment arising prior to Lender's taking possession of the Property, and Borrower shall and does hereby indemnify Lender for, and save and hold Lender harmless from, any and all liability, loss or damages, except so much thereof as shall result from the gross negligence, willful misconduct or bad faith of Lender, which may or might be incurred under any Lease or under or by reason of this Assignment and from any and all claims and demands

whatsoever which may be asserted against Lender by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any Lease including, without limitation, any claims by any tenants of credit for rents for any period actually paid to and received by Borrower but not delivered to Lender, and arising prior to Lender's taking possession of the Property. Should Lender incur any such liability under any Lease, under or by reason of this Assignment or in defense of any such claim or demand, the amount thereof including, without limitation, all third party out-of-pocket expenses and reasonable attorneys' fees, shall be added to the principal of the Note and Borrower shall reimburse Lender therefor immediately upon prior written demand. Unless and until Lender shall become a mortgagee in possession or the fee owner of the Property or otherwise takes possession or control of the Property following the occurrence of an Event of Default, this Assignment shall not operate to place responsibility upon Lender for the control, care, upkeep, management, operation or repair of the Property and the Security or for the carrying out of any of the terms and conditions of any Lease; nor shall this Assignment operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other party, for any dangerous or defective condition of the Property or for any negligence in the control, care, upkeep, operation, management or repair of the Property resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person whatsoever.

3.2 Termination. Upon payment and performance of the Obligations in full, this Assignment shall become null and void and of no further legal force or effect, but the affidavit, certificate, letter or statement of any officer, agent, authorized representative or attorney of Lender showing any part of the Obligations remaining unpaid or unperformed may be relied upon by any person as conclusive evidence of the validity, effectiveness and continuing force of this Assignment. To the extent all or any section of the Property is released from the Lien Instrument, Leases pertaining to the Property or such section of the

Property shall be released from this Assignment and Lender shall, at no cost to Borrower (other than recording charges), execute and deliver to Borrower a written release in recordable form. Borrower hereby authorizes and directs all tenants under the Leases, all guarantors of Leases, all insurers providing rental loss or business interruption insurance with respect to the Property, all governmental authorities and all other occupants of the Property, upon receipt from Lender of written notice to the effect that Lender is then the holder of the Note and that an Event of Default exists, to pay over to Lender all rents and other amounts due and to become due under the Leases and under guaranties of the Leases and all other issues and profits from the Property and to continue so to do until otherwise notified in writing by Lender. This right may be exercised without Lender taking actual or constructive possession of the Property or any part thereof.

3.3 Security. Lender may take or release any security for the payment or performance of the Obligations, may release any party primarily or secondarily liable therefor and may apply any security held by it to the satisfaction of all or any portion of the Obligations, without prejudice to any of its rights under this Assignment, the other Loan Documents or otherwise available at law or in equity.

3.4 Covenants. Borrower covenants with Lender (a) to observe and to perform all the material obligations imposed upon the lessor under all Leases and not to do or permit to be done anything to impair the Leases without Lender's prior written consent; (b) not to collect any of the rent or other amounts due under any Lease or other issues or profits from the Property in any manner more than thirty (30) days in advance of the time when the same shall become due (save and except only for collecting one month's rent in advance plus the security deposit, if any, at the time of execution of a Lease); (c) except as provided in the Lien Instrument, not to execute any other assignment of rents, issues or profits arising or accruing from the Leases or from the Property; (d) not to enter into any Lease or a modification or amendment of any Lease now or hereafter existing which provides for a rental rate which is less than the fair market rate, without the prior written consent of Lender (which consent shall not be unreasonably withheld, conditioned or delayed) as to the terms and conditions of such Lease; (e) to execute and deliver, at the request of Lender, all such further assurances and acknowledgments of the assignment contained herein and the other provisions hereof, with respect to specific Leases or otherwise, as Lender shall from time to time require, provided such further assurances and assignments do not increase Borrower's obligations or diminish its rights under the Loan Documents; (f) to obtain from any tenant at the Property, from time to time as requested by Lender, estoppel certificates, in form and substance reasonably satisfactory to Lender, confirming the terms of such tenant's Lease and the absence of default thereunder; and (g) except as is consistent with the usual and customary operation of the Property, Borrower shall not, without the prior written consent of Lender, cancel, surrender or terminate any Lease unless such Lease is in default, exercise any option which might lead to such termination or consent to any change, modification, or alteration thereof, or consent to the release of any party liable thereunder or to the assignment of the lessee's interest therein, and any of said acts, if done without the prior written consent of Lender, shall be null and void as between Borrower and Lender. To the extent that the terms and provisions of this Section 3.4 conflict with the Mortgage, the terms and provisions of the Mortgage shall govern.

3.5 Authority to Assign. Borrower represents and warrants that (a) Borrower has full right and authority to execute this Assignment and has no knowledge of any existing material defaults under any of the existing Leases; (b) all material conditions precedent to the effectiveness of said existing Leases have been satisfied; (c) Borrower has not executed or granted any modification of the existing Leases, either orally or in writing, except as heretofore delivered to Lender; (d) the existing Leases are in full force and effect according to the terms set forth in the Lease instruments, assignments, modifications and amendments heretofore submitted to Lender; and (e) Borrower has not executed any other instrument which might prevent Lender from operating under any of the terms and conditions of this Assignment, including any other assignment of the Leases or the rents, issues and profits from the Property.

3.6 Cross-Default. Violation or default beyond any applicable cure or grace periods under any of the covenants, representations, warranties, and provisions contained in this Assignment by the Borrower shall be deemed a default hereunder as well as under the terms of the other Loan Documents, and any default thereunder beyond any applicable cure or grace period shall likewise be a default under this Assignment. Any third party out-of-pocket expenditures made by

Lender in curing any default by Borrower under any of the terms of any Lease on Borrower's behalf, with interest thereon at the Default Rate (as defined in the Note), shall become part of the Obligations.

3.7 No Mortgagee in Possession. The acceptance by Lender of this Assignment, with all the rights, powers, privileges and authority created hereby, shall not, prior to entry upon and taking possession of the Property by Lender, be deemed or construed to constitute Lender a "mortgagee in possession," or hereafter or at any time or in any event obligate Lender to appear in or defend any action or proceeding relating to any Lease, the Property, or the Security, to take any action hereunder, to expend any money, incur any expense, perform or discharge any obligation, duty or liability under any Lease, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Borrower by any tenant and not actually delivered to Lender. Lender shall not be liable in any way for any injury or damage to any person or property sustained in or about the Property prior to taking possession of the Property.

ARTICLE 4
GENERAL

4.1 Remedies. The rights and remedies provided Lender in this Assignment and the other Loan Documents are cumulative. Nothing contained in this Assignment, and no act done or omitted by Lender pursuant hereto including, without limitation, the collection of any rents, shall be deemed to be a waiver by Lender of any of its rights and remedies under the other Loan Documents or applicable law or a waiver of any default under the other Loan Documents, and this Assignment is made and accepted without prejudice to any of the rights and remedies provided by Lender by the other Loan Documents. The right of Lender to collect the principal balance and interest due on the Note and to enforce the other Loan Documents may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

4.2 Notices. Any notice, request, demand, statement or consent made hereunder shall be in writing and shall be sent by hand or by reputable overnight courier or by registered or certified mail, return receipt requested, and shall be deemed given when delivered if by hand or by overnight courier or when postmarked and addressed as follows:

To Lender:
Cali Realty, L.P.
c/o Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
Fax No. (908) 272-6755

With a copy to:
Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Jonathan A. Bernstein, Esq.
Fax No. (212) 326-0806

If to Borrower:
Robert Martin Company, LLC
100 Clearbrook Road
Elmsford, New York 10523
Attn: Brad Berger
Lloyd I. Roos, Esq.
Fax No. (914) 592-4836

With a copy to:
Battle Fowler LLP
75 East 55th Street
New York, New York 10022
Attn: Robert J. Wertheimer, Esq.
Fax No. (212) 856-7808

Each party may designate a change of address by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

4.3 Captions. The titles and headings of the various Articles and Sections hereof are intended solely for reference and are not intended to modify, explain or affect the meaning of the provisions of this Assignment.

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

4.5 Attorneys' Fees. In the event that Lender prevails in any controversy, claim, dispute, or litigation between the parties hereto to enforce any provision of this Assignment or any right of Lender hereunder, Borrower agrees to pay to Lender all costs and expenses, including reasonable attorneys' fees incurred therein by Lender, whether in preparation for or during any trial, as a

result of an appeal from a judgment entered in such litigation or otherwise.

4.6 Amendments. This Assignment may not be modified, amended or otherwise changed in any manner unless done so by a writing executed by the parties hereto.

4.7 Benefits. This Assignment and all the covenants, terms and provisions contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

4.8 Assignment. Borrower shall have no right to assign or transfer the revocable license granted herein without the prior written consent of Lender.

4.9 Time of Essence. Time is of the essence as to this Assignment.

4.10 Governing Law. The laws of the State of New Jersey shall govern and control the interpretation of this Assignment and the rights, obligations, duties and liabilities of the parties hereto.

4.11 Borrower's Exculpation. Notwithstanding any other provision of this Assignment, the Note, the Mortgage or any other Loan Document, the obligation of Borrower to pay the indebtedness evidenced by the Note, and to perform and observe and make good the other covenants, warranties, and agreements contained in this Assignment, the Note, the Mortgage or in any Loan Document shall not be enforced by any action or proceeding against Borrower or its members wherein or whereby any deficiency or other money judgment shall be sought against Borrower or its members (a "Deficiency Action"), and neither Borrower nor its members shall be liable for such deficiency or money judgment and Lender specifically waives any right to bring suit for a Deficiency Action; provided that Borrower may be made a party defendant in a foreclosure action against the Property and any judgment in such foreclosure action shall be enforceable against Borrower, and provided further that nothing contained above shall be deemed (i) to limit or restrict any right to seek injunctive relief against Borrower or affect the lien of the Mortgage, (ii) to be a release or impairment of the other obligations of Borrower under this Assignment, (iii) to limit Lender from enforcing its rights under this Assignment, the Note, the Mortgage or any Loan Document, (iv) to constitute a waiver, release or discharge of any indebtedness or obligation under this Assignment or the Note or secured by the Mortgage or (v) to affect the personal liability of Guarantors under the Guaranty. Notwithstanding any limitation of liability set forth above, Borrower shall be personally liable to Lender for actual out-of-pocket expenses at all times for (i) the willful misapplication of (a) any insurance proceeds paid under any insurance policies by reason of damage, loss, or destruction to the Property, to the extent of such misapplication or (b) proceeds or awards resulting from condemnation or other taking in lieu of condemnation of any portion of the Property to the extent of such misapplication, (ii) any damages to Lender resulting form any fraud or intentional misrepresentation made by Borrower and (iii) any damage resulting from or on account of any action or lien pursuant to any environmental requirement set forth in the Mortgage.

IN WITNESS WHEREOF, this Assignment has been entered into as of the day and year first above written.

ROBERT MARTIN COMPANY, LLC

By:______________________________
Its:_____________________________

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On the ____ day of January in the year 1997 before me personally came ________________________ to me known, who, being by my duly sworn, did depose and say that he resides in ______________________________; that he is an authorized member of ROBERT MARTIN COMPANY, LLC, a New York limited liability company, and the company described in and which executed the foregoing instrument and that he executed such instrument as the act and deed of, and on behalf of, said company.

[S E A L]

____
Notary Public

My Commission Expires:_______________

EXHIBIT A

(The Property)

EXHIBIT 8.3

PUT-CALL AGREEMENT

THIS PUT-CALL AGREEMENT (the "Agreement") dated January __, 1997 by and between ROBERT MARTIN COMPANY, LLC, a New York limited liability company with an address at 100 Clearbrook Road, Elmsford, New York 10523 ("Optionor") and CALI REALTY, L.P., a Delaware limited partnership, with offices c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 ("Optionee").

STATEMENT OF FACTS

Optionor, Robert Martin-Eastview North Company LP ("RMENC"), Cali Realty Corporation ("Cali") and Optionee have entered into a certain agreement dated January 24, 1997 (the "Contribution and Exchange Agreement") with respect to the contribution by Optionor and RMENC of various properties throughout southern New York and Connecticut, all as more particularly set forth in the Contribution and Exchange Agreement. Optionor is also the owner in fee simple of, among other things, two properties commonly known as 7 Skyline Drive, Mount Pleasant, New York ("Skyline") and 200 Corporate Boulevard South, Yonkers, New York ("200"; together with Skyline, the "Option Properties" and individually, an "Option Property"), which Option Properties are more particularly set forth on Exhibits "A" and "B", respectively. On or about the date hereof, an affiliate of Optionee has made a first mortgage loan (the "Loan") to Optionor in the amount of Eleven Million Six Hundred Thousand ($11,600,000) Dollars secured in part by a mortgage on the Option Properties (the "Mortgage").

NOW, THEREFORE, in consideration of the payment of ten ($10.00) dollars and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. (a) For the period (the "Put Term") commencing on the date hereof and terminating on January 31, 2000 and upon satisfaction of the terms and conditions set forth herein, Optionor shall have the right to cause Optionee to acquire either or both of the Option Properties by giving written notice thereof to Optionee (a "Put Notice"). In the event that the first Put Notice shall be with respect to only one of the Option Properties, then so long as the Put Term shall not have expired, Optionor shall thereafter have the right to give Optionee a further Put Notice with respect to the other Option Property. The Put Term is subject to extension in accordance with Section 11 of this Agreement. In addition, the expiration of the Put Term will not effect the parties obligations to close pursuant to a Put Notice.

(b) The Put Notice shall set forth (i) whether Optionor is electing to contribute both, or one, of the Option Properties, and if only one, then which of Skyline or 200 (the parcel(s) which are the subject of the Put Notice are hereinafter referred to singularly or

collectively as the "Put Parcel") and (ii) the price (the "Put/Call Price") of the Put Parcel, which is to be calculated as provided in Section 3 below. Optionor shall not have the right to give a Put Notice for Skyline if the Put/Call Price for Skyline is less than Seven Million Two Hundred Fifty Thousand ($7,250,000) Dollars and for 200 if the Put/Call Price for 200 is less than Four Million Three Hundred Fifty Thousand ($4,350,000) Dollars. In addition, in the event that Optionor gives a Put Notice for Skyline, the Put/Call Price thereof shall not exceed Thirteen Million Three Hundred Thousand ($13,300,000) Dollars regardless of the amount calculated as provided in Section 3, and in the event that Optionor gives a Put Notice for 200, the Put/Call Price thereof shall not exceed Eight Million ($8,000,000) Dollars regardless of the amount calculated as provided in Section 3.

(c) Within ten (10) days after receipt of the Put Notice, Optionee shall give notice to Optionor (the "Allocation Notice") advising Optionor as to the method of payment of the Put/Call Price, which may be in the form of cash or a combination of cash and operating partnership interests in Optionee ("Units"). If Optionee shall elect to pay a portion of the Put/Call Price in Units, then the number of Units is to be calculated as provided in Section 4 below. Optionee agrees that the Allocation Notice shall set forth a minimum cash payment in the

amount necessary to satisfy all then current amounts due under the Loan if the Put Notice is for both of the Option Properties; if the Put Notice is for only one of the Option Properties, then the minimum cash payment set forth in the Allocation Notice shall be the amount necessary to satisfy all then current amounts due under that portion of the Loan allocated to the Option Property which is the subject of the Put Notice. The allocation of the Loan, which allocation is made for purposes of this Agreement and this Agreement only, is Seven Million Two Hundred and Fifty ($7,250,000) Dollars for Skyline and Four Million Three Hundred and Fifty ($4,350,000) Dollars for 200. Notwithstanding the foregoing, Optionee shall have no obligation to include in the minimum cash payment amounts which are then past due under the Loan, charges arising as a result of said past due payments, such as late charges and default interest, and protective advances.

(d) The closing with respect to a Put Notice shall occur no later than (30) days following the giving of a Put Notice in accordance with the terms of this Agreement, subject to extension as provided in Section 11 of this Agreement.

2. For the period commencing on the date that at least 99,000 rentable square feet shall have been leased at Skyline to bona fide third parties and terminating on January 31, 2000 (the "Call Expiration Date"), Optionee shall have the right to cause Optionor to convey title to Skyline to Optionee by giving written notice thereof to Optionor (the "Skyline Call Notice"). In addition, for the period commencing on the date that at least 72,000 rentable square feet shall have been leased at 200 to bona fide third parties and terminating on the Call Expiration Date, Optionee shall have the right to cause Optionor to convey title to 200 to Optionee by giving written notice thereof to Optionor (the "200 Call Notice"; together with the Skyline Call Notice, collectively, a "Call Notice"). Any Call Notice shall (a) specify whether it is a Skyline Call Notice or a 200 Call Notice, (b) set forth the Put/Call Price for the Option Property which is the subject of the Call Notice and (c) specify whether the Put/Call Price is to be paid in cash or a combination of cash and

Units. If the Put/Call Price is to be paid in a combination of cash and Units, then the requirements of Section 1(c) above as to minimum cash payments shall apply. In the event that Optionee gives a Call Notice for Skyline, the Put/Call Price thereof shall not be less than Eleven Million Five Hundred Thousand ($11,500,000) Dollars, and in the event that Optionee gives a Call Notice for 200, the Put/Call Price thereof shall not be less than Seven Million Five Hundred Thousand ($7,500,000) Dollars. Any closing with respect to a Call Notice shall occur no later than thirty (30) days following the giving of a Call Notice in accordance with the terms of this Agreement, subject to extension as provided in Section 11 of this Agreement. Optionor agrees to give Optionee notice of the achievement of the occupancy levels necessary to trigger Optionee's rights as set forth in this Section 2 promptly upon the occurrence of same and upon request by Optionee, to make available to Optionee all information reasonably required by Optionee to calculate the Put/Call Price.

3. (a) The Put/Call Price shall be equal to the lower of (i) stabilized net operating income for the Option Property, or Properties, as the case may be, which is the subject of the Put Notice or the Call Notice, as the case may be (a "Notice"), for the twenty-four (24) months following the date of the Notice capitalized at a rate equal to ten and one-half (10.5%) percent or (ii) stabilized cash flow for the Option Property, or Properties, as the case may be, which is the subject of the Notice, for the twenty-four (24) months following the date of the Notice capitalized at a rate equal to nine and one-quarter (9.25%) percent. If the party receiving the Notice (the "Recipient") shall dispute the Put/Call Price set forth by the party issuing the Notice (the "Issuer"), then the Recipient shall have the right to initiate an arbitration as to the Put/Call Price in accordance with Section 3(b) below. The time periods for closing under a Notice shall toll during any such arbitration, and the closing thereunder shall occur as soon as practicable following the completion of said arbitration. For purposes of this Agreement, "stabilized net operating income" shall be calculated in accordance with generally accepted accounting principles consistently applied ("GAAP"), excluding adjustments for straight-line rent and excluding amortization, depreciation and interest expense and interest income and "stabilized cash flow" shall be calculated in the same manner as stabilized net operating income less expenses capitalizable in accordance with GAAP, such as tenant improvements, leasing commissions and capital expenditures.

(b) In the event that the Recipient initiates an arbitration pursuant to Section 3(a), the parties hereby agree to rely upon Deloitte & Touche (the "Accountant") to render a binding decision as to the Put-Call Price. Each party shall submit their calculation of the Put-Call Price and the basis of said calculation within ten (10) business days after receipt of the Notice by the Recipient. Within fifteen (15) business days of said submissions, the Accountant shall render his decision. All fees and expenses of the Accountant shall be divided equally between Optionor and Optionee. In the event of the death or unavailability of the Accountant, the parties shall attempt to agree upon an accountant whose decision as to the Put-Call Price shall be binding. If

the parties are unable to agree upon a mutually acceptable accountant within seven (7) business days, each shall appoint their own accountant within three (3) business days, and the two accountants shall appoint a third accountant. If the two accountants are unable to agree on a third accountant within seven (7) business days, the third accountant shall be appointed pursuant to an action brought for such purpose before the New York State Supreme Court situated in Manhattan, upon application of either party. Each party shall submit their calculation of the Put-

Call Price and the basis for said calculation within fifteen (15) business days after the appointment of the necessary accountant(s). Within fifteen (15) business days of said submissions, the accountants shall render their decision. A decision as to the Put-Call Price by a majority of the accountants shall be binding upon both parties; provided, however, if a majority of the accountants are unable to agree on the Put-Call Price, then the average of the calculations of the two closest accountants shall be binding on both parties. The fees and expenses of the third accountant shall be divided equally between Optionor and Optionee. All other expenses shall be borne by the party incurring them. All accountants appointed pursuant to this Section 3(b) shall be certified public accountants experienced in real estate with at least fifteen (15) years experience.

4. In the event that Optionee elects to issue Units as a portion of its payment of the Put/Call Price, the number of Units shall be calculated as provided in this Section 4. Each Unit shall have a value equal to the Current Market Value Per Unit, computed as of the Trading Day immediately preceding the Allocation Date. "Current Market Value Per Unit" on any date shall mean the average of the Closing Price for a share of Common Stock of Cali Realty Corporation ("Cali"), for fifteen (15) consecutive Trading Days ending on such date. "Closing Price" shall mean, on any date, with respect to a share of Common Stock of Cali, the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for one share of Common Stock of Cali in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange, provided, however, that there shall be no special odd lot premium by virtue of calculating one share. "Trading Day" shall mean a day on which the principal national securities exchange on which the Common Stock of Cali is listed or admitted to trading is open for the transaction of business or, if the Common Stock of Cali is not listed or admitted to trading on any national securities exchange, any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

5. The following terms and conditions shall apply to the conveyance of an Option Property pursuant to a Notice:

(a) The conveyance of the Option Property shall be deemed to be a conveyance of all of the other assets of Optionor related to said Option Property as set forth in Section 1 of the Contribution and Exchange Agreement.

(b) Optionee shall have the right to designate the entity (the "Designee") to which Optionor shall convey the Option Property, by notice given to Optionor at least five (5) days prior to the closing thereunder. Notwithstanding such designation, Optionee shall continue to be responsible for Optionee's and such Designee's obligations under this Agreement. On each closing date, Optionor shall convey the Option Property by bargain and sale deed with covenants against grantor's acts free and clear of all liens and encumbrances the except for the permitted encumbrances set forth on Exhibit "C" with respect to Skyline and Exhibit "D" with respect to 200. Optionor shall also deliver all other documents referred to in Section 10.2 of the

Contribution and Exchange Agreement which are applicable to the Option Property so conveyed. The Designee shall be the transferee for all of the closing documents.

(c) On each closing date, Optionee shall deliver to Optionor the Put/Call Price, and all other documents referred to in Section 10.3 of the Contribution and Exchange Agreement which are applicable to the Option Properties.

(d) Optionor shall pay all real estate transfer taxes and documentary stamps in connection with the conveyance of the Option Property. All other provisions of the Contribution and Exchange Agreement relating to each party's obligation as to the payment of taxes are incorporated herein.

(e) Title to the Option Property shall be conveyed in accordance with the terms and provisions of Section 4 of the Contribution and Exchange Agreement.

(f) Adjustments on account of any conveyance of an Option Property shall be made in accordance with the provisions of Section 11 of the Contribution and Exchange Agreement as of the closing date pursuant to a Notice hereunder.

(g) The restrictions on transferability of the Units set forth in Section 18 of the Contribution and Exchange Agreement shall apply to any Units issued pursuant to this Agreement. The Units shall also be subject to all of the relevant provisions of the Agreement of Limited Partnership of Optionee dated as of August 31, 1994, as amended as of January 16, 1997 (the "Partnership Agreement"). The Units shall not be redeemable pursuant to the Partnership Agreement for a period of one (1) year from the date of their issuance.

(h) It shall be a condition of Optionee's obligation to perform hereunder following a Put Notice, which condition may be waived by Optionee in its sole discretion, that (i) all of the representations and warranties of Optionor set forth in the Contribution and Exchange Agreement which are applicable to an Option Property, be true and correct in all material respects as of the closing date of a conveyance of an Option Property and survive said closing date for the same period for which such representations and warranties survive under the Contribution and Exchange Agreement and (ii) between the date hereof and said closing date, Optionor shall have operated and maintained the Option Property in the manner required hereunder and in the manner required under Article 7 of the Contribution and Exchange Agreement for the operation and maintenance of the property being conveyed thereunder for the period between the date of the Contribution and Exchange Agreement and the closing thereunder.

(i) It shall be a condition of Optionor's obligation to perform hereunder following a Call Notice, which condition may be waived by Optionor in its sole discretion, that all of the representations and warranties of Optionee set forth in the Contribution and Exchange Agreement which are applicable to the Option Property, be true and correct in all material respects as of the closing date of a conveyance of an Option Property and survive said closing

date for the same period for which such representations and warranties survive under the Contribution and Exchange Agreement.

6. If Optionee or its affiliate are not managing the Option Properties, then Optionor shall respond to inquiries of Optionee as to the status of the Option Properties, including leasing activities, and shall forward to Optionee such documents as Optionee shall reasonably request, including current tax rolls, tax and operating expense histories and statements of income and expense and financial statements.

7. RM's right to execute leases is as set forth in the Mortgage.

8. (a) From and after the date hereof until May 31, 1997 (the "Environmental Period") Optionee shall have the right to obtain Phase I Reports (as defined in the Contribution and Exchange Agreement) on the Option Properties. During the Environmental Period, Optionee may reject either or both of the Option Properties in the event that the environmental condition of said Option Property reveals a Discharge of Contaminants (as defined in the Contribution and Exchange Agreement), in Optionee's sole discretion. In the event that either or both of the Option Properties are rejected by Optionee, then Optionee's right to deliver a Call Notice with respect to said rejected Option Property or Properties and Optionor's right to deliver a Call Notice with respect to said rejected Option Property or Properties shall be terminated.

(b) In the event of any Discharge of Contaminants at, on or under either or both of the Option Properties or otherwise affecting either or both of the Option Properties, from and after the date of the Phase I Reports on each respective Option Property (but not following the transfer of title to said Option Property or Properties, as the case may be, pursuant to this Agreement or the Mortgage), regardless of when discovered, Optionor shall, at its own cost and expense, and in accordance with all currently existing or hereafter enacted or promulgated Environmental Laws (as defined in the Contribution and Exchange Agreement), undertake all action required pursuant to such Environmental Laws and shall clean up the Discharge and remove all Contaminants from the said property. In addition, in the event of such a Discharge, Optionor shall immediately notify Optionee and Cali of such fact, shall provide Optionee and Cali with a copy of all documentation received by Optionor or its representatives from any Governmental Authority (as defined in the Contribution and Exchange Agreement) or submitted by Optionor or its representatives to any Governmental Authority with respect to such Discharge and shall advise Optionee and Cali in advance of all meetings scheduled between Optionor or any of its representatives and any Governmental Authority and Optionee and Cali, or their representatives, or all of them, shall have the right, without the obligation, to attend and participate in all such meetings. Notwithstanding the foregoing, in the event that clean up of any Discharge and removal of all Contaminants can not be completed within sixty (60) days from the date of its discovery, Optionee shall not be obligated to acquire said Option Property or Properties, as the case may be, pursuant to a Put Notice.

(c) Optionor shall indemnify, defend and hold harmless, Optionee, Cali and each of their respective partners, shareholders, officers, directors, employees, agents, affiliates, and representatives from and against any and all claims, liabilities, losses, damages, penalties and

costs, foreseen or unforeseen, including without limitation, counsel, engineering and other professional or expert fees, which an indemnified party may incur, resulting directly or indirectly, wholly or partly from (i) Optionor's actions or omissions with regard to Optionor's obligations under this Section 8, (ii) any Discharge of Contaminants at, on, or under the Option Properties or otherwise affecting the Option Properties, from and after the date of the Phase I Reports for each of the respective Option Properties, regardless of when discovered, or (iii) both of them.

9. Simultaneous with the execution of this Agreement, the parties shall execute a memorandum, in recordable form, evidencing the respective rights and obligations of the parties hereto and either party shall have the right to cause said memorandum to be recorded in the Clerk's Office for Westchester County. The parties further agree to execute any additional documentation in order to cause said memorandum to be recorded. The provisions of this Section 9 shall survive the closing hereunder.

10. (a) The rights granted to Optionee hereunder are separate and distinct from the rights and remedies granted to Optionee in any of the documents evidencing or securing the Loan (the "Loan Documents"). In the event that Optionee exercises any of the rights and remedies granted to it under the Loan Documents, Optionor shall not raise as a defense thereto, and hereby waives any claim, that the rights granted to Optionee hereunder are the sole rights of Optionee.

(b) Not more than one hundred twenty (120) days nor less than ninety (90) days prior to the maturity of the Loan, Optionor may request from Optionee in writing (the "Exercise Request") that Optionee notify Optionor of its intention to call either or both of the Option Properties or its intention to extend the term of the Loan. The Exercise Request shall set forth the stabilized net operating income and the stabilized cash flow for each of the Option Properties as of the date of such notice. In the event that Optionee elects to call either or both of the Option Properties, the Optionee agrees to perform in accordance with this Agreement, provided that the occupancy conditions of Section 2 hereof are satisfied. In the event that Optionee elects not to call either or both of the Option Properties or elects not to extend the term of the Loan, Optionee may nevertheless elect to call either or both of the Option Properties or to extend the term of the Loan prior to the Call Expiration Date, provided that Optionee shall reimburse to Optionor the amount of any reasonable out-of-pocket expenses actually incurred by Optionor, if any, in connection with refinancing the Loan (the "Refinance Expenses"). Notwithstanding the provisions of the preceding sentence, in the event that either the stabilized net operating income or the stabilized cash flow of the Option Property or Properties, as the case may be, shall have increased from the amount of same set forth in the Exercise Request, then, in the event Optionee later elects to call said Option Property, or Properties, as the case may be, Optionee shall not be required to reimburse Optionor for its Refinance Expenses; provided, however, that if the occupancy conditions of Section 2 were not satisfied at the time of the Exercise Notice but become satisfied prior to the Call Expiration Date, Optionee shall extend the term of the Loan for thirty (30) days.

(c) In the event that (i) the occupancy conditions of Section 2 hereof have not been satisfied and (ii) Optionee is prepared to extend the term of the Loan on a minimum of three month extensions and Optionor nevertheless elects to refinance the Loan, Optionee shall have the right to call either or both of the Option Properties regardless of whether less than 99,000 rentable square feet shall have been leased at Skyline to bona fide third parties or less than 72,000 rentable square feet shall have been leased at 200 to bona fide third parties. If Optionee elects to call either or both of the Option Properties pursuant to the terms of this Section 10(c), the Put/Call Price shall be calculated based on actual occupancy levels without regard to the amount calculated as provided in Section 3 or the minimum Put/Call Price set forth in Section 2.

11. In the event of a casualty to an Option Property, or Properties, as the case may be, which is the subject of a Notice, the closing date shall be extended until such time as the Option Property, or Properties, as the case may be, shall have been restored as required by the terms of the Mortgage.

12. Optionor shall not convey, encumber, transfer or assign the Option Properties, or any part thereof or interest therein, during the term of this Agreement, other than to a successor or affiliated entity, and in such event so long as such successor or affiliated entity confirms in writing to Optionee the

acceptance of the terms of this Agreement and assumes the obligations of Optionor hereunder. No such assignment shall relieve Optionor of its primary obligations hereunder. Except in connection with a sale of all of the assets of Optionee, Optionee shall not assign its rights under this Agreement without the prior consent of Optionor.

13. In the event that Optionee issues Units to Optionor pursuant to this Agreement, Cali shall enter into a registration rights agreement substantially in the form of Exhibit 10.3(j) to the Contribution and Exchange Agreement with respect to the issuance and resale of shares of its common stock issuable upon redemption of such Units.

14. This Agreement shall be binding on, and shall inure to the benefit of, the heirs, legal representatives, successors and permitted assigns of the parties hereto.

15. All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other shall be in writing and shall be delivered by any nationally recognized overnight delivery service, properly addressed, and sent to the following addresses:

Optionor:

Robert Martin Company, LLC
100 Clearbrook Road
Elmsford, New York 10523
Attention: Martin Berger
Lloyd I. Roos, Esq.
Telephone: (914) 592-4800
Fax No.: (914) 592-4836

with a copy to:

Battle Fowler LLP
75 East 55nd Street
New York, New York 10022
Attention: Robert J. Wertheimer, Esq.
Telephone: (212) 856-6910
Fax No.: (212) 856-7808

If to Optionee:

Cali Realty, L.P.
c/o Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07106
Attention: Roger W. Thomas, Esq.
Telephone: (908) 272-8000
Fax No.: (908) 272-6755

with a copy to Optionee's counsel:

Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attention: Jonathan A. Bernstein, Esq.
Telephone: (212) 326-0425
Fax No.: (212) 326-0806

16. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement may not be changed, amended, modified, waived, discharged or terminated, except by an instrument in writing signed by the party against whom enforcement of such change, amendment, modification, waiver, discharge or termination is sought.

18. This Agreement constitutes the entire agreement and understanding between the parties hereto respecting the subject matter hereof and there are no other agreements, understandings, undertakings, representations or warranties among the parties hereto with respect to the subject matter hereof except as set forth herein.

19. If any term of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Agreement shall be valid and

enforceable to the fullest extent permitted by law.

20. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original Agreement, but all of which shall constitute but one and the same Agreement.

21. In the event that Optionor and Optionee enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for payment of all expenses and reasonable attorneys' fees incurred by the prevailing party. The provisions of this Section 21 shall survive the closing or other termination of this Agreement.

22. Optionor and Optionee represent that they have not dealt with any brokers, finders or salesmen, in connection with this transaction, except that certain fees may be payable by Optionee to Prudential Securities Incorporated, as financial advisors, and certain fees may be payable by Optionor to Lazard Freres & Company, LLC, as financial advisors. Optionor and Optionee agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any claim for fees or commissions. The provisions of this Section shall survive the closing or other termination of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the day and year first above written.

OPTIONOR

ROBERT MARTIN COMPANY, LLC

By:_____________________________
Name:
Title:

OPTIONEE

CALI REALTY, L.P.

By:___________________________
Name:
Title:

EXHIBIT 10.3(j)

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of January 31, 1997, is by and among CALI REALTY CORPORATION, a Maryland corporation (the "Company"), and the persons and entities listed on Schedule I attached hereto and made a part hereof (such individuals and entities, collectively the "Investors" and each individually an "Investor").

W I T N E S S E T H:

WHEREAS, pursuant to a Contribution and Exchange Agreement dated January 24, 1997 by and between the Company, Cali Realty, L.P., a Delaware limited partnership (the "Operating Partnership"), Robert Martin Company, LLC ("RMC LLC"), a limited liability company organized under the laws of the State of New York, and Robert Martin-Eastview North Company, L.P., a New York limited partnership ("RMENC"; together with RMC LLC, collectively "RM"), RM, the Company and the Operating Partnership have agreed to combine their respective properties and related assets and, in consideration therefor, the Operating Partnership will issue to certain of the Investors units of limited partner interests (the "RM Units") in the Operating Partnership;

WHEREAS, the RM Units will be redeemable for unregistered shares of common stock, par value $.01 per share, of the Company (the "Common Stock"); and

WHEREAS, pursuant to the Warrant Agreements dated January 31, 1997 by and between the Company and certain of the Investors (the "Warrant Agreements"), the Company will issue warrants (the "Warrants") exercisable for unregistered shares of Common Stock; and

WHEREAS, the Company has agreed to provide the Investors with certain registration rights as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement, capitalized terms used herein shall have the meanings set forth in the preambles hereto and in this Section 1.

1.1 "Cali Group" shall mean those individuals and entities, other than the Company, that received Units at the time of the initial public offering of the Company.

1.2 "Commission" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

1.3 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

1.4 "Holder" shall mean any registered holder, from time to time, of Registrable Securities.

1.5 "Initiating Holders" shall mean any Holder or Holders who, in the aggregate, are Holders of Registrable Securities representing at least fifty percent (50%) of the Registrable Securities then outstanding, and who initiate a request pursuant to Section 3.1 below for the registration of all or part of such Holder or Holders' Registrable Securities.

1.6 "Person" shall mean any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

1.7 "Register", "registered" and "registration" shall refer to a registration effected by preparing and filing a registration statement with the Commission in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement by the Commission.

1.8 "Registrable Securities" shall mean any of the following which are held by any Investor and its permitted transferees under the Warrant Agreements, in the case of the Warrants, or under the partnership agreement governing the Operating Partnership, in the case of the RM Units ("Permitted Transferees"): (a) shares of Common Stock issuable upon the redemption of the RM Units or the exercise of the Warrants, which RM Units or Warrants are held by any Investor on the date hereof and any such RM Units or Warrants subsequently transferred to an Investor's Permitted Transferees, (b) shares of Common Stock issued pursuant to a dividend reinvestment plan adopted by the Company, (c) shares of Common Stock then outstanding which were issued as, or upon the conversion or exercise of other securities issued as, a dividend or other distribution with respect to or in replacement of other Registrable Securities, (d) shares of Common Stock then issuable upon the conversion or exercise of other securities which were issued as a dividend or other distribution with respect to or in replacement of other Registrable Securities, and (e) any equity securities of the Company issued or issuable with respect to the securities referred to in clauses (a) through (d) by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization; provided, however, that any such Registrable Securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) they shall have been sold as permitted by Rule 144 (or any successor provision) under the Securities Act, (iii) they shall be eligible for sale pursuant to Rule 144(k) (or any successor provision) under the Securities Act as confirmed in a written opinion of counsel to the Company addressed to the Investor and its Permitted

Transferees, (iv) they shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of them shall not require registration of them under the Securities Act, or (v) they shall have ceased to be outstanding. For purposes of this Agreement, a Person will be deemed to be a holder of Registrable Securities whenever such Person has the unqualified right to acquire such Registrable Securities (by conversion, redemption or otherwise, but disregarding any legal restrictions upon the exercise of such right), whether or not such acquisition has actually been

effected.

1.9 "Registration Expenses" shall mean all expenses incurred by the Company in compliance with this Agreement, excluding Selling Expenses but including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, and the fees and expenses of one counsel for all Holders, all blue sky fees and expenses, and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company, which shall be paid in any event by the Company).

1.10 "Securities Act" shall mean the Securities Act of 1933, as amended, or any similar federal statute enacted hereafter, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

1.11 "Selling Expenses" shall mean all underwriting discounts and commissions applicable to the sale of Registrable Securities.

1.12 "1994 Registration Rights Agreement" shall mean that certain Registration Rights Agreement dated as of August 31, 1994 by any among the Company and the Cali Group.

2. Company Registration.

2.1 If the Company shall determine to register any of its shares of Common Stock or other securities ("Other Securities") issued by it having terms substantially similar to the Common Stock, either for its own account or the account of a security holder or holders exercising any demand registration rights, other than a registration relating solely to employee benefit plans or a registration relating solely to a Rule 145 (under the Securities Act) transaction, the Company will:

(a) promptly give to each Holder written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable blue sky or other state securities laws); and

(b) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests made by any Holder within fifteen (15) days after receipt of the written notice from the Company described in clause (a)

above, except as set forth in Section 2.3 below. Such written request may specify all or a part of a Holder's Registrable Securities.

2.2 Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 2.1(a). The right of any Holder to require registration pursuant to this Section 2 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and any officers, directors or Other Shareholders (as defined below) distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company. "Other Shareholders" shall mean Persons who, by virtue of their agreements with the Company, are entitled to include their securities in such registration.

2.3 Limitations on Shares to be Included. With respect to Company registrations, notwithstanding any other provision of this Section 2, if the representative of the underwriters advises the Company in writing that marketing factors require a limitation or elimination on the number of shares to be underwritten, the representative may (subject to the allocation priority set forth below) limit the number of Registrable Securities to be included in the registration and underwriting. The Company shall so advise all Holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated first, to the Company for securities being sold for its own account or to the security holder or holders exercising any demand registration rights on such security holder or holders' account, second, among all Persons requesting registration pursuant to the terms of the 1994 Registration Rights Agreement, and third, among all such Holders requesting registration and all officers, directors or Other Shareholders (except as provided in clause second above) requesting registration pursuant to the exercise of piggyback registration rights, in each case in proportion, as nearly as practicable, to the respective amounts of Registrable Securities or other securities of the Company (the "Additional Shares") which are held by such Holders, officers or directors of the Company or Other Shareholders which they had requested to be included in

such registration at the time of filing the registration statement. If any Holder of Registrable Securities or any officer, director or Other Shareholder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the underwriter. The limitations contained in this Section 2.3 shall not apply in any respect to Section 2.6 below.

2.4 Withdrawal from Registration. Any Holder requesting inclusion of Registrable Securities pursuant to this Section 2 may, at any time prior to the effective date of the registration statement relating to such registration, revoke such request by delivering written notice of such revocation to the Company; provided, however, that if the Company, in consultation with its financial and legal advisors, determines that such revocation would materially delay the registration or otherwise require a recirculation of the prospectus contained in the registration statement, then such Holder shall have no such right to revoke its request. If the withdrawal of any Registrable Securities or Additional Shares would allow, within the

marketing limitations set forth above, the inclusion in the underwriting of a greater number of shares of Registrable Securities or Additional Shares, then, to the extent practicable and without delaying the underwriting, the Company shall offer to the Holders and to the Other Shareholders an opportunity to include additional shares of Registrable Securities or Additional Shares, as the case may be, in the proportions and in the priorities discussed in Section 2.3 above.

2.5 Termination or Withdrawal by Company. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

2.6 Certain Shelf Registrations. The foregoing notwithstanding, on January 31, 1998 (the "Anniversary Date"), or as soon thereafter as is reasonably practicable, the Company shall, at its expense, register the Registrable Securities through a shelf registration statement pursuant to Rule 415 under the Securities Act, which shelf registration statement shall cover only the Registrable Securities. The Company shall, at its expense, use its best efforts to maintain the effectiveness of such registration statement until the earlier of (i) such time as when all of the Registrable Securities have been disposed of or (ii) three (3) years after the redemption or exercise, as the case may be, of all of the RM Units and the Warrants into Common Stock. Notwithstanding anything in this Section 2.6 to the contrary, if at the Anniversary Date the Company determines, in the good faith judgment of the Board of Directors of the Company, with the advice of counsel, that the filing of such shelf registration statement would require the disclosure of non-public material information the disclosure of which would have a material adverse effect on the Company or would otherwise adversely affect a material financing, acquisition, disposition, merger or other significant transaction, the Company shall deliver a certificate to such effect signed by its President or any Vice President to the Holders and the Company shall not be required to effect a registration pursuant to this Section 2.6 until the earlier of (A) the date upon which such material information is disclosed to the public or ceases to be material or (B) 90 days after the Company makes such good faith determination.

3. Requested Registration.

3.1 Request for Registration. At any time on or after January 31, 1998, if any Registrable Securities are outstanding and the Holders (and any prior holder) have not yet had the opportunity to register such shares pursuant to Section 2 above, including without limitation pursuant to Section 2.6 above, upon written notice from Initiating Holders requesting that the Company effect any registration with respect to all or part of the Registrable Securities held by such Initiating Holders, the Company shall (a) promptly give written notice of the proposed registration to all other Holders (the "Demand Registration Notice") and (b) as soon as practicable but not later than sixty (60) days after receipt of the request from the Initiating Holders, use its best efforts and take all appropriate action to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under the blue sky or other state securities laws requested by Initiating Holders and appropriate compliance with applicable regulations issued under the Securities Act) as may be so requested and as would permit or facilitate the sale and distribution of all or such

portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request given within thirty (30) days after receipt of the Demand Registration Notice; provided, however, that:

(i) in no event shall the Company be required to effect, or to take any action to effect, more than one registration pursuant to this Section 3;

(ii) if, upon receipt of a registration request pursuant to this Section 3, the Company is advised in writing by a nationally recognized independent investment banking firm selected by the Company to act as lead underwriter in connection with a public offering of securities by the Company (a "Company Offering") that, in such firm's opinion, a registration at the time and on the terms requested would materially adversely affect such Company Offering that had been contemplated by the Company prior to the notice by the Initiating Holders, the Company shall not be required to effect a registration pursuant to this Section 3 until the earliest of (A) three months after the completion of such Company Offering, (B) the termination of any "black out" period, if any, required by the underwriters to be applicable to any Holder who has requested to have any Registrable Securities registered in connection with such registration, (C) promptly after abandonment of such Company Offering or (D) four months after the date of written notice from the Initiating Holders demanding registration pursuant to this Section 3; and

(iii) if, while a registration request is pending pursuant to this Section 3, the Company determines, in the good faith judgment of the Board of Directors of the Company, with the advice of counsel, that the filing of a registration statement would require the disclosure of non-public material information the disclosure of which would have a material adverse effect on the Company or would otherwise adversely affect a material financing, acquisition, disposition, merger or other significant transaction, the Company shall deliver a certificate to such effect signed by its President or any Vice President to the proposed selling Holders and the Company shall not be required to effect a registration pursuant to this Section 3 until the earlier of (A) the date upon which such material information is disclosed to the public or ceases to be material or (B) 90 days after the Company makes such good faith determination.

3.2 Additional Shares to be Included. The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Section 3.5 below, include (a) Additional Shares which are held by officers or directors of the Company or which are held by Other Shareholders who, by virtue of agreements with the Company, are entitled to include their securities with the Holders referred to in Section 3.1 above, and (b) securities of the Company being sold for the account of the Company (the "Company Shares").

3.3 Withdrawal of Registration. If the Initiating Holders inform the Company by written notice that they are withdrawing their registration request made pursuant to Section 3.1 above and the Initiating Holders pay all of the Company's out-of-pocket expenses with respect to such registration incurred to the date of such notice, then the registration

statement need not be filed and all efforts pursuant to this Agreement will not count as a registration (or an exercise of rights) under this Section 3; provided, however, that if the Company decides to go forward with the registration on its own behalf, or on behalf of any other shareholders, then the Initiating Holders shall not be required to pay any of the Company's out-of-pocket expenses and such registration will not count as a registration (or an exercise of rights) under this Section 3.

3.4 Underwriting.

(a) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 3 and the Company shall include such information in the Demand Registration Notice, and such Demand Registration Notice shall also state that any registration pursuant to this Section 3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein and subject to the limitations provided herein. A Holder may elect to include in such underwriting all or a part of such Holder's Registrable Securities.

(b) The Company shall (together with all Holders, officers, directors and Other Shareholders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for such underwriting by a majority in interest of the Initiating Holders.

3.5 Limitations on Shares to be Included. Notwithstanding any other provision of this Section 3, if the representative of the underwriters advises the Company or the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten or that the inclusion of Additional Shares or Company Shares may adversely affect the sale price (of the shares to be registered) that may be obtained, first the Additional Shares shall

be excluded from such registration to the extent so required by such limitation, then the Company Shares shall be excluded from such registration to the extent so required by such limitation, and if a limitation of the number of shares is still required, the number of shares that may be included in the registration and underwriting shall be allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities which they have requested to be included in such registration statement. If the Company or any Holder of Registrable Securities, officer, director or Other Shareholder who has requested inclusion in such registration as provided above disapproves of the terms of any such underwriting, such Person may elect to withdraw such Person's Registrable Securities, Additional Shares or Company Shares therefrom by written notice to the Company, the underwriter and the Initiating Holders. If the withdrawal of any Registrable Securities, Additional Shares or Company Shares would allow, within the marketing limitations set forth above, the inclusion in the underwriting of a greater number of shares of Registrable Securities or Additional Shares, then, to the extent practicable and without delaying the underwriting, the Company shall offer first to the Holders and second to the Other Shareholders an opportunity to include additional shares of Registrable Securities or Additional Shares, as the case may be, in the proportions discussed above.

4. Expenses of Registration. All Registration Expenses incurred in connection with the registration or qualification of, or compliance with, any registration statement under Sections 2 and 3 of this Agreement shall be borne by the Company. All Selling Expenses shall be borne pro rata by each Holder and each Other Shareholder in accordance with the number of shares sold.

5. Registration Procedures.

5.1 In the case of each registration to be effected by the Company pursuant to this Agreement, the Company will keep each Holder advised in writing as to the initiation of each registration and all amendments thereto and as to the completion thereof, advise any such Holder, upon request, of the progress of such proceedings, use its best efforts to effect the registration of any Registrable Securities under the Securities Act, and will, at its expense:

(a) Prepare and file with the Commission a registration statement covering such Registrable Securities and use its best efforts to cause such registration statement to be declared effective by the Commission and to keep such registration effective for a period of one hundred eighty (180) days or until the Holder or Holders have completed the distribution described in the registration statement relating thereto, whichever first occurs; provided, however, that the Company shall keep such registration effective for longer than one hundred and eighty (180) days if the costs and expenses associated with such extended registration are borne by the selling Holders; provided further, however, that the foregoing shall not apply to any registration statement filed pursuant to Section 2.6 hereof.

(b) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement until such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(c) Furnish to each seller of Registrable Securities covered by such registration statement and each Holder two conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such seller or Holder, as the case may be, may reasonably request;

(d) Promptly notify each seller of Registrable Securities covered by such registration statement and each Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue

statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such

prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(e) Use its best efforts (i) to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities or blue sky laws of such states of the United States of America where an exemption is not available and as the sellers of Registrable Securities covered by such registration statement shall reasonably request, (ii) to keep such registration or qualification in effect for so long as such registration statement remains in effect and (iii) to take any other action which may be reasonably necessary or advisable to enable such sellers to consummate the disposition in such jurisdictions of the securities to be sold by such sellers; provided, however, that the Company shall not for any such purpose be required to (x) qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this clause (e) be obligated to be so qualified, (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

(f) Use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other federal or state governmental agencies or authorities as may be necessary in the opinion of counsel to the Company and counsel to the seller or sellers of Registrable Securities to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(g) Use its best efforts to list all such Registrable Securities registered in such registration on each securities exchange or automated quotation system on which the Common Stock of the Company is then listed;

(h) Provide and cause to be maintained a transfer agent and registrar for all Registrable Securities and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(i) Make available for inspection by any seller of Registrable Securities and each Holder, any underwriter participating in any disposition pursuant to such registration statement, and any attorney or accountant retained by any such seller, Holder or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, Holder, underwriter, attorney or accountant in connection with such registration statement, which information shall be subject to reasonable restrictions concerning confidentiality and non-disclosure;

(j) Furnish to each selling Holder upon request a signed counterpart, addressed to the selling Holder, of

> (i) an opinion of counsel for the Company, dated the effective date of the registration statement and in form reasonably acceptable to the Company and such Holder, and
>
> (ii) "comfort" letters signed by the Company's independent public accountants who have examined and reported on the Company's financial statements included in the registration statement, to the extent permitted by the standards of the American Institute of Certified Public Accountants,

in the case of (i) and (ii) covering substantially the same matters with respect to the registration statement (and the prospectus included therein) and (in the case of the accountants' "comfort" letters) with respect to events subsequent to the date of the financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' "comfort" letters delivered to the underwriters in underwritten public offerings of securities;

(k) Furnish to each selling Holder a copy of all correspondence from or to the Commission in connection with any such offering;

(l) In the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction, the Company will use its reasonable best efforts promptly to obtain the withdrawal of such order; and

(m) Otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and, if required, make available to its security holders, as soon as reasonably practicable, an

earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first month after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

5.2 It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement that the Holders proposing to register Registrable Securities shall furnish to the Company such information regarding them, the Registrable Securities held by them, and the intended method of distribution of such Registrable Securities as the Company shall reasonably request and as shall be required in connection with the action to be taken by the Company.

5.3 In connection with the preparation and filing of each registration statement under this Agreement, the Company will give the Holders on whose behalf such Registrable Securities are to be registered and their underwriters, if any, and their respective counsel and accountants, the opportunity to participate in the preparation of such registration statement, each

prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and will give each such Holder such access to the Company's books and records and such opportunities to discuss the business of the Company with its officers, its counsel and the independent public accountants who have certified the Company's financial statements, as shall be necessary, in the opinion of such Holders or such underwriters or their respective counsel, in order to conduct a reasonable and diligent investigation within the meaning of the Securities Act. Without limiting the foregoing, each registration statement, prospectus, amendment, supplement or any other document filed with respect to a registration under this Agreement shall be subject to review and reasonable approval by the Holders registering Registrable Securities in such registration and by their counsel.

6. Indemnification.

6.1 Indemnification by the Company. In the event of any registration of any securities of the Company under the Securities Act, the Company will indemnify and hold harmless each Holder, each of its officers, directors, partners, employees, agents, attorneys and consultants and each Person controlling such Holder, and each underwriter, if any, and each Person who controls any underwriter, against all claims, losses, damages and liabilities, joint and several (or actions, proceedings or settlements in respect thereof) arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement, notification or the like) incident to any such registration, qualification or compliance, or based upon any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and will reimburse each such Holder, each of its officers, directors and partners, and each Person controlling such Holder, each such underwriter and each Person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission made in reliance upon and based upon written information furnished to the Company by such Holder or underwriter and expressly stated to be specifically for use therein.

6.2 Indemnification by the Holders. Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, severally and not jointly, indemnify the Company, each of its directors and officers and each underwriter, if any, of the Company's securities covered by such a registration statement, each Person who controls the Company (other than such Holder) or such underwriter within the meaning of the Securities Act and the rules and regulations thereunder, each other such Holder and each of their officers, directors and partners, and each Person controlling such Holder or other stockholder, against all claims, losses, damages, expenses and liabilities (or actions in respect thereof) arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact contained in any such

registration statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company, each of its directors and officers, each underwriter

or control Person, each other Holder and each of their officers, directors and partners and each Person controlling such Holder or other shareholder for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and expressly stated to be specifically for use therein; provided, however, that the liability of any such Holder under this Section 6.2 shall be limited to the amount of proceeds received by such Holder in the offering giving rise to such liability.

6.3 Notices of Claims, Procedures, etc. Each party entitled to indemnification under this Section 6 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at the Indemnified Party's sole expense; provided, further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 6 unless such failure is prejudicial to the ability of the Indemnifying Party to defend such claim or action. Notwithstanding the foregoing, such Indemnified Party shall have the right to employ its own counsel in any such litigation, proceeding or other action if (i) the employment of such counsel has been authorized by the Indemnifying Party, in its sole and absolute discretion, or (ii) the named parties in any such claims (including any impleaded parties) include any such Indemnified Party and the Indemnified Party and the Indemnifying Party shall have been advised in writing (in suitable detail) by counsel to the Indemnified Party either (A) that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to the Indemnifying Party, or (B) that there is a conflict of interest by virtue of the Indemnified Party and the Indemnifying Party having common counsel, in any of which events, the legal fees and expenses of a single counsel for all Indemnified Parties with respect to each such claim, defense thereof, or counterclaims thereto, shall be borne by the Indemnifying Party. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement (x) which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation, or (y) which requires action other than the payment of money by the Indemnifying Party. Each Indemnified Party shall cooperate to the extent reasonably required and furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

6.4 Contribution. If the indemnification provided for in this Section 6 shall for any reason be held by a court to be unavailable to an Indemnified Party under Section 6.1 or 6.2 hereof in respect of any loss, claim, damage or liability, or any action in respect thereof, then, in lieu of the amount paid or payable under Section 6.1 or 6.2, the Indemnified Party and the Indemnifying Party under Section 6.1 or 6.2 shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating the same), (i) in such proportion as is appropriate to reflect the relative fault of the Company and the prospective sellers of Registrable Securities covered by the registration statement which resulted in such loss, claim, damage or liability, or action or proceeding in respect thereof, with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action or proceeding in respect thereof, as well as any other relevant equitable considerations or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as shall be appropriate to reflect the relative benefits received by the Company and such prospective sellers from the offering of the securities covered by such registration statement; provided, that for purposes of this clause (ii), the relative benefits received by the prospective sellers shall be deemed not to exceed the amount of proceeds received by such prospective sellers. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Such prospective sellers' obligations to contribute as provided in this Section 6.4 are several in proportion to the relative value of their respective Registrable Securities covered by such registration statement and not joint. In addition, no Person shall be obligated to contribute hereunder any amounts in payment for any settlement of any action or claim effected without such Person's consent, which consent shall not be unreasonably withheld.

7. Information by Holder. Each Holder of Registrable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Agreement.

8. Transfer or Assignment of Registration Rights. The rights with respect to any Registrable Securities to cause the Company to register such securities granted to a Holder by the Company under this Agreement may be transferred or assigned by a stockholder, in whole or in part, to a transferee or assignee of any Registrable Securities and, in such case, the Company shall be given written notice stating the name and address of said transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned.

9. Rule 144 and Rule 144A. The Company shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder, and will take all actions reasonably necessary to enable holders of Registrable Securities to sell such securities without registration under the Securities Act within the limitation of the provisions of (a) Rule 144 under the Securities Act, as such Rule may be

amended from time to time, (b) Rule 144A under the Securities Act, as such Rule may be amended from time to time, if applicable or (c) any similar rules or regulations hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities, the Company will deliver to such holder a written statement as to whether it has complied with such requirements.

10. Specific Performance. Each holder of Registrable Securities, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

11. No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with the rights granted to the holders of Registrable Securities in this Agreement. Without limiting the generality of the foregoing, the Company will not hereafter enter into any agreement with respect to its securities which grants, or modify any existing agreement with respect to its securities to grant, to the holder of its securities in connection with an incidental registration of such securities higher priority to the rights granted to the Holder under Section 2 of this Agreement; provided, however, the Company shall be entitled to enter into an agreement which grants, or modify any existing agreement with respect to its securities to grant, to the holder of its securities in connection with an incidental registration of such securities equal priority to the rights granted to the Holders under Section 2 of this Agreement.

12. Benefits of Agreement: Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns, legal representatives and heirs; this Agreement does not create, and shall not be construed as creating, any rights enforceable by any other Person.

13. Complete Agreement. This Agreement constitutes the complete understanding among the parties with respect to its subject matter and supersedes all existing agreements and understandings, whether oral or written, among them. No alteration or modification of any provisions of this Agreement shall be valid unless made in writing and signed by a majority in interest of the Holders.

14. Section Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

15. Notices. All notices, offers, acceptances and other communications required or permitted to be given or to otherwise be made to any party to this Agreement shall be deemed to be sufficient if contained in a written instrument delivered by hand, first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, if to the Corporation, to it at Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016, Attention: Thomas A. Rizk, Esq., with a copy to Pryor, Cashman, Sherman & Flynn, 410 Park Avenue, New York, New York 10022, Attention: Jonathan A.

Bernstein, Esq., and if to any Holder, to the address of such Holder as set forth in the stock transfer books of the Corporation.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and the next business day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. Any party may change the address to which each such notice or communication shall be sent by giving written notice to tie other parties of such new address in the manner provided herein for giving notice.

16. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without giving effect to the provisions, policies or principles thereof respecting conflict or choice of laws.

17. Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which taken together shall constitute one and the same agreement.

18. Severability. Any provision of this Agreement which is determined to be illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof which shall be severable and enforceable according to their terms and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first set forth above.

CALI REALTY CORPORATION

By:_________________________________
Name:
Title:

ROBERT MARTIN COMPANY, LLC

By:_________________________________
Name:
Title:

____
Brad W. Berger

____
Timothy M. Jones

____
Greg Berger

____
Andrew Greenspan

____
Michael Grossman

EXHIBIT 26.1

RIGHT OF
FIRST OFFER AGREEMENT

This Agreement, dated January ___, 1997 by and between the ROBERT MARTIN COMPANY, LLC, a New York limited liability company having an address at 100 Clearbrook Road, Elmsford, New York 10523 ("RM"), CALI REALTY, L.P., a Delaware limited partnership having an address at 11 Commerce Drive, Cranford, New Jersey 07016-3599 ("CRLP") and CALI REALTY CORPORATION, a Maryland corporation having

an address at 11 Commerce Drive, Cranford, New Jersey 07016-3599 ("CRC", together with CRLP, collectively "Cali").

STATEMENT OF FACTS

RM has transferred to Cali, on the date hereof, certain undeveloped land located in [Westchester, New York] [Stamford, Connecticut], which property is more particularly described on Exhibit A annexed hereto (the "Property"). RM has agreed to grant to Cali certain rights of first refusal and first offer as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, the parties hereto hereby agree as follows:

1. RM hereby grants to Cali a right of first offer with respect to any offer acceptable to RM to sell the Property, or to enter into to a ground lease of the Property which has a potential term, inclusive of renewal options, of thirty (30) years or more, on the following terms and conditions:

(i) If RM shall be prepared to sell or ground lease the Property to a bona fide third party, it shall give notice (the "Sale Notice") to Cali of the terms and conditions of such offer, which notice shall advise Cali of the date upon which its response to said Notice is required and shall specify that if Cali fails to respond by such date, Cali's rights thereunder shall be waived.

(ii) If the Sale Notice provides that RM is prepared to sell the Property, then Cali shall have thirty (30) days (the "Sale Option Period") thereafter to elect to acquire the Property, on the terms and conditions of the Sale Notice. If Cali shall elect to so acquire the Property, the parties shall execute a contract reflecting such terms and conditions and shall close on such acquisition as required therein. If the Sale Notice provides that RM is prepared to ground lease the Property, then Cali's rights shall be to acquire the Property pursuant to a purchase price determined as provided in (v) below.

(iii) If Cali shall elect not to so acquire the Property, or shall fail to make an election on a timely basis, time being of the essence, RM shall have the right to sell or ground lease the Property to a bona fide third party on terms and conditions no less favorable than those

set forth in the Sale Notice and at a sale price or effective rental, as the case may be, of not less than ninety-five (95%) percent of the price or effective rental stated in the Sale Notice and so long as such sale or ground lease is consummated within one (1) year from the expiration of the Sale Option Period. If RM shall desire to accept an offer on terms and conditions which are less favorable than those set forth in the Sale Notice or at a sale price or effective rental, as the case may be, of ninety-five (95%) percent or less than the price or effective rental stated in the Sale Notice, or shall not sell or ground lease the Property within the aforesaid one (1) year period, then RM shall comply with the procedures of clauses (i) and (ii) of this Section 1 with regard to such Property, and the restrictions set forth in this Section 1 shall remain in force and effect.

(iv) In the event Cali shall fail to timely respond to the Sale Notice or shall elect not to proceed in accordance with same, then within ten (10) business days after RM's written request of Cali, Cali shall deliver a written notice (the "Sale Waiver Notice") to RM waiving Cali's rights as set forth in this Section 1 other than the requirement that the sale be consummated within one (1) year from the expiration of the Sale Option Period and within the terms and conditions and ninety-five (95%) percent requirements set forth in Section 1(iii). If Cali shall fail to deliver the Sale Waiver Notice, time being of the essence, then Cali shall be deemed to have irrevocably and unconditionally waived its rights as set forth in this Section 1. In no event, however, shall RM be permitted to build (except as permitted in Section 2 below), manage, lease or own the Property for flex, industrial or office use, or any combination thereof, regardless of whether Cali shall be deemed to have waived its rights set forth in this Section 1.

(v) If the Sale Notice provides that RM is prepared to ground lease the Property, then said Notice shall be accompanied by RM's proposal of a price to sell the Property based upon the terms and conditions of the ground lease and the residual value of the Property (a "Proposed Sale Price"). Within the Sale Option Period, Cali shall advise RM as to whether or not Cali is prepared to acquire the Property at the Proposed Sale Price. If Cali is not so prepared, then within ten (10) days following Cali's response, each party shall submit to the other the final price at which it is prepared to sell and purchase the Property, respectively (each party's proposal shall be deemed the "Seller's Final Price" and "Purchaser's Final Price", respectively). Within ten (10) days thereafter, the parties shall attempt to reach agreement on a mutually acceptable sale price. If the parties fail to so agree, then within an additional five (5) days, the parties shall attempt to agree upon a mutually acceptable arbitrator to resolve said matter, failing which either party shall have the right to petition the American Arbitration Association in New York City

to choose a single arbitrator with at least fifteen (15) years experience valuating real estate properties in the greater metropolitan New York area. The arbitrator hearing said matter shall be instructed to choose one of the Seller's Final Price or Purchaser's Final Price, after accepting such documentary evidence as RM and Cali shall elect to present within ten (10) days of the arbitrator being agreed upon or chosen, as the case may be. The arbitrator shall not accept oral testimony, shall be limited to either Seller's Final Price or Purchaser's Final Price, and shall be instructed to render a decision with twenty (20) days after being agreed upon or chosen, as the case may be. Said decision shall be binding upon both RM and Cali, and RM and Cali shall share all of the costs and expenses of the arbitration. Either party shall also have the right to enforce the arbitrator's decision in the appropriate courts having jurisdiction.

2. RM shall be permitted to construct any project for office, flex or industrial use, or any combination thereof, for a fee, for a bona fide third party, subject to the provisions of this Section 2. In the event that such proposal is made to RM, then RM hereby grants to Cali a right of first offer (the "Offer Right") with respect to such development or new construction (a "Capital Improvement"). If RM shall desire to perform any Capital Improvement at the Property it shall offer the right to do so to Cali on the following terms and conditions:

(i) RM shall give a notice (the "Improvement Notice") to Cali specifying (a) that RM is prepared to perform, or cause to be performed on its behalf, a Capital Improvement at the Property, (b) the nature of the Capital Improvement and (c) the terms and conditions for which it is prepared to have the Capital Improvement performed by it or on its behalf. The Improvement Notice shall also advise Cali of the date upon which its response to said Notice is required and shall specify that if Cali fails to respond by such date, Cali's rights thereunder shall be waived.

(ii) Upon receipt of the Improvement Notice, Cali shall have ten (10) days (the "Improvement Option Period") thereafter to elect to perform the Capital Improvement which is the subject of the Improvement Notice on the terms and conditions of the Improvement Notice. If Cali shall elect to proceed as set forth therein, the parties shall promptly thereafter execute a development agreement reflecting such terms and conditions and the parties shall proceed thereafter.

(iii) If Cali shall elect not to perform the Capital Improvement, or shall fail to make an election on a timely basis, RM shall have the right to perform the Capital Improvement or cause such other parties as it shall elect to perform the Capital Improvement on terms and conditions substantially the same as those set forth in the Improvement Notice, so long as the Capital Improvement which is the subject of the Improvement Notice is commenced within one (1) year from the expiration of the Improvement Option Period. If RM shall desire to perform or have performed on its behalf the Capital Improvement which is the subject of the Improvement Notice on terms and conditions which are less favorable than those set forth in the Improvement Notice, or shall not commence such work within the aforesaid one (1) year period, then RM shall comply with the procedures of clauses (i) and (ii) of this Section 2, and the restrictions set forth in this Section 2 shall remain in full force and effect.

(iv) In the event Cali shall fail to timely respond to the Improvement Notice or shall elect not to proceed in accordance with same, Cali shall, upon request of RM, deliver a written notice (the "Improvement Waiver Notice") to RM waiving Cali's rights as set forth in this Section 2, other than the requirement that the Capital Improvement which is the subject of the Improvement Notice be commenced within one (1) year from the expiration of the Improvement Option Period. If Cali shall fail to deliver the Improvement Waiver Notice, then Cali shall be deemed to have irrevocably and unconditionally waived its rights as set forth in this Section 2.

3. In the event that the Property is developed by RM for any use other than flex, industrial or office use, CRLP shall release the Property from this Agreement promptly upon request by RM .

4. If CRLP waives its rights hereunder following a Sale Notice and RM consummates a sale thereafter in accordance with this Agreement, then CRLP shall release the Property from this Agreement promptly upon request of RM.

5. All notices to be given or sent hereunder shall be sent to the address of the party first set forth above and may be given personally or may be delivered by depositing the same with any nationally recognized overnight delivery service. Notices given by personal delivery service shall be deemed given on the day so delivered, and notices delivered by a nationally recognized overnight delivery service shall be deemed given on the first business day following the deposit of same with such service. Notices shall be given to the

parties at the address first set forth above, with the notice to RM being sent to the attention of Brad Berger and Lloyd Roos, Esq. and the notice to Cali being sent to the attention of Roger W. Thomas, Esq. Copies of notices to Cali also given by a nationally recognized overnight delivery service to Pryor, Cashman, Sherman & Flynn, 410 Park Avenue, New York, New York 10022, Attention: Jonathan A. Bernstein, Esq., and copies of notices to RM also given by a nationally recognized overnight delivery service to Battle Fowler LLP, 75 East 55th Street, New York, New York, Attention: Robert J. Wertheimer, Esq. Notices may be given by counsel to the respective parties.

6. This Agreement (a) may not be amended except by a written instrument executed by all the parties hereto and (b) shall be governed by the laws of the State of New York applicable to agreements made and to be performed in such state.

7. This Agreement may be executed in counterparts and each counterpart so executed shall constitute an original, all of which when taken together shall constitute one agreement, notwithstanding that all of the parties are not signatories to the same counterpart.

8. This Agreement is the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements relative to such matter.

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

ROBERT MARTIN COMPANY, LLC

By: ____________________________________
Name:
Title:

CALI REALTY CORPORATION

By: ____________________________________
Name:
Title:

CALI REALTY, L.P.

By: Cali Realty Corporation

By: ____________________________________
Name:
Title:

EXHIBIT 10.60 TO F0RM 8-K

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

OF

CALI REALTY, L.P.

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS... 1

ARTICLE 2 CONTINUATION OF THE PARTNERSHIP................................. 11
2.1 Continuation.. 11
2.2 Entire Agreement.. 11

ARTICLE 3 NAME AND OFFICES... 11
3.1 Name 11
3.2 Principal and Registered Offices................................ 11

ARTICLE 4 PURPOSE.. 12
4.1 Purpose... 12
4.2 Powers.. 12

ARTICLE 5 TERM AND FISCAL YEAR... 13
5.1 Term 13
5.2 Fiscal Year... 13

ARTICLE 6 CAPITAL CONTRIBUTIONS, ADDITIONAL FUNDING AND
CAPITAL ACCOUNTS... 13
6.1 Capital Contributions of the General Partner.................. 13
6.2 Capital Contributions of the Limited Partners................. 14
6.3 General Partner Option to Contribute Additional
Capital.. 14
6.4 General Partner Option to Issue Additional
Partnership Units to Limited Partners........................ 16
(a) Issuance of Additional Partnership Units............. 16
(b) Issuance of New Securities........................... 18
6.5 Capital Accounts.. 18
6.6 Limited Liability... 19
6.7 Return of Capital... 19
6.8 No Interest on Capital Contributions.......................... 19
6.9 No Third Party Beneficiary.................................... 19
6.10 Common Stock Option Plans.................................... 20

ARTICLE 7 ALLOCATION OF PROFITS AND LOSSES................................ 20
7.1 General Allocation of Profits and Losses...................... 20
7.2 Allocations with Respect to Transferred Interests............. 20

7.3 Regulatory Allocations.. 21
(a) Minimum Gain Chargeback............................ 21
(b) Exceptions to Section 7.3(a)......................... 21
(c) Qualified Income Offset............................. 21
(d) Gross Income Allocation............................. 22
(e) Partner Nonrecourse Debt............................ 22
(f) Interpretation...................................... 22
(g) Curative Allocations................................ 22
7.4 Special Allocations with Respect to Contributed or
Revalued Property.. 23
7.5 Allocations with Respect to Partnership Units other
than the OP Units.. 23

ARTICLE 8 DISTRIBUTIONS.. 23
8.1 Distribution of Net Cash Flow................................. 23
8.2 Distributions in Kind... 24
8.3 Withholding... 24
8.4 Distributions with Respect to Partnership Units
other than OP Units...................................... 25

ARTICLE 9 MANAGEMENT... 25
9.1 Management of Partnership Affairs............................. 25

9.2 Powers and Authorities of the General Partner................. 26
9.3 Major Decisions.. 29
9.4 Restrictions on General Partner's Authority................... 29
9.5 Engagements by the Partnership................................ 30
9.6 Engagement of Affiliates...................................... 30
9.7 Liability of the General Partner.............................. 30
9.8 Reimbursement of Certain Expenses of the General Partner 30
9.9 Outside Activities of the General Partner..................... 31
9.10 Operation in Accordance with REIT Requirements................ 31
9.11 Title Holder.. 31

ARTICLE 10 RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS..................... 32
10.1 No Participation in Management of Partnership; Rights of Limited Partners to Certain Documents............... 32
10.2 Withdrawal, Retirement, Death, Incompetency, Insolvency or Dissolution of a Limited Partner................ 33
10.3 Redemption Rights... 33
(a) Grant of Rights...................................... 33
(b) Delivery of Exercise Notices......................... 33
(c) Assumption by General Partner........................ 34
(d) Limitation on Exercise of Redemption Rights........... 34

(e) Computation of Number of Exchange Shares and/or Cash To Be Paid............................... 35
(f) Closing; Delivery of Election Notice................. 36
(g) Closing Deliveries................................... 36
(h) Term of Rights....................................... 37
(i) Covenants of the General Partner..................... 37
(j) Limited Partners' Covenant........................... 39

ARTICLE 11 BANKING, RECORDS AND TAX MATTERS............................... 39
11.1 Partnership Funds... 39
11.2 Books and Records... 40
11.3 Financial Statements.. 40
11.4 Tax Returns... 40
11.5 Section 754 Matters... 40
11.6 Tax Matter Partners... 41
11.7 Other Reports... 41

ARTICLE 12 TRANSFER OF GENERAL PARTNER INTERESTS.......................... 41
12.1 Transfer of Interest of the General Partner.................. 41
12.2 Retirement of the General Partner............................. 41
12.3 Transferee of the General Partner's Interest.................. 42
12.4 Retirement of Last Remaining General Partner.................. 42
12.5 Continuation of Partnership................................... 43

ARTICLE 13 TRANSFER OF LIMITED PARTNER INTERESTS.......................... 43
13.1 Transfer of Interest of a Limited Partner..................... 43
13.2 Assignee and Substitute Limited Partners...................... 44
13.3 Assignment.. 44
13.4 Cost of Admission... 45

ARTICLE 14 DISSOLUTION AND LIQUIDATION OF PARTNERSHIP..................... 45
14.1 Dissolution of the Partnership................................ 45
14.2 Winding Up of Affairs... 46
14.3 Accounting.. 46
14.4 Final Distribution of Partnership Property.................... 46
14.5 Certificate of Cancellation................................... 47

ARTICLE 15 POWER OF ATTORNEY.. 47
15.1 Power of Attorney... 47
15.2 Grant of Authority Irrevocable................................ 48

ARTICLE 16 AMENDMENT OF PARTNERSHIP AGREEMENT............................. 48
16.1 Amendments by Partners.. 48

16.2 Amendment by the General Partner.............................. 49
16.3 Amendment of Certificate...................................... 50

ARTICLE 17 INDEMNIFICATION.. 50
17.1 Partnership Indemnification of Partner........................ 50
17.2 Partner Indemnification of Partnership........................ 50

ARTICLE 18 MISCELLANEOUS PROVISIONS....................................... 51
18.1 Notices... 51
18.2 Severability.. 51
18.3 Parties Bound... 51
18.4 Applicable Law.. 51

18.5 Partition.. 51
18.6 Computation of Accountants................................. 51
18.7 Headings... 52
18.8 Counterparts... 52

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF CALI REALTY, L.P.

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (this "Agreement") of CALI REALTY, L.P., a Delaware limited partnership (the "Partnership"), is made and entered into as of the 16th day of January, 1997, by and among CALI REALTY CORPORATION, a Maryland corporation, as general partner, and those parties who are designated as limited partners upon the Exhibit A attached hereto and made a part hereof by this reference, as limited partners.

R E C I T A L S:

WHEREAS, the Partnership was previously formed pursuant to that certain Agreement of Limited Partnership, dated as of May 31, 1994 (the "Original Agreement"), and that certain Certificate of Limited Partnership, dated as of May 31, 1994, which was filed with the Secretary of State of Delaware on May 31, 1994;

WHEREAS, the Original Agreement was amended and restated pursuant to the terms of that certain Agreement of Limited Partnership, dated as of August 31, 1994 (the "LP Agreement");

WHEREAS, the parties hereto desire to continue the Partnership and amend and restate the terms and provisions of the LP Agreement in its entirety, all upon the terms and provisions, and subject to the conditions, set forth herein;

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement, unless otherwise clearly indicated to the contrary, the following terms have the meanings set forth below.

"Accountants" shall mean the firm or firms of independent certified public accountants selected from time to time by the General Partner on behalf of the Partnership to audit the books

and records of the Partnership and to prepare statements and reports in connection therewith.

"Act" shall mean the Delaware Revised Uniform Limited Partnership Act, as amended from time to time subsequent to the date hereof.

"Additional Partnership Units" shall have the definition assigned to such term in Section 6.3 hereof.

"Additional Limited Partner" shall have the definition assigned to such term in Section 6.4 hereof.

"Affiliate" shall mean, with respect to any Partner (or as to any other Person the affiliates of whom are relevant for purposes of any of the provisions of this Agreement), (i) any member of the Immediate Family of such Partner; (ii) any trustee or beneficiary of a Partner; (iii) any legal representative, successor or assignee of such Partner or any Person referred to in the preceding clauses (i) and (ii); (iv) any trustee for the benefit of such Partner or any Person referred to in the preceding clauses (i) through (iii); or (v) any Person which directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with such Partner or any Person referred to in the preceding clauses (i) through (iv).

"Agreed Value" shall mean, with respect to any property contributed by a Partner to the Partnership hereunder, an amount equal to (i) the Gross Asset Value of the Capital Contribution determined as of the date of such contribution, less (ii) the amount of any and all liabilities securing such contributed property that the Partnership is considered to assume or take subject to with respect to such property under Code Section 752 or the Regulations promulgated thereunder.

"Board of Directors" shall mean the Board of Directors of the General Partner.

"Capital Account" shall have the definition assigned to such term in Section 6.5 hereof.

"Capital Contribution" shall mean, with respect to any Partner, the amount of money and the Agreed Value of any property (other than money) contributed to the Partnership with respect to the Partnership Interest held by such Partner.

"Certificate" shall mean the Partnership's Certificate of Limited Partnership, as amended from time to time in accordance with the terms hereof and the Act.

"Closing Price" shall mean, on any date, with respect to a share of Common Stock, the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for one share of Common Stock in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Common Stock is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or if the Common Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System or, if such system is no longer in use, the principal other automated quotations system that may then be in use or, if the Common Stock is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock as such person is selected from time to time by the Board of Directors.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time or any successor statute thereto.

"Common Stock" shall mean the shares of the common stock, par value $.01 per share, of the General Partner.

"Completion of the Offering" shall mean the closing of the first sale of Common Stock in the Offering.

"Control" shall mean the ability, whether by the direct or indirect ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to select the managing partner of a partnership, or otherwise to select, or have the power to remove and then select, a majority of those persons exercising governing authority over any particular entity. In the case of a limited partnership, the sole general partner, all of the general partners to the extent each has equal management control and authority, or the managing general partner or managing general partners thereof shall be deemed to have control of such partnership and, in the case of a trust, any trustee thereof or any Person having the right to select any such trustee shall be deemed to have control of such trust.

"Current Per Share Market Price", on any date, shall mean the average of the Closing Price for the five (5) consecutive Trading Days ending on such date.

"Depreciation" shall mean, with respect to any asset of the Partnership for any fiscal year or other period, the depreciation, depletion, amortization or other cost recovery deduction, as the case may be, allowed or allowable for Federal income tax purposes in respect of such asset for such fiscal year or other period; provided, however, that if there is a difference between the Gross Asset Value and the adjusted tax basis of such asset, Depreciation shall mean "book depreciation, depletion or amortization" as determined under Section 1.704-1(b)(2)(iv)(g)(3) of the Regulations.

"Excess Deficit Capital Account Balance" of any Partner shall be the Capital Account balance of such Partner, adjusted as provided in the immediately following sentence, to the extent, if any, that such balance is a deficit (after adjustment). For purposes of determining the existence and amount of an Excess Deficit Capital Account Balance, the Capital Account balance of a Partner shall be adjusted by: (i) crediting thereto (A) that portion of any deficit Capital Account balance that such Partner is required to restore under the terms of this Agreement or any other document, and (B) the amount of such Partner's share of Minimum Gain, including any Partner Nonrecourse Debt Minimum Gain; and (ii) charging thereto the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) that apply to such Partner. The existence and amount of

Excess Deficit Capital Account Balance at the end of any year shall be determined before any other allocations provided for in Article 7 for such year have been made.

"Exercise Notice" shall mean the written notice as described in Section 10.3(b) hereof to be given by an Exercising Partner to the General Partner to exercise Redemption Rights, the form of which Exercise Notice is attached to the Unit Certificate as Attachment 1.

"Exercising Partners" shall have the meaning set forth in Section 10.3(b) hereof.

"General Partner" shall mean Cali Realty Corporation, a Maryland corporation, and any substitute or additional General Partner(s) duly admitted pursuant to the terms of this Agreement, or, where the context so requires, any successor General Partner(s) acting pursuant to the provisions of this Agreement.

"Gross Asset Value" shall mean, with respect to any asset of the Partnership, such asset's adjusted basis for Federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Partner shall be equal to the gross fair market value of such asset as determined by the General Partner, in its reasonable discretion; provided, however, that the Gross Asset Values of the assets contributed by a Limited Partner on the date hereof shall be equal to the product of (1) the number of Partnership Units set forth opposite such Partner's name on Exhibit A attached hereto, multiplied by (2) the initial public offering price per share of Common Stock in connection with the Offering.

(b) If the General Partner reasonably determines that an adjustment is necessary or appropriate to reflect the relative economic interests of the Partners, the Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the General Partner, as of the following times:

(i) a Capital Contribution (other than a de minimis Capital Contribution) to the Partnership by a new or existing Limited Partner as consideration for a Partnership Interest;

(ii) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership money or property as consideration for the redemption of a Partnership Interest;

(iii) the liquidation of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations; and

(iv) any other time that such adjustment may be made under the Code, the Regulations or any administrative pronouncement or ruling by the IRS.

(c) The Gross Asset Values of Partnership assets distributed to any Partner shall be the gross fair market values of such assets as reasonably determined by the General Partner as of the date of distribution; and

(d) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Sections 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations; provided, however, that Gross Asset Values shall not be adjusted pursuant to this paragraph to the extent that the General Partner reasonably determines that an adjustment pursuant to paragraph (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d).

At all times, Gross Asset Values shall be adjusted by any Depreciation taken into account with respect to the Partnership's assets for purposes of computing Profits and Losses. Any adjustment to the Gross Asset Values of Partnership property shall require an adjustment to the Partners' Capital Accounts; as for the manner in which such adjustments are allocated to the Capital Accounts, see clause (iii) of the definition of Profits and Losses in the case of adjustment by Depreciation, and clause (iv) of said definition in all other cases.

"Immediate Family" shall mean, with respect to any individual Person, such individual Person's spouse, parents, parents-in-law, descendants, nephews,

nieces, brothers, sisters, brothers-in-law, sisters-in-law and children-in-law.

"IRS" means the Internal Revenue Service, which administers the federal tax laws of the United States.

"Limited Partners" shall mean any Person named as a Limited Partner on the Exhibit A attached hereto as such Exhibit may be amended from time to time, or any substituted Limited Partner or additional Limited Partner duly admitted to the Partnership pursuant to the terms of this Agreement.

"Liquidation" shall mean the disposition of all or substantially all of the assets of the Partnership pursuant to a complete liquidation of the Partnership.

"Minimum Gain" shall have the meaning given such term in Treasury Regulation Section 1.704-2(d), and shall generally mean the amount by which the nonrecourse liabilities secured by any assets of the Partnership exceed the adjusted tax basis of such assets as of the date of determination. A Partner's share of Minimum Gain (and any net decrease thereof) at any time shall be determined in accordance with Treasury Regulation Section 1.704-2(g).

"Net Cash Flow" shall mean, with respect to any fiscal period of the Partnership, the excess, if any, of "Receipts" over "Expenditures." For purposes hereof, the term "Receipts" means the sum of (i) all cash receipts of the Partnership from all sources for such period, including Net Sale Proceeds and Net Financing Proceeds but excluding Capital Contributions, and (ii) any amounts held as reserves as of the last day of the period immediately prior to such fiscal period that the General Partner deemed necessary for any capital or operating expenditure permitted hereunder. The term "Expenditures" means the sum of (a) all cash expenses of the Partnership for such period, (b) the amount of all payments of principal and interest on account of any indebtedness of the Partnership including payments of principal and interest on account of any indebtedness owed to a Partner during such period, (c) any amounts held as reserves as of the last day of such fiscal period as the General Partner in its sole discretion deems necessary for any capital or operating expenditures permitted hereunder or reserves for any other purpose that the General Partner in its sole discretion shall determine to be appropriate and (d) any amounts held in working capital accounts or other cash or similar balances which the General Partner determines to be necessary or appropriate in its sole discretion. In the event the General Partner issues additional classes of Partnership Units other than OP Units, the General Partner may, to the extent necessary, in its sole discretion, determine the amount of Net Cash Flow attributable to each class of Partnership Units and the timing of payment thereof.

"Net Financing Proceeds" shall mean the cash proceeds received by the Partnership in connection with any borrowing or refinancing of borrowing by or on behalf of the Partnership (whether or not secured), after deduction of all costs and expenses incurred by the Partnership in connection with such borrowing, and after deduction of that portion of such proceeds used to repay any other indebtedness of the Partnership, or any interest or premium thereon.

"Net Sale Proceeds" means the cash proceeds received by the Partnership in connection with a sale of any asset by or on behalf of the Partnership after deduction of any costs or expenses incurred by the Partnership, or payable specifically out of the proceeds of such sale (including, without limitation, any repayment of any indebtedness required to be repaid as a result of such sale or which the General Partner elects to repay out of the proceeds of such sale, together with accrued interest and premium, if any, thereon and any sales commissions or other costs and expenses due and payable to any Person in connection with a sale, including to a Partner or its Affiliates).

"Offered Units" shall mean the Partnership Units of the Exercising Partners identified in an Exercise Notice which, pursuant to the exercise of a Redemption Right, can be acquired by the General Partner under the terms hereof.

"Offering" shall mean the initial public offering of the General Partner's Common Stock.

"OP Units" shall mean those Partnership Units issued prior to September 1, 1995 and any additional OP Units issued by the General Partner pursuant to Article 6 hereof.

"Original Agreement" shall have the meaning assigned to such term in the Recitals set forth above.

"Partner or Partners" shall mean, unless the context in which the term is used requires otherwise, the General Partner and the Limited Partners.

"Partner Nonrecourse Debt" shall have the meaning assigned to such term in Regulation Section 1.704-2(b)(4).

"Partner Nonrecourse Debt Minimum Gain" shall have the meaning assigned to such term in Regulation Section 1.704-2(i).

"Partnership" shall mean Cali Realty, L.P., a Delaware limited partnership.

"Partnership Agreement" shall mean this Agreement of Limited Partnership and the Exhibits and Schedules hereto, and any amendments hereto from time to time.

"Partnership Interest" shall mean the ownership interest of a Partner in the Partnership from time to time, including such Partner's Percentage Interest and Capital Account and any and all other benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement and under applicable laws, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

"Partnership Interests Exchange Agreement" shall mean, with respect to a particular Limited Partner, that certain Partnership Interests Exchange Agreement, dated as of July 26, 1994, by and among the Partnership, such Limited Partner, and the other parties thereto, pursuant to which such Limited Partner is contributing to the Partnership, directly or indirectly, all of such Partner's right, title and interest in and to a particular Property Partnership.

"Partnership Unit" shall mean a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Article 6 hereof; provided, however, that in the event the General Partner issues classes of Partnership Units to Limited Partners other than the OP Units pursuant to Section 6.4 hereof, the term Partnership Unit shall mean with respect to each class of Partnership Units, a fractional, undivided share of the Partnership Interests of all Partners in such class.

"Partnership Record Date" shall mean the record date established by the General Partner for any particular distribution of Net Cash Flow pursuant to Article 8 hereof, which record date shall be the same as the record date established by the General Partner for distribution to its shareholders of some or all of its portion of such distribution.

"Percentage Interest" shall mean, with respect to any Partner, its interest in the Partnership as determined by dividing the Partnership Units owned by such Partner by the total number of Partnership Units then issued and outstanding; provided, however, that in the event the General Partner issues classes of Partnership Units other than OP Units, the term Percentage Interest shall mean with respect to any Partner, its interest in the Partnership as determined by dividing the Partnership Units of each class owned by such Partner by the total number of Partnership Units in such class then issued and outstanding.

"Person" shall mean a natural person, corporation, trust, partnership, estate, unincorporated association or other entity.

"Profits or Losses" shall mean, for each fiscal year or other applicable period, an amount equal to the Partnership's net income or loss for such year or period as determined for Federal income tax purposes by the Accountants, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a) of the Code shall be included in taxable income or loss), with the following adjustments: (i) by including as an item of gross income any tax-exempt income received by the Partnership; (ii) by treating as a deductible expense any expenditure of the Partnership described in Section 705(a)(2)(B) of the Code (including amounts paid or incurred to organize the Partnership (unless an election is made pursuant to Code Section 709(b)) or to promote the sale of interests in the Partnership and by treating deductions for any losses incurred in connection with the sale or exchange of Partnership property disallowed pursuant to Section 267(a)(1) or Section 707(b) of the Code as expenditures described in Section 705(a)(2)(B) of the Code); (iii) in lieu of depreciation, depletion, amortization and

other cost recovery deductions taken into account in computing total income or loss, there shall be taken into account Depreciation; (iv) gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the Gross Asset Value of such property rather than its adjusted tax basis; and (v) in the event of an adjustment of the Gross Asset Value of any Partnership asset which requires that the Capital Accounts of the Partnership be adjusted pursuant to Regulation Section 1.704-1(b)(2)(iv)(e), (f) and (m), the

amount of such adjustment is to be taken into account as additional Profits or Losses pursuant to Article 7.

"Property Partnership" shall mean each of the following (i.e., those partnerships in which, pursuant to the Partnership Interests Exchange Agreements, the Limited Partners are contributing to the Partnership, directly or indirectly, all of their right, title and interest as partners in such partnerships): (i) 11 Commerce Drive Associates, (ii) 6 Commerce Drive Associates, (iii) Century Plaza Associates, (iv) C.W. Associates, (v) D.B.C. Associates, (vi) Cali Building V Associates, (vii) 500 Columbia Turnpike Associates, (viii) Chestnut Ridge Associates, (ix) Roseland II Limited Partnership, (x) Grove Street Associates of Jersey City Limited Partnership, (xi) 20 Commerce Drive Associates, (xii) Tenby Chase Apartments and (xiii) Office Associates, Ltd.

"Redemption Rights" shall have the meaning set forth in Section 10.3(a) hereof.

"Registration Statement" shall mean the Registration Statement No. 33-79892 (including the prospectus contained therein) heretofore filed by the General Partner with the United States Securities and Exchange Commission, and any amendments at any time made thereto (other than post-effective amendments), pursuant to which the General Partner proposes to offer and sell certain of its Common Stock.

"Regulations" shall mean the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Regulatory Allocations" has the meaning set forth in Section 7.3(g) of this Agreement.

"REIT" shall mean a real estate investment trust under Section 856 of the Code.

"REIT Requirements" shall mean any and all requirements that must be met to qualify as a REIT under the Code and the Regulations.

"Trading Day" shall mean a day on which the principal national securities exchange on which the Common Stock is listed or admitted to trading is open for the transaction of business or, if the Common Stock is not listed or admitted to trading on any national securities exchange, any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"Unit Certificate" shall have the meaning set forth in Section 6.2 hereof.

ARTICLE 2

CONTINUATION OF THE PARTNERSHIP

2.1 Continuation. The Partners hereby continue the Partnership as a limited partnership formed under and pursuant to the terms and provisions of the Act, and the rights and obligations of the Partners shall be as provided therein except as otherwise expressly provided in this Agreement. The Partners agree to execute such certificates or documents and do such filings and recordings and all other acts, including the filing or recording of an amendment to the Certificate and any assumed name certificates in the appropriate offices in the State of Delaware and any other applicable jurisdictions as may be required to comply with applicable law. The Partners agree that immediately after the admission of one Limited Partner, the Organizational Limited Partner shall be deemed to have withdrawn from the Partnership.

2.2 Entire Agreement. Each and every other agreement or understanding, oral or written, relating in any way to the formation or operation of the Partnership including, but not limited to, the Original Agreement, is hereby superseded in its entirety. From and after the execution of this Agreement, the same shall constitute the only Agreement of Limited Partnership of the Partnership except as the same may hereafter be amended pursuant to the provisions hereof. This Agreement represents the entire agreement and understanding of the parties hereto concerning the Partnership and their relationship as Partners, and all prior or concurrent agreements, understandings, representations and warranties in regard to the subject matter hereof including, but not limited to, the Original Agreement, are and have been merged herein.

ARTICLE 3

NAME AND OFFICES

3.1 Name. The business of the Partnership shall be conducted under the name of "Cali Realty, L.P.", or such other name as the General Partner may from time to time designate upon notice to the Limited Partners.

3.2 Principal and Registered Offices. The principal place of business of the Partnership shall be located at c/o the General Partner at 11 Commerce Drive, Cranford, New Jersey 07016. The registered agent of the Partnership shall be The Prentice-Hall Corporation System, Inc. The registered office of the Partnership shall be 32 Loockerman Square, Suite L-100, Dover, Kent County, Delaware 19901. The General Partner may from time to time designate another registered agent or another location for the registered office or principal place of business of the Partnership upon notice to the other Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems advisable.

ARTICLE 4

PURPOSE

4.1 Purpose. The purpose and nature of the business to be conducted by the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership organized pursuant to the Act; provided, however, that such business shall be limited to and conducted in such a manner as to permit the General Partner at all times to be classified as a REIT for federal income tax purposes, unless the General Partner has determined to cease to qualify as a REIT, (ii) to enter into any partnership, joint venture or other similar arrangements to engage in any of the foregoing or the ownership of interests in any entity engaged in any of the foregoing and (iii) to do anything necessary or incidental to the foregoing. In connection with the foregoing, and without limiting the General Partner's right in its sole discretion to cease qualifying as a REIT, the Partners acknowledge that the General Partner's status as a REIT inures to the benefit of all of the Partners and not solely the General Partner.

4.2 Powers. The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable,

incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership; provided, that the Partnership shall not take, or shall refrain from taking, any action which, in the judgment of the General Partner, in its sole and absolute discretion, (i) could adversely affect the ability of the General Partner to continue to qualify as a REIT, (ii) could subject the General Partner to any additional taxes under Section 857 or Section 4981 of the Code or any successor or newly enacted provisions of the Code imposing other additional taxes or penalties on the General Partner, or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner or its securities, unless any such action (or inaction) under (i), (ii) or (iii) shall have been specifically consented to by the General Partner in writing.

ARTICLE 5

TERM AND FISCAL YEAR

5.1 Term. The term of the Partnership commenced on May 31, 1994, the date the Certificate was filed in the appropriate offices in the State of Delaware, and shall continue until terminated pursuant to the provisions of Article 14 of this Agreement.

5.2 Fiscal Year. The first fiscal year of the Partnership shall terminate on December 31, 1994, and succeeding fiscal years shall terminate on December 31 of each year thereafter, or such other date as the Partnership shall terminate as herein provided.

ARTICLE 6

CAPITAL CONTRIBUTIONS, ADDITIONAL FUNDING AND CAPITAL ACCOUNTS

6.1 Capital Contributions of the General Partner. Upon Completion of the Offering, the General Partner shall contribute the proceeds of the Offering to the Partnership, which proceeds will be net of the underwriter's discount and other expenses. Notwithstanding the exact amount of such net proceeds which are contributed to the Partnership, the General Partner shall be deemed to have made a Capital Contribution to the Partnership in the amount of the gross proceeds of the Offering and the Partnership shall be deemed simultaneously to have reimbursed the General Partner pursuant to Section 9.8(c) hereof for the amount of any such underwriter's discount or other expenses paid out of the gross proceeds of the Offering. Notwithstanding the immediately preceding sentence, the General Partner shall have

the right, in its sole and absolute discretion, to treat the contribution to the Partnership by the General Partner of any proceeds from the Offering in a manner other than that described in the immediately preceding sentence if, upon the advice of counsel to the General Partner and/or the Partnership, such alternative treatment will provide a more favorable federal and/or state tax consequence to the General Partner and/or the Partnership. The General Partner shall initially be issued and thereafter shall own Partnership Units in the amount set forth opposite its name on Exhibit A, which number of Partnership Units shall be adjusted on such Exhibit A from time to time by the General Partner to the extent necessary to reflect accurately issuances, exchanges, redemptions, Capital Contributions, or similar events having an effect on a Partner's Partnership Units. The Partners hereby acknowledge and agree that the aggregate initial number of Partnership Units to be issued to the General Partner shall be exactly equal to the number of shares of Common Stock issued and outstanding immediately after the Completion of the Offering. Upon any subsequent sales of shares of Common Stock pursuant to the exercise of the over-allotment option in connection with the Offering, the General Partner shall, subject to and in accordance with the terms and conditions of this Section 6.1, contribute the proceeds of such subsequent sale to the Partnership, and shall be issued additional Partnership Units in an amount exactly equal to the number of shares of Common Stock subsequently sold in connection with the Offering.

6.2 Capital Contributions of the Limited Partners. Concurrent with the execution of this Agreement, each Limited Partner, pursuant to one or more Partnership Interests Exchange Agreements, shall contribute to the Partnership, directly or indirectly, as its initial Capital Contribution, all of such Limited Partner's right, title and interest in and to the Property Partnerships. Each Limited Partner shall initially be issued and thereafter shall own Partnership Units in the amount set forth opposite such Limited Partner's name on Exhibit A, which number of Partnership Units on such Exhibit A shall be adjusted from time to time by the General Partner to the extent necessary to reflect accurately exchanges, redemptions, Capital Contributions, or similar events having an effect on such Partner's Partnership Units. The Partnership Units issued to each Limited Partner shall be evidenced by the issuance of a certificate (the "Unit Certificate") in substantially the form of Exhibit B attached hereto, which Unit Certificate shall bear the following legend:

> "THE UNITS REPRESENTED BY THIS CERTIFICATE OR INSTRUMENT MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION

> COMPLIES WITH THE PROVISIONS OF THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP DATED AS OF JANUARY 17, 1997 (A COPY OF WHICH IS ON FILE WITH THE PARTNERSHIP). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENT, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR (B) IF THE PARTNERSHIP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER."

On the date of admission of one or more Limited Partners to the Partnership, the Organizational Limited Partner shall be entitled to a return of his Capital Contribution, and shall be deemed to have withdrawn from the Partnership.

6.3 General Partner Option to Contribute Additional Capital. If the Partnership requires funds at any time or from time to time in excess of funds available to the Partnership through borrowings and prior or additional Capital Contributions, the General Partner may, but shall not be required to, borrow such funds from a financial institution or other lender or through public debt offerings and lend such funds to the Partnership on the same terms and conditions as are applicable to the General Partner. If, notwithstanding the foregoing, the Partnership requires funds for any proper Partnership purpose in excess of any other funds anticipated by the General Partner to be available to the Partnership (including through borrowings and prior Capital Contributions), or if the General Partner concludes that borrowings are inappropriate, the General Partner may, but shall not be required to, raise such additional funds pursuant to the issuance of shares of its Common Stock (any such issuance which is made for the purpose of providing additional funds to the Partnership shall be referred to herein as an "Additional Issuance"). In the event any such Additional Issuance is consummated, then (i) the General Partner shall contribute the net amount of cash raised pursuant to such Additional Issuance to the capital of the Partnership and (ii) the Partnership shall issue additional Partnership Units ("Additional Partnership Units") to the General Partner, on the date upon which such funds are contributed to the Partnership, in an amount equal to that number of Partnership Units which, if such Additional Partnership

Units were redeemed as of their date of issuance by the General Partner for shares of Common Stock pursuant to Section 10.3 hereof, would result in the General Partner receiving that number of shares of Common Stock equal to the number of shares of Common Stock that were issued pursuant to such Additional Issuance. Notwith-

standing anything contained herein to the contrary, if the proceeds actually received and thereafter contributed to the Partnership by the General Partner pursuant to any Additional Issuance as described in this Section 6.3 are less than the gross proceeds of such issuance as a result of any underwriter's discount or other expenses paid or incurred in connection with such issuance, then the General Partner shall be deemed to have made a Capital Contribution to the Partnership in the amount of the gross proceeds of such issuance and the Partnership shall be deemed simultaneously to have reimbursed the General Partner pursuant to Section 9.8(c) hereof for the amount of such underwriter's discount or other expenses. In addition, in the event that the General Partner shall issue shares of Common Stock (and/or pay cash out of the net proceeds of any Additional Issuance) in connection with any subsequent merger, consolidation or other acquisition, the General Partner may contribute the shares of stock, assets and/or other consideration received by the General Partner in connection therewith to the capital of the Partnership in exchange for Additional Partnership Units in an amount equal to that number of Partnership Units which, if such Additional Partnership Units were redeemed as of their date of issuance by the General Partner for shares of Common Stock pursuant to Section 10.3 hereof, would result in the General Partner receiving that number of shares of Common Stock equal to the number of shares of Common Stock that were issued in connection with such merger, consolidation or other acquisition and/or such Additional Issuance. Notwithstanding the foregoing sentence, the General Partner shall have the right, in its sole discretion, to treat a contribution to the capital of the Partnership in a manner other than as described above if, upon the advice of counsel to the General Partner and/or the Partnership, such alternative treatment will provide a more favorable federal and/or state tax consequence to the General Partner and/or the Partnership.

6.4 General Partner Option to Issue Additional Partnership Units to Limited Partners.

(a) Issuance of Additional Partnership Units. At any time after the date hereof without the consent of any Partner, but subject to the provisions of Section 13.1 hereof, the General Partner may, upon its determination, which shall be made in its sole and absolute discretion, that the issuance of Additional Partnership Units to new or existing limited partners is in the best commercial interests of the Partnership, cause the Partnership to issue Additional Partnership Units to and admit as a limited partner in the Partnership, any Person (an "Additional Limited Partner" herein) in exchange for the contribution by such Person of cash and/or property desirable to further the purposes of the Partnership under Article 4 hereof. In the event that

Additional Partnership Units are issued by the Partnership pursuant to this Section 6.4, the amount of such Partnership Units issued to each Additional Limited Partner shall, unless otherwise determined by the General Partner in the exercise of its sole discretion but subject to its fiduciary duty to all Limited Partners (i) be fixed by agreement between the General Partner and such Additional Limited Partner in the General Partner's sole discretion or (ii) be equal to that number of Partnership Units which, if such Additional Partnership Units were redeemed as of their date of issuance by such Additional Limited Partner pursuant to Section 10.3 hereof, would result in such Additional Limited Partner receiving that number of shares of Common Stock equal to (x) the Agreed Value of any property (as determined by the General Partner, in its sole and absolute discretion), plus the amount of any cash contributed by the Additional Limited Partner, as of the date of contribution to the Partnership divided by (y) the Current Per Share Market Price (computed as of the Trading Day immediately preceding the date of contribution to the Partnership or such other date or average of Trading Days as the General Partner may agree with such Additional Limited Partner in the exercise of its sole discretion). In addition, the General Partner is hereby authorized to cause the Partnership from time to time to issue to the Partners (including the General Partner) or other Persons additional Partnership Units or such other Partnership Interests in one or more classes, or one or more series of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties which may be senior, pari passu or junior to OP Units, all as shall be determined by the General Partner in its sole and absolute discretion subject to Delaware law, including, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests; (ii) the right of each such class or series of Partnership Interests to share in Partnership distributions; and (iii) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; provided that no such additional Partnership Units or other Partnership

Interests shall be issued to the General Partner unless either (A)(1) the additional Partnership Interests are issued in connection with the issuance of shares of Common Stock or other shares by the General Partner, which shares have designations, preferences and other rights such that the economic interests attributed to such shares are substantially similar to the designations, preferences and other rights of the additional Partnership Interests issued to the General Partner in accordance with this Section 6.4, and (2) the General Partner shall make a Capital Contribution to the Partnership in an amount equal to the proceeds raised in connection with the issuance of such shares of the General

Partner, or (B) the additional Partnership Units are issued to all the Partners in proportion to their respective Percentage Interests. Any Additional Limited Partner shall be issued a Unit Certificate representing the amount of Partnership Units issued to such Additional Limited Partner and, in the event the General Partner issues Partnership Units other than OP Units, indicating the class, terms, preferences and other restrictions or rights of such Partnership Unit. The General Partner shall be authorized on behalf of each of the Partners to amend this Agreement to reflect the issuance of Additional Partnership Units (including, without limitation, the issuance of new classes of Partnership Units) and/or the admission of any Additional Limited Partner(s) in accordance with the provisions of this Section 6.4, and the General Partner shall promptly deliver a copy of such amendment (which, in the event that new classes of Partnership Units are issued, shall contain the terms of such new classes of Partnership Units) to each Limited Partner. Without limiting the foregoing, the General Partner is expressly authorized to cause the Partnership to issue Partnership Units for less than fair market value, so long as the General Partner concludes in good faith that such issuance is in the interest of the General Partner and the Partnership (for example, and not by way of limitation, the issuance of Partnership Units pursuant to an employee purchase plan providing for employee purchases of Partnership Units at a discount from fair market value or employee options that have an exercise price that is less than the fair market value of the Partnership Units, either at the time of issuance or at the time of exercise).

(b) Issuance of New Securities. After the date hereof, the General Partner shall not issue any additional shares of Common Stock (other than shares of Common Stock issued pursuant to Section 10.3 hereof), or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock (collectively, "New Securities"), other than to all holders of shares of Common Stock, unless (i) the General Partner shall cause the Partnership to issue to the General Partner Partnership Interests or rights, options, warrants or convertible or exchangeable securities of the Partnership having designations, preferences and other rights, all such that the economic interests are substantially similar to those of the New Securities, and (ii) the General Partner contributes to the Partnership the proceeds from the issuance of such New Securities and from the exercise of rights contained in such New Securities. Without limiting the foregoing, the General Partner is expressly authorized to issue New Securities for less than fair market value, and the General Partner is expressly authorized to cause the Partnership to issue to the General Partner corresponding Partnership Interests, so long as (x) the General Partner concludes in good faith that such

issuance is in the interest of the General Partner and the Partnership (for example, and not by way of limitation, the issuance of shares of Common Stock and corresponding Units pursuant to an employee stock purchase plan providing for employee purchases of shares of Common Stock at a discount from fair market value or employee stock options that have an exercise price that is less than the fair market value of the shares of Common Stock, either at the time of issuance or at the time of exercise), and (y) the General Partner contributes all proceeds from such issuance and exercise to the Partnership.

6.5 Capital Accounts. A separate capital account (a "Capital Account") shall be maintained for each Partner in accordance with the Code and the Regulations promulgated thereunder including, but not limited to, the rules regarding the maintenance of partners' Capital Accounts set forth in Regulation Section 1.704-1. Subject to the immediately preceding sentence, there shall be credited to each Partner's Capital Account: (i) the amount of money contributed by the Partner to the Partnership (subject, however, in the case of Additional Issuances of Common Stock, to the specific provisions of Section 6.3 hereof regarding the amount of the Capital Contribution by the General Partner under such circumstances), (ii) the Gross Asset Value of any property contributed by the Partner to the Partnership, (iii) the amount of any Partnership liabilities assumed by such Partner or which are secured by any property distributed to such Partner and (iv) the Partner's share of income or gain (or items thereof), including income and gain exempt from tax. There shall be charged against each Partner's Capital Account: (w) the amount of money distributed to the Partner by the Partnership, (x) the Gross Asset Value of any property distributed to the

Partner by the Partnership, (y) the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership and (z) the Partner's share of loss and deduction (or items thereof). To the extent a Partner's Capital Account is greater than zero, such excess is hereinafter referred to as a "positive balance". To the extent a Partner's Capital Account is less than zero, said amount is hereinafter referred to as a "deficit balance".

6.6 Limited Liability. Notwithstanding anything in this Agreement to the contrary, the personal liability of a Limited Partner arising out of or in any manner relating to the Partnership shall be limited to and shall not exceed such Limited Partner's Capital Contribution made or required to be made pursuant to this Agreement. No Limited Partner shall have any personal liability for liabilities or obligations of the Partnership, except to the extent of its Capital Contribution, as aforesaid.

6.7 Return of Capital. Except as otherwise provided herein, (i) no Partner shall be required to make any further or additional contributions to the capital of the Partnership or to lend or advance funds to the Partnership for any purpose and (ii) no Partner shall be entitled to the return of its capital, except to the extent, if any, that distributions are made or deemed to be made to such Partner otherwise than out of Profits pursuant to this Agreement.

6.8 No Interest on Capital Contributions. No interest or additional share of Profits shall be paid or credited to the Partners on their Capital Accounts, or on any undistributed Profits or funds left on deposit with the Partnership; provided, however, that nothing contained herein shall be construed to prevent or prohibit the payment of interest on account of loans made by the Partners to the Partnership. Any loans made to the Partnership by a Partner shall not increase its Capital Contribution or interest in the Profits, Losses or Net Cash Flow of the Partnership, but shall be a debt due from the Partnership and repaid accordingly.

6.9 No Third Party Beneficiary. No creditor or other third party having dealings with the Partnership shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or loans or to pursue any other right or remedy hereunder or at law or in equity, it being understood and agreed among the parties hereto that the provisions of this Agreement shall be solely for the benefit of, and may be enforced solely by, the parties hereto and their respective successors and assigns. None of the rights or obligations of the Partners herein set forth to make Capital Contributions or loans to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or of any of the Partners.

6.10 Common Stock Option Plans. The Partners hereby acknowledge that prior to the Offering the General Partner has adopted, and the Partners hereby acknowledge and agree that from and after the Offering the General Partner may adopt, without the consent of any Limited Partner, one or more stock option or incentive plans ("Stock Plans") pursuant to which officers, directors, trustees and/or employees of the General Partner, the Partnership or any Affiliate of either of them may acquire shares of Common Stock. On each date on which the General Partner issues any shares of Common Stock to a person pursuant to a Stock Plan (i) the consideration paid for each such share of Common Stock shall, as soon as received by the General Partner, be

contributed to the capital of the Partnership and (ii) the General Partner shall be issued Partnership Units in an amount equal to that number of Partnership Units which, if such Partnership Units were redeemed as of their date of issuance by the General Partner for shares of Common Stock pursuant to Section 10.3 hereof, would result in the General Partner receiving that number of shares of Common Stock which are being issued to any such person pursuant to the Stock Plan. For purposes of this Section 6.10 only, shares of Common Stock issued subject to forfeiture or other similar restrictions shall be deemed issued upon the lapse of such restrictions. Notwithstanding anything herein to the contrary, the mere grant of options to purchase shares of Common Stock pursuant to any Stock Plan shall not constitute the grant or issuance of shares of Common Stock for purposes of this Section 6.10.

ARTICLE 7

ALLOCATION OF PROFITS AND LOSSES

7.1 General Allocation of Profits and Losses. Except as otherwise provided in this Article 7, after giving effect to any and all special allocations set forth in Sections 7.3 and 7.4 below, all Profits and Losses of the Partnership (including all items of income and expense entering into the determination of

such Profits and Losses), as finally determined by the Accountants for Federal income tax purposes for each fiscal year of the Partnership, shall be allocated to and among the Partners in accordance with their respective Percentage Interests.

7.2 Allocations with Respect to Transferred Interests. Unless otherwise required by the Code and/or the Regulations or as agreed to by the General Partner, in its sole and absolute discretion, any Profits or Losses allocable to an additional Partnership Interest issued during any year or any fiscal quarter or to a Partnership Interest which has been transferred during any year shall be allocated among the Persons who were holders of such Partnership Interest during such year in the manner described in Section 13.3(c) below.

7.3 Regulatory Allocations.

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement (except as provided in Section 7.3(b) below), if there is a net decrease in Minimum Gain for a Partnership taxable year, each Partner shall be allocated, before any other allocation of Partnership items for such taxable year, items of gross income and gain for such year (and, if necessary, for subsequent years) in

proportion to, and to the extent of, the amount of such Partner's share of the net decrease in Minimum Gain during such year. The income allocated pursuant to this Section 7.3(a) in any taxable year shall consist first of gains recognized from the disposition of property subject to one or more nonrecourse liabilities of the Partnership, and any remainder shall consist of a pro rata portion of other items of income or gain of the Partnership.

(b) Exceptions to Section 7.3(a). The allocation otherwise required pursuant to Section 7.3(a) shall not apply to a Partner to the extent that: (a) such Partner's share of the net decrease in Minimum Gain is caused by a guarantee, refinancing or other change in the instrument evidencing a nonrecourse debt of the Partnership which causes such debt to become a partially or wholly recourse debt or a Partner Nonrecourse Debt, and such Partner bears the economic risk of loss (within the meaning of Treasury Regulation Section 1.752-2) for such changed debt; (b) such Partner's share of the net decrease in Minimum Gain results from the repayment of a nonrecourse liability of the Partnership, which repayment is made using funds contributed by such Partner to the capital of the Partnership; (iii) the IRS, pursuant to Treasury Regulation Section 1.704-2(f)(4), waives the requirement of such allocation in response to a request for such waiver made by the General Partner on behalf of the Partnership (which request the General Partner may or may not make, in its sole discretion, if it determines that the Partnership would be eligible therefor); or (iv) additional exceptions to the requirement of such allocation are established by revenue rulings issued by the IRS pursuant to Treasury Regulation Section 1.704-2(f)(5), which exceptions apply to such Partner, as determined by the General Partner in its sole discretion.

(c) Qualified Income Offset. Notwithstanding any other provision of this Agreement, if a Partner unexpectedly receives an adjustment, allocation or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4),(5) or (6) that causes or increases an Excess Deficit Capital Account Balance with respect to such Partner, items of Partnership gross income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate such Excess Deficit Capital Account Balance as quickly as possible.

(d) Gross Income Allocation. If at the end of any Partnership taxable year, a Partner has an Excess Deficit Capital Account Balance, such Partner shall be specially allocated items of Partnership income or gain in an amount

and manner sufficient to eliminate such Excess Deficit Capital Account Balance as quickly as possible.

(e) Partner Nonrecourse Debt. Notwithstanding any other provision of this Agreement, any item of Partnership Loss, deduction or expenditures described in Code Section 705(a)(2)(B) that is attributable to a Partner Nonrecourse Debt shall be allocated to those Partners that bear the economic risk of loss for such Partner Nonrecourse Debt, and among such Partners in accordance with the ratios in which they share such economic risk, determined in accordance with Treasury Regulation Section 1.704-2(i). If there is a net decrease for a Partnership taxable year in any Partner Nonrecourse Debt Minimum Gain of the Partnership, each Partner with a share of such Partner Nonrecourse Debt Minimum Gain as of the beginning of such year shall be allocated items of gross income and gain

in the manner and to the extent provided in Treasury Regulation Section 1.704-2(i)(4).

(f) Interpretation. The foregoing provisions of this Section 7.3 are intended to comply with Treasury Regulation Sections 1.704-1(b) and 1.704-2 and shall be interpreted consistently with this intention. Any terms used in such provisions that are not specifically defined in this Agreement shall have the meaning, if any, given such terms in the Regulations cited above.

(g) Curative Allocations. If any allocation of gain, income, loss, expense or any other item is made pursuant to Section 7.3(a), 7.3(c), 7.3(d) or 7.3(e) of this Agreement (the "Regulatory Allocations") with respect to one or more Partners (the "Deficit Partners"), then the balance of such items for the current and all subsequent fiscal years shall be allocated among the Partners other than the Deficit Partners as if such items were allocated among all the Partners (including the Deficit Partners) without regard to this Section 7.3, until the amount of such items that would have been allocated to the Deficit Partners but for the Regulatory Allocations equal the amount allocated to the Deficit Partners pursuant to the Regulatory Allocations.

7.4 Special Allocations with Respect to Contributed or Revalued Property. Notwithstanding anything contained herein to the contrary, taxable income, gain, loss and deduction with respect to any Partnership property that is contributed to the Partnership by a Partner shall be shared among the Partners for income tax purposes pursuant to Regulations promulgated under Section 704(c) of the Code, so as to take into account the variation, if any, between the basis of the property to the

Partnership and its initial Gross Asset Value. With respect to Partnership property that is initially contributed to the Partnership upon its formation, such variation between basis and initial Gross Asset Value shall be taken into account under the "traditional method" as described in Treasury Regulation Section 1.704-3(b), unless otherwise determined by the General Partner and the contributing Partner. With respect to properties subsequently contributed to the Partnership, the Partnership shall account for such variation under any method approved under Section 704(c) of the Code and the applicable regulations as chosen by the General Partner. In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraph (b) of the definition of Gross Asset Value (as provided in Article 1 of this Agreement), subsequent allocations of tax items with respect to such asset shall take account of the variation, if any, between the adjusted basis of such asset and its Gross Asset Value in the same manner as under Section 704(c) of the Code and the applicable regulations.

7.5 Allocations with Respect to Partnership Units other than OP Units. In the event the General Partner issues additional classes of Partnership Units other than OP Units to Limited Partners, then the General Partner shall determine, in its sole discretion, the Profits and Losses attributable to each class and shall allocate to Profits and Losses of each class of Partnership Units among the Partners in such class in proportion to their respective Percentage Interests in such class, after giving effect to any and all special allocations set forth in Sections 7.3 and 7.4 above.

ARTICLE 8

DISTRIBUTIONS

8.1 Distribution of Net Cash Flow. Net Cash Flow of the Partnership, if any, shall be distributed to and among the Partners as follows:

(a) If such Net Cash Flow has not arisen pursuant to a Liquidation of the Partnership, such Net Cash Flow shall be distributed to and among the Partners in accordance with their respective Percentage Interests; or

(b) If such Net Cash Flow has arisen pursuant to a Liquidation of the Partnership, such Net Cash Flow shall be distributed to and among the Partners having positive balances in their Capital Accounts (after any and all allocations of Profits and Losses and prior distributions

are reflected in such Capital Accounts), in proportion to and to the extent of such positive balances.

Net Cash Flow shall be distributed to the Partners in such amounts and at such intervals as the General Partner, in its sole discretion, may determine, but no less frequently than quarterly. With respect to each and every distribution of Net Cash Flow to the Partners hereunder, the General Partner shall distribute such Net Cash Flow only to those Partners who are Partners on the Partnership

Record Date and whose Partnership Units were outstanding during the period to which such distribution relates and, with respect to those Partners who were issued additional Partnership Units during such period, the General Partner shall distribute Net Cash Flow (i) on a pro-rated basis based upon the number of days during such period that such Partners held such additional Partnership Units or (ii) on such other reasonable basis as determined by the General Partner in its sole discretion; provided, however, in no event may a Partner receive a distribution of Net Cash Flow with respect to any particular Partnership Unit if such Partner is entitled to receive a distribution out of such Net Cash Flow with respect to one or more shares of Common Stock for which such Partnership Unit has been redeemed. Notwithstanding the foregoing, the General Partner shall take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with its qualification as a REIT, to cause the Partnership to distribute sufficient amounts to enable the General Partner to pay stockholder dividends that will (i) satisfy the REIT Requirements and (ii) avoid any federal income or excise tax liability of the General Partner.

8.2 Distributions in Kind. No right is given to any Partner to demand and receive property or cash. The General Partner may determine, in its sole and absolute discretion, to make a distribution in kind to the Partners of Partnership assets, and such assets shall be distributed in such a fashion as to ensure that the fair market value of such assets is distributed and allocated in accordance with Section 8.1 hereof.

8.3 Withholding. Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of federal, state, local or foreign taxes that the General Partner determines or reasonably believes that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Code Sections 1441, 1442, 1445 or 1446. Any and all amounts withheld pursuant to this Section 8.3 with respect to any allocation, payment or distribution to any

Partner hereunder shall be treated as amounts distributed to such Partner pursuant to Section 8.1 hereof for all purposes under this Agreement. If any amount is withheld by the Partnership pursuant to this Section 8.3 with respect to a particular Partner and such amount would not have been distributed to such Partner pursuant to Section 8.1 hereof at any time on or before the date it is withheld, then such Partner shall contribute to the capital of the Partnership an amount equal to the amount so withheld as soon as practicable after the delivery by the General Partner to such Partner of a notice requesting such contribution to the Partnership. The General Partner, on behalf of the Partnership, shall have the right to offset any obligation of a Partner to contribute additional funds to the Partnership pursuant to the immediately preceding sentence of this Section 8.3 against any future distributions due to such Partner under Section 8.1 hereof.

8.4 Distributions with Respect to Partnership Units other than OP Units. Notwithstanding the foregoing provisions of this Article 8, in the event the General Partner issues additional classes of Partnership Units other than OP Units to Limited Partners, then the General Partner shall determine, in its sole discretion, the amount of distributions of Net Cash Flow attributable to each class and shall distribute such Net Cash Flow to each class of Partnership Units among the Partners in such class in proportion to their respective Percentage Interests in such class or otherwise required pursuant to the terms of such Partner's Unit Certificates.

ARTICLE 9

MANAGEMENT

9.1 Management of Partnership Affairs. Except as otherwise specifically provided in this Agreement, the General Partner shall have full, exclusive and complete responsibility and discretion in the management and control of the business and affairs of the Partnership and shall make all decisions affecting the Partnership's business and affairs. Subject to the foregoing, the General Partner shall have all the rights, powers and obligations of a general partner as provided in the Act, and, except as otherwise provided, any action taken by the General Partner (in its capacity as such) shall constitute the act of and serve to legally bind the Partnership. Persons dealing with the Partnership shall be entitled to rely conclusively on the power and authority of the General Partner as set forth in this Agreement.

9.2 Powers and Authorities of the General Partner. Except as otherwise specifically provided in this Agreement, and subject to Section 9.3 hereof, the General Partner is hereby granted the right, power and authority to do on behalf of the Partnership all things which, in its best business judgment, are

necessary, proper or desirable to carry out its duties and responsibilities, including but not limited to, the right, power and authority:

(a) To manage, control, invest, reinvest, acquire by purchase, lease or otherwise, develop, expand, sell, contract to purchase or sell, grant, obtain or exercise options to purchase, options to sell or conversion rights, assign, transfer, convey, deliver, endorse, exchange, pledge, mortgage, abandon, improve, repair, maintain, insure, lease for any term and otherwise deal with any and all property of whatsoever kind and nature, and wheresoever situated, in furtherance of the purposes of the Partnership;

(b) To acquire, directly or indirectly, interests in real estate of any kind and of any type, and any and all kinds of interests therein, and to determine the manner in which title thereto is to be held; to manage, insure against loss, protect and subdivide any of the real estate, interests therein or parts thereof; to improve, develop or redevelop and expand any such real estate; to participate in the ownership and development of any property; to dedicate for public use, to vacate any subdivisions or parts thereof, to resubdivide, to contract to sell, to grant options to purchase or lease, to sell on any terms; to convey, to mortgage, pledge or otherwise encumber said property, or any part thereof; to lease said property or any part thereof from time to time, upon any terms and for any period of time, and to renew or extend leases, to amend, change or modify the terms and provisions of any leases and to grant options to lease and options to renew leases and options to purchase; to partition or to exchange said real property, or any part thereof, for other real or personal property; to grant easements or charges of any kind; to release, convey or assign any right, title or interest in or about or easement appurtenant to said property or any part thereof; to construct and reconstruct, remodel, alter, repair, add to or take from buildings on said premises; to insure any Person having an interest in or responsibility for the care, management or repair of such property; to direct the trustee of any land trust to mortgage, lease, convey or contract to convey the real estate held in such land trust or to execute and deliver deeds, mortgages, notes, and any and all documents pertaining to the property subject to such land trust or in any matter regarding such trust; to execute

assignments of all or any part of the beneficial interest in such land trust;

(c) To employ, engage or contract with or dismiss from employment or engagement Persons to the extent deemed necessary by the General Partner for the operation and management of the Partnership business, including but not limited to, contractors, subcontractors, engineers, architects, surveyors, mechanics, consultants, accountants, attorneys, insurance brokers, real estate brokers and others;

(d) To enter into contracts on behalf of the Partnership;

(e) To borrow money, procure loans and advances from any Person for Partnership purposes, and to apply for and secure, from any Person, credit or accommodations; to contract liabilities and obligations, direct or contingent and of every kind and nature with or without security; and to repay, discharge, settle, adjust, compromise or liquidate any such loan, advance, credit, obligation or liability;

(f) To pledge, hypothecate, mortgage, assign, deposit, deliver, enter into sale and leaseback arrangements or otherwise give as security or as additional or substitute security, or for sale or other disposition any and all Partnership property, tangible or intangible, including, but not limited to, real estate and beneficial interests in land trusts, and to make substitutions thereof, and to receive any proceeds thereof upon the release or surrender thereof; to sign, execute and deliver any and all assignments, deeds and other contracts and instruments in writing; to authorize, give, make, procure, accept and receive moneys, payments, property, notices, demands, vouchers, receipts, releases, compromises and adjustments; to waive notices, demands, protests and authorize and execute waivers of every kind and nature; to enter into, make, execute, deliver and receive written agreements, undertakings and instruments of every kind and nature; to give oral instructions and make oral agreements; and generally to do any and all other acts and things incidental to any of the foregoing or with reference to any dealings or transactions which any attorney may deem necessary, proper or advisable;

(g) To acquire and enter into any contract of insurance which the General Partner deems necessary or appropriate for the protection of the Partnership, for the conservation of the Partnership's assets or for any purpose convenient or beneficial to the Partnership;

(h) To conduct any and all banking transactions on behalf of the Partnership; to adjust and settle checking, savings, and other accounts with such institutions as the General Partner shall deem appropriate; to draw, sign, execute, accept, endorse, guarantee, deliver, receive and pay any checks, drafts, bills of exchange, acceptances, notes, obligations, undertakings and other instruments for or relating to the payment of money in, into, or from any account in the Partnership's name; to execute, procure, consent to and authorize extensions and renewals of the same; to make deposits and withdraw the same and to negotiate or discount commercial paper, acceptances, negotiable instruments, bills of exchange and dollar drafts;

(i) To demand, sue for, receive, and otherwise take steps to collect or recover all debts, rents, proceeds, interests, dividends, goods, chattels, income from property, damages and all other property, to which the Partnership may be entitled or which are or may become due to the Partnership from any Person; to commence, prosecute or enforce, or to defend answer or oppose, contest and abandon all legal proceedings in which the Partnership is or may hereafter be interested; and to settle, compromise or submit to arbitration any accounts, debts, claims, disputes and matters which may arise between the Partnership and any other Person and to grant an extension of time for the payment or satisfaction thereof on any terms, with or without security;

(j) To make arrangements for financing, including the taking of all action deemed necessary or appropriate by the General Partner to cause any approved loans to be closed;

(k) To take all reasonable measures necessary to insure compliance by the Partnership with applicable arrangements, and other contractual obligations and arrangements entered into by the Partnership from time to including periodic reports as required to lenders and using all due diligence to insure that the Partnership is in compliance with its contractual obligations;

(l) To maintain the Partnership's books and records; and

(m) To prepare and deliver, or cause to be prepared and delivered by the Partnership's Accountants, all financial and other reports with respect to the operations of the Partnership, and preparation and filing of all Federal and state tax returns and reports.

Except as otherwise provided herein, to the extent the duties of the General Partner require expenditures of funds to be paid to third parties, the General Partner shall not have any obligations hereunder except to the extent that Partnership funds are reasonably available to it for the performance of such duties, and nothing herein contained shall be deemed to authorize or require the General Partner, in its capacity as such, to expend its individual funds for payment to third parties or to undertake any individual liability or obligation on behalf of the Partnership.

9.3 Major Decisions.

The General Partner shall not, without the prior consent of holders of at least eighty-five percent (85%) of the Partnership Units taken as a single class, on behalf of the Partnership, undertake any of all following actions:

(a) Cause or permit the merger of the Partnership into any Person pursuant to a transaction in which the Partnership is not the surviving entity, or take any other action which may have the effect of the foregoing;

(b) Dissolve, liquidate or wind-up the Partnership; or

(c) Convey or otherwise transfer all or substantially all of the Partnership's assets in one or a series of transactions.

9.4 Restrictions on General Partner's Authority.

(a) The General Partner may not take any action in contravention of this Agreement, including, without limitation:

(i) Take any action that would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement;

(ii) Admit a Person as a Partner, except as otherwise provided in this Agreement;

(iii) Perform any act that would subject a Limited Partner to

liability as a general partner in any jurisdiction or any other liability except as provided herein or under the Act; or

(iv) Enter into any contract, mortgage, loan or other agreement that prohibits or restricts, or has the effect of prohibiting or restricting, the ability of a

Limited Partner to exercise its Redemption Rights in full, except with the written consent of such Limited Partner.

(b) The General Partner may not, without the consent of all of the Limited Partners, change its policy of holding its assets and conducting its business solely through the Partnership.

9.5 Engagements by the Partnership. The General may engage, on behalf and at the expense of the Partnership, such professional persons, firms or corporations as the General Partner in its reasonable judgment shall deem advisable for the conduct and operation of the business of the Partnership, including, without limitation, brokers, mortgage bankers, lawyers, accountants, architects, engineers, consultants, contractors and purveyors of other such services for the Partnership on such terms and for such compensation or costs as the General Partner, in its reasonable judgment, shall determine.

9.6 Engagement of Affiliates. The General Partner may, on behalf and at the expense of the Partnership, engage the General Partner or a firm in which the General Partner, a Limited Partner, or a Partner, officer, director, stockholder or Affiliate of any of them, has an interest, to render services to the Partnership and/or the assets of the Partnership, provided that the fees or other compensation payable for such services are specifically authorized by the terms of this Agreement or are comparable to those prevailing in arm's-length transactions for similar services and are approved by the Board of Directors.

9.7 Liability of the General Partner. The General Partner and its Affiliates, officers, directors, agents and employees shall not be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Partners or their successors or assigns for any acts or omissions performed or omitted within the scope of its authority as General Partner, or otherwise conferred on the General Partner and such Affiliates, officers, directors, agents and employees by this Agreement, provided that the General Partner or such Affiliates, officers, directors, agents or employees shall act in good faith and shall not be guilty of willful misconduct or gross negligence.

9.8 Reimbursement of Certain Expenses of the General Partner.

(a) Except as provided in this Section 9.8 and elsewhere in this Agreement (including the provisions of Articles 7 and 8 regarding distributions, payments and allocations to which it may be entitled), the General

Partner shall not be compensated for its services as general partner of the Partnership.

(b) The General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it incurs relating to the ownership and operation of, or for the benefit of, the Partnership, including without limitation, any expenses incurred by the General Partner in connection with the management by the General Partner of any property owned by any Property Partnership; provided, however, that the amount of any such reimbursement shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments or accounts held by it on behalf of the Partnership. The Limited Partners acknowledge that the General Partner's sole business is the ownership of interests in and operation of the Partnership and that all of the General Partner's expenses are incurred for the benefit of the Partnership.

(c) The General Partner shall be deemed to be reimbursed in accordance with the provisions of Sections 6.1 and 6.3 hereof for all expenses it incurs relating to the Offering and any other offering and/or issuance of Additional Partnership Units, Partnership Interests and/or Common Stock as described in Sections 6.1 and 6.3 hereof.

9.9 Outside Activities of the General Partner. The General Partner shall not directly or indirectly enter into or conduct any business, other than in connection with the ownership, acquisition and disposition of Partnership Interests as a General Partner and the management of the business of the Partnership, and such activities as are incidental to same. The General Partner shall not, directly or indirectly, participate in or otherwise acquire any interest in any real or personal property, except its Partnership Interest as a

General Partner and as otherwise provided in this Agreement, and other than such short-term liquid investments, bank accounts or similar instruments as it deems necessary to carry out its responsibilities contemplated under this Agreement.

9.10 Operation in Accordance with REIT Requirements. The Partners acknowledge and agree that the Partnership shall be operated in a manner that will enable the General Partner to (i) satisfy the REIT Requirements and (ii) avoid the imposition of any federal income or excise tax liability. The Partnership shall avoid taking any action which would result in the General Partner ceasing to satisfy the REIT Requirements or would result in the imposition of any federal income or excise tax liability on the General Partner.

9.11 Title Holder. To the extent allowable under applicable law, title to all or any part of the properties of the Partnership may be held in the name of the Partnership or any other individual, corporation, partnership, trust or otherwise, 100% of the beneficial interest in which shall at all times be vested in the Partnership. Any such title holder shall perform any and all of its respective functions to the extent and upon such terms and conditions as may be determined from time to time by the General Partner.

ARTICLE 10

RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

10.1 No Participation in Management of Partnership; Rights of Limited Partners to Certain Documents.

(a) The Limited Partners shall have such rights as are enumerated as rights of limited partners under the Act. The Limited Partners, in such capacity, shall not take part in, or interfere in any manner, with the conduct or control of the Partnership's business and shall have no right or authority to act for or bind the Partnership, said powers being vested solely and exclusively in the General Partner. Except as specifically set forth in this Agreement, the Limited Partners, in their capacities as such, shall not have any right or power whatsoever to take any action with respect to the conduct or control of the Partnership or its business including, but not limited to, any right to vote on, or otherwise approve, any matters or decisions, whether material, major or otherwise, in connection with the business of the Partnership.

(b) In addition to any other rights provided in this Agreement or by the Act, and except as limited by Section 10.1(c) below, each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon written demand with a statement of the purpose of such demand and at such Limited Partner's own expense:

(i) to obtain a copy of the most recent annual and quarterly reports filed with the Securities and Exchange Commission by the General Partner pursuant to the Securities Exchange Act of 1934, as amended, and each report sent to the stockholders of the General Partner;

(ii) to obtain a copy of the Partnership's federal, state and local income tax returns for each fiscal year of the Partnership;

(iii) to obtain a current list of the name and last known business, residence or mailing address of each Partner;

(iv) to obtain a copy of this Agreement and the Certificate and all amendments thereto, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments thereto have been executed; and

(v) to obtain true and full information regarding the amount of cash and a description and statement of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

(c) Notwithstanding any other provisions of Section 10.1(b), the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that (i) the General Partner believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or the General Partner or (ii) the Partnership or the General Partner is required by law or by agreements with unaffiliated third parties to keep confidential.

10.2 Withdrawal, Retirement, Death, Incompetency, Insolvency or Dissolution of a Limited Partner. A Limited Partner shall have no right to withdraw, retire or resign from the Partnership. The death, incompetency, insolvency or dissolution of a Limited Partner shall not terminate the Partnership. Upon the death of a Limited Partner, his or her executor, administrator or successor in interest shall have all of the rights and duties of a Limited Partner for the purpose of settling his or her estate.

10.3 Redemption Rights.

(a) Grant of Rights. The General Partner does hereby grant to the Limited Partners and the Limited Partners do hereby accept the right, but not the obligation (such right shall be referred to hereinafter sometimes as the "Redemption Rights"), to require the Partnership to redeem all or part of their Partnership Units for shares of Common

Stock and/or cash, at any time or from time to time after the date which is one (1) year after the date of this Agreement, on the terms and subject to the conditions and restrictions contained in this Section 10.3.

(b) Delivery of Exercise Notices. Any one or more Limited Partners ("Exercising Partners") may, subject to the limitations set forth in this Section 10.3, deliver to the General Partner written notice in the form attached to the Unit Certificate as Attachment 1 (the "Exercise Notice") pursuant to which such Exercising Partners elect to exercise their Redemption Rights with respect to all or any portion of their Partnership Units. The Exercise Notice shall specify the specific number of Partnership Units which the Limited Partner intends to require the Partnership to redeem for shares of Common Stock and the specific number of Partnership Units which the Limited Partner intends to require the Partnership to redeem for cash. Only whole numbers of Partnership Units may be redeemed. Once delivered, the Exercise Notice shall be irrevocable, subject to payment by the General Partner of shares of Common Stock and/or cash in respect of such Partnership Units in accordance with the terms hereof.

(c) Assumption by General Partner. Notwithstanding anything contained herein to the contrary, the General Partner may, in its sole and absolute discretion, assume directly the obligation with respect to and satisfy an Exercising Partner's exercise of a Redemption Right by paying to the Exercising Partner, at the General Partner's election, shares of Common Stock and/or cash, as determined in accordance with the provisions of Section 10.3(e) below, whereupon the General Partner shall acquire the Offered Units and shall be treated for all purposes of this Agreement as the owner of such Offered Units. In the event the General Partner shall exercise its right to satisfy the Redemption Right in the manner described in the preceding sentence, the Partnership shall have no obligation to pay any amount to the Exercising Partner with respect to such Exercising Partner's exercise of the Redemption Right, and each of the Exercising Partner, the Partnership and the General Partner shall treat the transaction between the General Partner and the Exercising Partner as a sale of the Offered Units to the General Partner for federal income tax purposes.

(d) Limitation on Exercise of Redemption Rights. Redemption Rights may be exercised at any time and from time to time after the date which is one (1) year after the date of this Agreement, subject to the following limitations:

(i) A Limited Partner may not exercise its Redemption Rights pursuant to any one particular Exercise Notice for less than One Thousand (1,000) Partnership Units or, if such Limited Partner holds less than One Thousand (1,000) Partnership Units, all of the Partnership Units held by such Limited Partner;

(ii) A Limited Partner shall not have the right to exercise its Redemption Rights hereunder if, in the opinion of counsel selected by the General Partner, in its sole and absolute discretion, such exercise and/or issuance of shares of Common Stock may or would (A) violate the General Partner's Articles of Incorporation, as amended from time to time, (B) cause the General Partner to fail any one or more of the REIT Requirements or (C) constitute a violation of applicable securities laws; and

(iii) Each Limited Partner acknowledges and agrees that the

issuance of shares of Common Stock pursuant to the Redemption Rights will not be registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws. Accordingly, shares of Common Stock issued to such Limited Partner may be required to be held indefinitely and the General Partner shall have no obligation to register such shares under the Act or any state securities laws unless required to do so pursuant to a separate written agreement entered into by the General Partner at the time of the issuance. In addition, such Limited Partner will be required to meet such other requirements and to provide such other information and representations as the General Partner may require, which are required in the opinion of its counsel to lawfully allow it to issue such shares without registration under the Act and any applicable state securities laws. Each Limited Partner acknowledges that the certificates representing shares of Common Stock issued will also bear a legend with respect to any restrictions on transfer required in the opinion of counsel for the

General Partner. The General Partner acknowledges that the Limited Partners have been granted the right, in certain circumstances and subject to certain limitations, to require the registration under the Act of the shares of Common Stock issued pursuant to the Redemption Rights.

(e) Computation of Number of Exchange Shares and/or Cash To Be Paid. Each Partnership Unit which is to be redeemed for shares of Common Stock shall be redeemed for one share of Common Stock, as adjusted from time to time as provided in Section 10.3(i). Each Partnership Unit which is to be redeemed for cash shall be redeemed for an amount of cash equal to the Current Per Share Market Price (determined as of the Trading Day immediately preceding the date upon which the closing of the redemption of Offered Units is to occur). Notwithstanding anything contained herein to the contrary, the General Partner, in its sole and absolute discretion, shall have the right either (i) to deliver shares of Common Stock to each Exercising Partner in lieu of all or any portion of the cash requested by such Exercising Partner, the number of which shares of Common Stock shall be determined pursuant to the first sentence of this Section 10.3(e) or (ii) to cause the Partnership to pay cash to each Exercising Partner in lieu of all or any portion of the number of shares of Common Stock requested by such Exercising Partner, the amount of such cash per Partnership Unit shall be determined pursuant to the second sentence of this Section 10.3(e). The General Partner shall not be required to issue fractions of shares of Common Stock in return for Partnership Units. If more than one Partnership Unit shall be requested to be redeemed at the same time by the same Limited Partner, the number of full shares of Common Stock that shall be issuable upon the redemption thereof shall be computed on the basis of the aggregate number of shares of Common Stock represented by the Partnership Units so presented. If any fraction of a share of Common Stock would, except for the provisions of this Section 10.3(e), be issuable on the redemption of any Partnership Units (or specified portion thereof), the General Partner shall pay an amount in cash equal to the Current Per Share Market Price (determined as of the Trading Day immediately preceding the date upon the closing of the Redemption of the Offered Units is to occur), multiplied by such fraction.

(f) Closing; Delivery of Election Notice. The closing of the redemption of Offered Units shall, unless otherwise mutually agreed, be held at the principal offices of the

General Partner, on the date agreed to by the General Partner and the Exercising Partners, which date shall in no event be later than: (i) ten (10) business days after the date of delivery of the Exercise Notice to the General Partner or (ii) the first date upon which all legal and other conditions with respect to such redemption have been satisfied (which shall include the expiration or termination of any applicable waiting periods).

(g) Closing Deliveries. At the closing of the redemption of Offered Units, (i) the Exercising Partners shall execute and deliver (A) proper instruments of transfer and assignment of the Offered Units, (B) a Unit Certificate or Unit Certificates representing the number of Offered Units to be so redeemed and (C) representations and warranties with respect to their due authority to sell all of the right, title and interest in and to such Offered Units to the General Partner and, with respect to the status

of the Offered Units, that such Offered Units are free and clear of all liens, claims and encumbrances whatsoever, and (ii) the General Partner shall (A) if shares of Common Stock are to be issued, execute and deliver representations and warranties with respect to its due authority to issue the shares of Common Stock to be received in the exchange; deliver an opinion of counsel for the General Partner, reasonably satisfactory to the Exercising Partners, to the effect that such shares of Common Stock have been duly authorized, are validly issued, fully-paid and non-assessable; and deliver a stock certificate or certificates evidencing the shares of Common Stock to be issued and registered in the name(s) of the Exercising Partner(s) or its or their designee(s), and/or (B) if cash is to be paid for Partnership Units, deliver a check in the amount of any cash due to the Exercising Partner(s) at such closing. If any Exercising Partner shall have delivered a Unit Certificate or Unit Certificates representing a number of Partnership Units in excess of the number of Offered Units, the Partnership shall issue to such Exercising Partner, at the expense of the Partnership, a new Unit Certificate covering the number of Partnership Units representing the unredeemed portion of the Unit Certificate or Unit Certificates so surrendered, which new Unit Certificate shall entitle the holder thereof to such rights of ownership of Partnership Units to the same extent as if the Unit Certificate covering such unredeemed Partnership Units had not been surrendered for redemption.

(h) Term of Rights. Unless sooner terminated, the rights of the parties with respect to the Redemption Rights shall commence as of the date which is one (1) year after

the date of this Agreement and lapse for all purposes and in all respects upon the termination of the Partnership; provided, however, that the parties hereto shall continue to be bound by an Exercise Notice delivered to the General Partner prior to such termination.

(i) Covenants of the General Partner. To facilitate the General Partner's ability to fully perform its obligations hereunder, the General Partner covenants and agrees as follows:

(i) At all times during the pendency of the Redemption Rights, the General Partner shall reserve for issuance such number of shares of Common Stock as may be necessary to enable the General Partner to issue such shares in full exchange for all Partnership Units held by the Limited Partners which are from time to time issued and outstanding;

(ii) During the pendency of the Redemption Rights, each Limited Partner shall receive in a timely manner all reports and/or other communications transmitted from time to time by the General Partner to its shareholders generally; and

(iii) In case the General Partner shall issue rights or warrants to all holders of shares of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Current Per Share Market Price as of the date immediately prior to the date of such issuance, the General Partner shall also issue to each holder of a Partnership Unit such number of rights or warrants, as the case may be, as he would have been entitled to receive had he required the Partnership to redeem his Partnership Units immediately prior to the record date for such issuance by the General Partner.

(iv) In case the outstanding shares of Common Stock shall be subdivided into a greater number of shares, the number of shares of Common Stock for which each Partnership Unit thereafter may be redeemed shall be increased proportionately, and, conversely, in case outstanding shares of Common Stock each shall

be combined into a smaller number of shares, the number of shares of Common Stock for which each Partnership Unit thereafter may be redeemed shall be reduced proportionately, such increase or reduction as the case may be, to become effective immediately after the opening of business on the Trading Day following the day upon which such subdivision or combination becomes effective.

(v) In case shares of Common Stock shall be changed into the same or a different number of shares of any class or classes of shares of beneficial interest, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares or a stock dividend described in Section 10.3(i)(iv) above) then and in each such event the Limited Partners shall have the right thereafter to require the Partnership to redeem their Partnership Units for the kind and amount of shares and other securities and property which would have been received upon such reorganization, reclassification or other change by holders of the number of shares of Common Stock for which the Partnership Units might have been redeemed immediately prior to such reorganization, reclassification or change.

(vi) The General Partner may, but shall not be required to, make such adjustments to the number of shares of Common Stock issuable upon redemption of a Partnership Unit, in addition to those required by paragraphs (iii), (iv) and (v) of this Section 10.3(i), as the Board of Directors considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients. The Board of Directors shall have the power to resolve any ambiguity or correct any error in the adjustments made pursuant to this Section 10.3(i) and its actions in so doing shall be final and conclusive.

(j) Limited Partners' Covenant. Each Limited Partner covenants and agrees with the General Partner that all Offered Units tendered to the General Partner in accordance

with the exercise of Redemption Rights herein provided shall be delivered to the General Partner free and clear of all liens, claims and encumbrances whatsoever and should any such liens, claims and/or encumbrances exist or arise with respect to such Offered Units, the General Partner shall be under no obligation to acquire the same. Each Limited Partner further agrees that, in the event any state or local property transfer tax is payable as a result of the transfer of its Offered Units to the General Partner (or its designee), such Limited Partner shall assume and pay such transfer tax.

ARTICLE 11

BANKING, RECORDS AND TAX MATTERS

11.1 Partnership Funds. All funds of the Partnership shall be deposited in its name in accounts (with banks, "money-market funds," or securities of the United States government or like investment or depository media) designated by the General Partner, and the General Partner or its designees shall have the right to draw checks or other orders of withdrawal thereon and make, deliver, accept and endorse negotiable instruments in connection with the Partnership business.

11.2 Books and Records. The following books, records, and accounts shall be maintained by the Partnership, showing its assets, liabilities, transactions, and financial condition: a current list of the full name and last known address of each Partner, separately identifying the General and Limited Partners and set forth in alphabetical order and setting forth the amount of cash or a description and statement of the Agreed Value of other property contributed or agreed to be contributed by each partner; the date on which each became a Partner; a copy of the Certificate and all amendments thereto; copies of the Partnership's federal, state and local income tax returns and reports, if any, for the six most recent years; copies of this Agreement and any amendments thereto; and copies of any financial statements of the Partnership for the three most recent years. The Partnership's books shall be maintained at the principal office of the Partnership. Each Partner shall have the right to inspect and copy such materials at all reasonable times and during ordinary business hours. The General Partner is not required to deliver to any Limited Partner copies of the Certificate or any amendments thereto, unless requested by such Limited Partner.

11.3 Financial Statements. Within ninety-five (95) days after the close of each fiscal year of the Partnership, the

General Partner shall cause to be prepared (at the Partnership's expense) and furnished to each Person who was a Partner during the fiscal year then ended, a balance sheet of the Partnership as of the close of such fiscal year and

statements of income or loss, and Net Cash Flow, if any. Such statements shall be prepared in accordance with generally accepted accounting principles and certified by the Accountants for the Partnership, unless such certification is waived, in writing, by all of the Partners.

11.4 Tax Returns. Within ninety (90) days following the close of each fiscal year of the Partnership, the General Partner shall cause to be prepared (at the Partnership's expense) a United States Partnership Return of Income and cause to be furnished to each Person who was a Partner during the fiscal year a schedule (a "K-1 Schedule") of each such Partner's share of income, credits, and deductions on the form then prescribed by the IRS. All elections and options available to, or determinations as to items of income or expense of, the Partnership for federal or state income tax purposes shall be taken, rejected or made by the Partnership in the sole discretion of the General Partner.

11.5 Section 754 Matters. The General Partner, on behalf of the Partnership, shall file an election under Section 754 of the Code in accordance with the procedures set forth in the applicable Regulations promulgated thereunder, which shall be effective beginning with the first fiscal year of the Partnership with respect to which the Partnership is eligible to make such election, which election, for such fiscal year, may not be revoked for any reason.

11.6 Tax Matter Partners. The General Partner is hereby appointed the "tax matters partner" of the Partnership for all purposes pursuant to Sections 6221-6231 of the Code. The Partnership shall reimburse the tax matters partner for any and all out-of-pocket costs and expenses (including attorneys' and accountants' fees) incurred or sustained by it in its capacity as tax matters partner. The Partnership shall indemnify, defend and hold the tax matters partner harmless from and against any loss, liability, damage, cost or expense (including attorneys' and accountants' fees) sustained or incurred as a result of any act or decision concerning the Partnership tax matters and within the scope of its responsibility as tax matters partner.

11.7 Other Reports. The General Partner shall deliver to each Limited Partner, in a timely manner, all reports and/or other communications transmitted from time to time by the General Partner to its shareholders.

ARTICLE 12

TRANSFER OF GENERAL PARTNER INTERESTS

12.1 Transfer of Interest of the General Partner. No General Partner may at any time sell, assign, transfer, pledge or encumber any or all of its Partnership Interest in the Partnership or withdraw or retire from the Partnership except as otherwise provided herein or with the prior written consent of Partners owning eighty-five percent (85%) of the issued and outstanding Partnership Units taken as a single class. Retirement or withdrawal from the Partnership shall not relieve the General Partner of any obligation theretofore incurred by it hereunder. Notwithstanding anything contained herein to the contrary, the Limited Partners shall have no right whatsoever to remove the General Partner from the Partnership.

12.2 Retirement of the General Partner. If a General Partner shall liquidate or dissolve, be adjudged bankrupt, enter into an assignment for the benefit of creditors, have a receiver appointed to administer its interest in the Partnership, be the subject of a voluntary or involuntary petition for bankruptcy that is not dismissed or vacated within ninety (90) days of filing, or have its interest in the Partnership seized by a judgment creditor, or if there shall be an individual general partner and he shall die, be adjudicated incompetent or become permanently disabled (each of the foregoing events is referred to hereinafter as an "Event of Retirement"), such General Partner, without further act or notice, immediately shall be deemed to have retired as General Partner of the Partnership. If the General Partner retires as General Partner of the Partnership as aforesaid, (i) such General Partner (or its administrator, executor, personal representative or successor) (a) shall become a nonparticipating Limited Partner (a "Nonparticipating Limited Partner") retaining the General Partner's former interest in the Profits, Losses and Net Cash Flow of the Partnership, but shall not acquire any right or interest in any payment or distribution to the Limited Partners, as such, pursuant hereto, (b) shall have no right to participate in the management of the affairs of the Partnership, and (c) shall be disregarded in determining whether any approval, consent, or other action has been given or taken by the Limited Partners; and (ii) the surviving General Partner(s), if any, shall remain as such and the Partners hereby agree and consent that the Partnership shall continue in effect and shall not terminate, subject, however, to the provisions of Section 12.5 hereof.

12.3 Transferee of the General Partner's Interest. Any Person, other than the General Partner, who acquires, in any

manner whatsoever (except as herein otherwise provided) the interest, or any portion thereof, of the General Partner, shall not be a General Partner, but shall be entitled to become a Nonparticipating Limited Partner upon written acceptance and adoption of all of the terms and provisions of this Agreement and compliance with the requirements of Section 13.3 of this Agreement. Such Person shall, to the extent of the interest acquired, be entitled only to the transferor General Partner's rights, if any, in the Profits, Losses and Net Cash Flow of the Partnership, but shall not acquire any right or interest in any payment or distribution to the Limited Partners, as such, pursuant hereto. No such Person shall have any right to participate in the management of the affairs of the Partnership, and the interest acquired by such Person shall be disregarded in determining whether any approval, consent or other action has been given or taken by the Limited Partners.

12.4 Retirement of Last Remaining General Partner. If the last remaining General Partner shall at any time withdraw or suffer an Event of Retirement, the Limited Partners shall have the right, within ninety (90) days thereafter, by a written consent executed and delivered by Limited Partners owning a majority of the issued and outstanding Partnership Interests taken as a single class, to appoint one or more new General Partners as replacement General Partners, unless the Act requires a greater percentage of the Limited Partners to consent to the continuation of the Partnership, in which case such higher percentage shall be required for the continuation of the Partnership. In such event, the Limited Partners shall create for such replacement General Partners such interest in the Partnership Profits, Losses and Net Cash Flow as the Limited Partners may agree upon from among their collective interests in the Partnership.

12.5 Continuation of Partnership. In the event of the timely appointment of a replacement or new General Partner(s) pursuant to this Article 12, the relationship of the Partners shall be governed by the provisions of this Agreement, the Partnership shall be continued, and the replacement or new General Partner(s) shall have all of the management rights, duties, responsibilities, authority and powers provided the General Partner in this Agreement. If the Limited Partners fail to select a replacement or new General Partner(s), whichever the case may be, within ninety (90) days following retirement of the last remaining General Partner, the Partnership shall dissolve and terminate.

ARTICLE 13

TRANSFER OF LIMITED PARTNER INTERESTS

13.1 Transfer of Interest of a Limited Partner. Except as otherwise specifically provided in this Agreement, no Limited Partner may sell, assign, transfer, pledge, encumber or in any manner dispose of all or any part of its Partnership Interest without the prior written consent of the General Partner, which consent may not be unreasonably withheld. Notwithstanding the foregoing, each Limited Partner shall have the right to (i) pledge or otherwise encumber all or any portion of its Partnership Interest (subject, however, to applicable securities laws) and/or (ii) transfer all or any portion of its Partnership Interest to members of the Immediate Family of such Limited Partner and to one or more trusts for the benefit of one or more members of the Immediate Family of such Limited Partner for estate and/or gift tax purposes, upon prior written notice to the General Partner. Without limiting the generality of the foregoing, in no event shall the General Partner consent to an assignment of all or any portion of the Partnership Interest of a Limited Partner in the Partnership if, in the opinion of the General Partner (or of counsel satisfactory to the General Partner), such assignment (i) will result in a termination of the Partnership for federal income tax purposes or otherwise result in adverse tax consequences to the Partnership or any Partner, (ii) will result in the Partnership failing to qualify for an exemption from the registration requirements of the federal or any applicable state securities laws, (iii) will result in the imposition of fiduciary responsibility on the Partnership or any Partner under the Employee Retirement Income Security Act of 1974, as amended from time to time, (iv) will result in a violation of any provision of any mortgage or trust deed (or the note or bond secured thereby) constituting a lien against any assets of the Partnership, or other instrument, document or agreement to which the Partnership is a party or otherwise bound, (v) represents a transfer of any component portion of a Partnership Interest, such as the Capital Account, or rights to Net Cash Flow, separate and apart from all other components of a Partnership Interest, or (vi) will cause the General Partner to cease to comply with any and all REIT Requirements. Subject to satisfaction of the conditions therefor set forth or referred to herein, each Limited Partner hereby consents to the substitution or admission of any assignee of a Limited Partner. Any sale, assignment, transfer, pledge, encumbrance, hypothecation or other disposition by a Limited Partner of all or any part of its Partnership Interest in violation of the provisions hereof shall be void ab initio and of no force or effect whatsoever.

13.2 Assignee and Substitute Limited Partners. No Person shall be admitted

as an assignee or substituted Limited Partner under this Agreement unless and until:

(a) An assignment is made in writing, signed by the assigning Partner and accepted in writing by the assignee, and a duplicate original of such assignment has been delivered to and approved by the General Partner;

(b) The General Partner has received an opinion of counsel favorably covering the matters described in clauses (i) through (vi) of Section 13.1 above, or waived all or any portion of this requirement;

(c) The prospective admittee executes and delivers to the General Partner a written agreement in form reasonably satisfactory to the General Partner pursuant to which said Person agrees to be bound by and confirms the obligations, representations, warranties and power of attorney contained in this Agreement; and

(d) An appropriate amendment to this Agreement is executed.

13.3 Assignment. In the event an assignment is made in accordance with the terms hereof, unless otherwise required by the Code:

(a) The effective date of such assignment shall be the date the written instrument of assignment is delivered to the Partnership and approved by the General Partner;

(b) The Partnership and the General Partner shall be entitled to treat the assignor of the assigned interest as the absolute owner thereof in all respects and shall incur no liability for allocations of Profits or Losses and distributions of Net Cash Flow made in good faith to such assignor until such time as the written instrument of assignment has been actually received and approved by the General Partner, and recorded in the books of the Partnership; and

(c) The division and allocation of Profits or Losses, other than Profits or Losses arising from a Liquidation of the Partnership, attributable to the applicable Partnership Interests between the assignor and assignee during any fiscal year of the Partnership shall be based upon the length of time during such fiscal year, as measured by the effective date of such assignment, that the assigned Partnership Interest was owned by each of them and shall not be based upon the date or dates during such fiscal year in which income was earned or losses were sustained by the Partnership; provided, however, that the division and

allocation of Profits or Losses resulting from a Liquidation of the Partnership shall be based upon the date or dates such income was earned or losses were sustained.

13.4 Cost of Admission. The cost of processing and perfecting an admission contemplated by this Article 13 (including reasonable attorney's fees incurred by the Partnership) shall be borne by the party seeking admission as a Partner to the Partnership.

ARTICLE 14

DISSOLUTION AND LIQUIDATION OF PARTNERSHIP

14.1 Dissolution of the Partnership. The Partnership shall be dissolved upon the happening of any of the following:

(a) An election to dissolve and wind up the affairs of the Partnership by the General Partner (subject to Section 9.3 hereof);

(b) The occurrence of an Event of Retirement to the last remaining General Partner, unless the Limited Partners elect to continue the business of the Partnership pursuant to the provisions of Sections 12.4 and 12.5;

(c) Any event that makes it unlawful for the Partnership business to be continued;

(d) The sale, disposition, or abandonment of all or substantially all of the assets of the Partnership unless the General Partner, with the written consent of Partners owning eighty-five percent (85%) of the Partnership Interests taken as a single class (which consent may not be unreasonably withheld), elects to continue the Partnership business for the purpose of the receipt and the collection of indebtedness or the collection of any other consideration to be received in exchange for the

assets of the Partnership (which activities shall be deemed to be part of the winding up of the affairs of the Partnership);

(e) Dissolution required by operation of law; or

(f) December 31, 2093.

14.2 Winding Up of Affairs. In the event of the dissolution and liquidation of the Partnership for any reason, the General Partner shall commence to wind up the affairs of the Partnership and shall convert all of the Partnership's assets to cash or cash

equivalents within such reasonable period of time as may be required to receive fair value therefor. All items of income, gain, loss, deduction and credit during the period of liquidation shall be allocated among the Partners in the same manner as before the dissolution. If there is no General Partner to effect such Liquidation, then the Limited Partners, pursuant to a vote of Limited Partners owning a majority of the issued and outstanding Partnership Units owned by all Limited Partners, may designate any person, firm or corporation, as a Liquidating Trustee, for that purpose who shall have all of the rights, powers and authority of a General Partner stated herein in connection therewith.

14.3 Accounting. In the case of the dissolution and termination of the Partnership, prior to any distributions to Partners pursuant to Section 14.4(c) below, a proper accounting shall be made of the Capital Accounts of the Partners and of each item of income, gain, loss, deduction and credit of the Partnership from the date of the last previous accounting to the date of dissolution. The General Partner shall provide a copy of such accounting to all Partners.

14.4 Final Distribution of Partnership Property. Upon termination of the Partnership, the General Partner shall apply and distribute the remaining property of the Partnership, together with the proceeds of any sales of same, as follows:

(a) first, all Partnership debts and liabilities shall be paid and discharged, including debts owed to Partners and any Affiliates of Partners;

(b) second, to establish any reserve for any contingent or unforeseen liabilities or obligations of the Partnership. Such funds shall be placed in escrow by the General Partner for the purposes of disbursing such funds in payment of any of the contingencies, liabilities or obligations, and, at the expiration of such period as the General Partner shall deem advisable, the balance then remaining shall be distributed pursuant to subsection (c) of this Section 14.4; and

(c) third, to distribute the balance to the Partners in the manner and priority set forth in Article 8 hereof, with any and all Net Cash Flow arising from the ordinary course of the Partnership's business during the period of liquidation being distributed pursuant to Section 8.1(a) and any and all Net Cash Flow arising pursuant to the sale and/or other liquidation of Partnership property being distributed pursuant to Section 8.1(b) hereof.

Distributions upon liquidation of the Partnership (or any Partner's interest in the Partnership) and related adjustments shall be made by the end of the taxable year of the liquidation (or, if later, within 90 days after the date of such liquidation) or as otherwise permitted by the Regulations.

14.5 Certificate of Cancellation. Upon completion of the liquidation of the Partnership and the distribution of all Partnership property, the Partnership shall terminate and the General Partner shall have the authority to execute and record one or more Certificates of Cancellation of the Partnership as well as any and all other documents required or considered advisable by the General Partner to effectuate the dissolution and termination of the Partnership.

ARTICLE 15

POWER OF ATTORNEY

15.1 Power of Attorney. Each Partner, by its execution hereof, irrevocably constitutes and appoints the General Partner, or any substitute or replacement General Partner, with full power of substitution, as such Partner's true and lawful attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, certify, deliver, file and record on its behalf and on behalf of the Partnership, the following:

(a) This Agreement, all Certificates of Limited Partnership,

Certificates of Doing Business under an Assumed Name, amendments to any or all of the foregoing, and any other certificates or instruments which may be required to be filed by the Partnership or the Partners under the laws of the State of Delaware or any other jurisdiction;

(b) One or more Certificates of Cancellation of the Partnership and such other instruments or documents as may be deemed necessary or desirable by the General Partner upon termination of the Partnership business;

(c) Any and all amendments to this Agreement and to the instruments described in subsections (a) and (b) above, provided such amendments are either required by law or have been authorized by the Partner(s) in accordance with Article 16 and/or any other provision of this Agreement (including, without limitation, any amendment to this Agreement and to the Certificate to reflect the substitution or admission of a Limited Partner pursuant to this Agreement); and

(d) Any and all such other documents and instruments as may be deemed necessary or desirable by said attorney to carry out fully the provisions of this Agreement in accordance with its terms.

15.2 Grant of Authority Irrevocable. The foregoing grant of authority (a) is a special power of attorney coupled with an interest, is irrevocable and shall survive the death or incapacity of a Partner who is a natural person or, in the case of a Partner that is not a natural person, the merger, dissolution or other termination of its existence of the Partner, (b) may be exercised by the General Partner on behalf of each Partner, by a facsimile signature or by listing all of the Partners executing any instrument with a single signature as attorney-in-fact for all of them, and (c) shall survive the assignment by a Partner of the whole or any portion of his or its interest in the Partnership.

ARTICLE 16

AMENDMENT OF PARTNERSHIP AGREEMENT

16.1 Amendments by Partners. Except as may be specifically provided below in this Section 16.1 and in Sections 16.2 and 9.3 hereof, this Agreement may only be amended with the written concurrence of the General Partner and the written consent of Partners owning a majority of the Partnership Units taken as a single class (which shall mean that only the General Partner's consent is necessary if the General Partner owns a majority of the Partnership Units, taken as a single class, in which case the Limited Partners need not be solicited but shall be informed of the amendment); provided, however, that absent the concurrence of the General Partner and the approval of all of the Limited Partners no amendment shall increase the obligation of any Partner to make contributions to the capital of the Partnership; provided, further, however, that absent the concurrence of the General Partner and the approval of Limited Partners owning eighty-five percent (85%) of the Partnership Units held by all Limited Partners, taken as a single class, no amendment shall:

(a) modify the order of allocation of distributions of the Net Cash Flow or liquidating distributions, or the allocation of Profits and Losses among the Partners (other than as specifically provided for herein, including without limitation, modifications pursuant to Section 6.4 hereof);

(b) change the Partnership to a general partnership;

(c) reduce the percentage of Limited Partners required to consent to any matter in this Agreement; or

(d) amend Section 9.4(a)(iv) hereof or amend Section 10.3 hereof in any manner that prohibits or restricts, or has the effect of prohibiting or restricting, the ability of a Limited Partner to exercise its Redemption Rights in full; or

(e) amend this Article 16.

16.2 Amendment by the General Partner. Notwithstanding anything contained in this Agreement to the contrary, the General Partner shall have the power, without the consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(a) To add to the obligations of the General Partner or surrender any right or power granted to the General

Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(b) To reflect the admission, substitution, termination or withdrawal of Partners in accordance with this Agreement, including without limitation, the issuance of additional classes of Partnership Units to Limited Partners pursuant to Section 6.4 hereof;

(c) To reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement;

(d) To satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law; and

(e) To amend the provisions of this Agreement that protect the qualification of the General Partner as a REIT if such provisions are no longer necessary because of a change in applicable law (or an authoritative interpretation thereof), a ruling of the IRS, or if the General Partner has determined to cease qualifying as a REIT.

The General Partner will provide notice to the Limited Partners when any action under this Section 16.2 is taken.

16.3 Amendment of Certificate. If this Agreement shall be amended pursuant to this Article 16, the General Partner shall cause the Certificate to be amended, to the extent required by applicable law, to reflect such change. The Partners shall be promptly notified of any amendments made under this Article 16.

ARTICLE 17

INDEMNIFICATION

17.1 Partnership Indemnification of Partner. To the maximum extent permitted from time to time under Delaware law, the Partnership shall indemnify, defend and hold the General Partner (in its capacity as General Partner) and its Affiliates, trustees, officers, directors, employees and agents, or their respective successors, executors, administrators or personal

representatives harmless from and against any loss, liability, damage, cost or expense (including reasonable attorneys' fees) sustained or incurred as a result of any act or omission concerning the business or activities of the Partnership or General Partner; provided such act or omission was not in violation of any term or provision of this Agreement or any provision of law. The foregoing indemnity shall not be enforceable against any Limited Partner personally but solely from such Limited Partner's interest in the Partnership.

17.2 Partner Indemnification of Partnership. In the event the Partnership is made a party to any litigation or otherwise incurs any loss or expense as a result of or in connection with any Partner's personal obligations or liabilities unrelated to Partnership business, such Partner shall indemnify and reimburse the Partnership for all such loss and expense incurred, including reasonable attorneys' fees, and the interest of such Partner in the Partnership may be charged therefor. The liability of a Partner under this Section 17.2 shall not be limited to such Partner's interest in the Partnership, but shall be enforceable against such Partner personally.

ARTICLE 18

MISCELLANEOUS PROVISIONS

18.1 Notices. All notices and demands required or permitted under this Agreement shall be in writing and may be delivered personally to the Person to whom it is authorized to be given, or sent by registered, certified or first class mail, or by overnight delivery, postage prepaid, and if intended for the Partnership, addressed to the Partnership at the principal office of the Partnership, and if intended for a Partner, addressed to the Partner at its address on the signature pages hereof, or to such other person or at such other address designated by written notice given to the Partnership. Any notice or demand mailed as aforesaid shall be deemed to have been delivered two (2) days after the date that such notice or demand is deposited in the mails.

18.2 Severability. If any provision of this Agreement or the application of such provision to any Person or circumstance shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or

circumstances other than those as to which it is held invalid shall not be affected.

18.3 Parties Bound. Any Person acquiring or claiming an interest in the Partnership, in any manner whatsoever, shall be subject to and bound by all terms, conditions and obligations of

this Agreement to which his or its predecessor in interest was subject or bound, without regard to whether such Person has executed a counterpart hereof or any other document contemplated hereby. No Person, including the legal representative, heir or legatee of a deceased Partner, shall have any rights or obligations greater than those set forth in this Agreement and no Person shall acquire an interest in the Partnership or become a Partner thereof except as permitted by the terms of this Agreement. This Agreement shall be binding upon the parties hereto, their successors, heirs, devisees, assigns, legal representatives, executors and administrators.

18.4 Applicable Law. The Partnership and this Agreement shall be governed by the laws of the State of Delaware.

18.5 Partition. Each Partner hereby irrevocably waives during the term of the Partnership any right that he or it may have to maintain any action for partition with respect to any property of the Partnership.

18.6 Computation of Accountants. Except with respect to matters as to which the General Partner is granted discretion under this Agreement, the opinion of the Accountants shall be final and binding with respect to all allocations made under Article 7 or distributions made under Article 8 or Section 14.4 hereof.

18.7 Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision.

18.8 Counterparts. This Agreement may be executed in multiple counterparts with separate signature pages, each such counterpart shall be considered an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement as of the date first set forth above, confirms his or its agreement to become a General or Limited Partner, as the case may be, of the Partnership, agrees to be bound by this Agreement and acknowledges the appointment of attorneys-in-fact as set forth herein, and swears that the statements set forth herein are true and correct.

GENERAL PARTNER:

CALI REALTY CORPORATION,
a Maryland corporation

By: Roger W. Thomas

Its: Vice President
Address: 11 Commerce Drive
Cranford, New Jersey 07016

LIMITED PARTNERS:

/s/ John J. Cali

John J. Cali

/s/ Angelo R. Cali

Angelo R. Cali

/s/ Edward Leshowitz

Edward Leshowitz

/s/ Brant B. Cali

Brant B. Cali

/s/ John R. Cali

John R. Cali

/s/ Christopher Cali

Christopher Cali

/s/ Jonna Cali-Paleski

Jonna Cali-Paleski

TAR Investments, L.P.

By: TAR Realty Corp.,
general partner

By: /s/ Thomas A. Rizk

Thomas A. Rizk
President

/s/ Albert Spring

Albert Spring

/s/ Philip Cali Jr.

Philip Cali, Jr.

/s/ Susan Sandson

Susan Sandson

/s/ Jed Leshowitz

Jed Leshowitz

/s/ Rudolph Daunno, Jr.

Rudolph Daunno, Jr.

/s/ Richard W. Daunno

Richard W. Daunno

/s/ Christopher A. Daunno

Christopher A. Daunno

/s/ Gloria Seminara

Gloria Seminara

/s/ Maryann J. Pascale

Maryann J. Pascale

/s/ Thomas Seminara

Thomas Seminara

/s/ Gary Seminara

Gary Seminara

/s/ Rosemary Monteyne

Rosemary Monteyne

/s/ Helen Paruta

Helen Paruta

/s/ John J. DeCaro

John J. DeCaro

/s/ Anthony DeCaro, Sr.

Anthony DeCaro, Sr.

/s/ Anthony P. DeCaro, Jr.

Anthony P. DeCaro, Jr.

/s/ Harvey Halberstradter

Harvey Halberstradter

/s/ Sanford Halberstradter

Sanford Halberstradter

/s/ Daniel Richheimer

Daniel Richheimer

/s/ Chela Richheimer

Chela Richheimer

/s/ Liza Richheimer

Liza Richheimer

/s/ Mark Baumgarten

Mark Baumgarten

/s/ Jeffrey Fisch

Jeffrey Fisch

/s/ James Nugent

James Nugent

/s/ Michael K. Nevins

Michael K. Nevins

/s/ Rose Cali

Rose Cali

Angelo R. Cali Irrevocable Trust
dated January 28, 1975
f/b/o Angela Cali

By:/s/ Edward Leshowitz

Name: Edward Leshowitz
Title: Trustee

Angelo R. Cali Irrevocable Trust
dated January 28, 1975
f/b/o John R. Cali

By:/s/ Edward Leshowitz

Name: Edward Leshowitz
Title: Trustee

Angelo R. Cali Irrevocable Trust
dated January 28, 1975
f/b/o Joanne Cali

By:/s/ Edward Leshowitz

Name: Edward Leshowitz
Title: Trustee

Angelo R. Cali Irrevocable Trust
dated July 1, 1979

By:/s/ Edward Leshowitz

Name: Edward Leshowitz
Title: Trustee

John J. Cali Irrevocable Trust
dated July 1, 1979

By:/s/ Angelo R. Cali

Name: Angelo R. Cali
Title: Trustee

P.S.L. Associates

By:/s/ Benn Quinn

Name: Benn Quinn
Title:

/s/ Jonathan Bernstein

Jonathan Bernstein

M.B.M. Associates

By: Fair Lawn-McBride Associates IV,
General Partner

By:/s/ W. Peter McBride

W. Peter McBride
Managing General Partner

By:/s/ David F. McBride

David F. McBride
Managing General Partner

By: Marcus-Burroughs Associates,

General Partner

By:/s/ Malvern C. Burroughs
Malvern C. Burroughs
General Partner

By:/s/ Stanley H. Marcus
Stanley H. Marcus
General Partner

EXHIBIT A

Partners and Partnership Units

Name and Address of Partner	Partnership Units
General Partner	
Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016	18,781,394
Limited Partners	
John J. Cali 61 Wayside Place Montclair, NJ 07042	290,561
Angelo R. Cali 15 Kips Ridge Montclair, NJ 07042	261,090
Edward Leshowitz 1065 Park Avenue, Apt. #23AB New York, NY 10128	307,916
Brant B. Cali 175 Eagle Rock Way Montclair, NJ 07042	149,501
John R. Cali 203 Laurel Hill Road Mountain Lakes, NJ 07046	83,951
Christopher Cali 61 Wayside Place Montclair, NJ 07042	59,703

Jonna Cali-Paleski 6 Tothill Road Essex Fells, NJ 07021	51,912
TAR Investments, L.P. c/o Cali Realty Corporation 11 Commerce Drive Cranford, NJ 07016	141,383
Albert Spring 15 Nottingham Road West Orange, NJ 07043	42,029
Philip Cali, Jr. 49 Krysch Lane Wyckoff, NJ 07481	21,026
Susan Sandson 3842 Wonderland Hill Boulder, CO 80304	84,583
Jed Leshowitz 1065 Park Avenue, Apt. #23AB New York, NY 10128	166,145

Rudolph Daunno, Jr. 37,235
46 Starlight Drive
Clark, NJ 07066

Richard W. Daunno 42,235
28 Olsen Drive
Warren, NJ 07059

Christopher A. Daunno 15,102
c/o Mary Daunno
890 Pennsylvania Avenue
Westfield, NJ 07090

A-2

Gloria Seminara 99,314
67 Butternut Drive
Wayne, NJ 07470

Maryann J. Pascale 15,102
204 Montclair Road
Barnegat, NJ 08005

Thomas Seminara 13,504
3900 North Ocean Drive
Lauderdale By The Sea, FL 33308

Gary Seminara 16,439
19 Ronnie Road
Wayne, NJ 07470

Rosemary Monteyne 13,504
c/o Gary Seminara
19 Ronnie Road
Wayne, NJ 07470

Helen Paruta 66,042
7 Phillips Lane
Roseland, NJ 07068

John J. DeCaro 92,215
141 Post Kennel Road
Far Hills, NJ 07931

Anthony DeCaro, Sr. 53,080
320 South Street, Apt. 16B
Morristown, NJ 07960

Anthony P. DeCaro, Jr. 19,231
62 Mountain Avenue
Cedar Knolls, NJ 07927

A-3

Harvey Halberstadter 20,000
P.O. Box 918
Great Barrington, MA 01230

Sanford Halberstadter 43,684
621 Beeechwood Road
Linden, NJ 07036

Daniel Richheimer 659
c/o Susan Sandson
3842 Wonderland Hill
Boulder, Co. 80304

Chela Richheimer 659
c/o Susan Sandson
3842 Wonderland Hill
Boulder, Co. 80304

Liza Richheimer 658
c/o Susan Sandson
3842 Wonderland Hill
Boulder, Co. 80304

Mark Baumgarten 2,964
Ravin, Sarasohn, Cook, Baumgarten,
Fisch & Baime
103 Eisenhower Parkway
Roseland, NJ 07068

Jeffrey Fisch Ravin, Sarasohn, Cook, Baumgarten, Fisch & Baime 103 Eisenhower Parkway Roseland, NJ 07068	2,964
James Nugent 608 North Blvd. Belmar, NJ 07719	14,783

Michael K. Nevins 35 Birdseye Glen Verona, NJ 07044	5,618
Rose Cali 61 Wayside Place Montclair, NJ 07042	2,663
Angelo R. Cali Irrevocable Trust dated January 28, 1975 f/b/o Angela Cali c/o Edward Leshowitz Cali Associates 11 Commerce Drive Cranford, NJ 07016	63,522
Angelo R. Cali Irrevocable Trust dated January 28, 1975 f/b/o John R. Cali c/o Edward Leshowitz Cali Associates 11 Commerce Drive Cranford, NJ 07016	63,523
Angelo R. Cali Irrevocable Trust dated January 28, 1975 f/b/o Joanne Cali c/o Edward Leshowitz Cali Associates 11 Commerce Drive Cranford, NJ 07016	63,523
Angelo R. Cali Irrevocable Trust dated July 1, 1979 c/o Edward Leshowitz Cali Associates 11 Commerce Drive Cranford, NJ 07016	44,291

John J. Cali Irrevocable Trust dated July 1, 1979 c/o Edward Leshowitz Cali Associates 11 Commerce Drive Cranford, NJ 07016	44,291
P.S.L. Associates c/o Benn Quinn Applegate, Quinn & Magee 78 Main Street Madison, NJ 07940	76,918
Jonathan A. Bernstein c\o Pryor, Cashman, Sherman & Flynn 410 Park Avenue New York, NY 10022	2,964
M.B.M. Associates 851 Franklin Lakes Road Franklin Lakes, NJ 07417	93,458

EXHIBIT B

CALI REALTY, L.P. UNIT CERTIFICATE

* SEE RESTRICTIVE LEGENDS ON REVERSE *

CALI REALTY, L.P.
A DELAWARE LIMITED PARTNERSHIP

Number: ______ Units: ______

This is to certify that ____________________ is the owner of ____ fully paid limited Partnership Units of Cali Realty, L.P., a Delaware limited partnership (the "Partnership"), transferable only on the books of the Partnership by the holder hereof in person or by the duly authorized Attorney upon surrender of this Certificate properly endorsed.

WITNESS, the seal of the General Partner of the Partnership and the signatures of its duly authorized officers.

Dated: ______________

___________________________ ________________________
President Secretary

- -SEAL-

REVERSE OF
CALI REALTY, L.P. UNIT CERTIFICATE

THE UNITS REPRESENTED BY THIS CERTIFICATE OR INSTRUMENT MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP DATED AS OF JANUARY 17, 1997 (A COPY OF WHICH IS ON FILE WITH THE PARTNERSHIP). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENT, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR (B) IF THE PARTNERSHIP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER.

FOR VALUE RECEIVED, _________________ hereby sell, assign and transfer unto __________________________________ _________________ limited Partnership Units represented by the within Certificate, and do hereby irrevocably constitute and appoint ________________________ Attorney to transfer the said limited Partnership Units on the books of the within named Partnership with full power of substitution in the premises.

Dated: ________________ ___________________________

In presence of:

____

Attachment 1 to Unit Certificate

EXERCISE NOTICE

To:

Reference is made to that certain Amended and Restated Agreement of Limited Partnership of Cali Realty, L.P. dated as of January 17, 1997 (the "Partnership Agreement"), pursuant to which Cali Realty Corporation, a Maryland corporation, and certain other persons, including the undersigned, continued the Delaware limited partnership known as Cali Realty, L.P. (the "Partnership"). Capitalized terms used but not defined herein shall have the meanings set forth in the Partnership Agreement. Pursuant to Section 10.3 of the Partnership Agreement, each of the undersigned, being a limited partner of the Partnership (an "Exercising Partner"), hereby elects to exercise its Redemption Rights as to a portion or portions of its Partnership Units, as all specified opposite its signature below (notwithstanding the foregoing, each of the undersigned hereby acknowledges and agrees that the General Partner has the right, in its sole and absolute discretion, to deliver shares of Common Stock to the undersigned in lieu of all or any portion of the cash requested below by the undersigned, all

in accordance with Section 10.3 of the Partnership Agreement):

Dated:

Exercising Partner	Number of Offered Units to be Redeemed for Shares	Number of Offered Units to be Redeemed for Cash
---------------		

EXHIBIT 10.61 to FORM 8-K

THIRD MODIFICATION AND ASSUMPTION OF LOANS AGREEMENT

among

ROBERT MARTIN COMPANY, LLC

and

CALI CW REALTY ASSOCIATES L.P.

and

ELMSFORD REALTY ASSOCIATES L.P.

and

TALLEYRAND REALTY ASSOCIATES L.P.

and

CALI MID-WEST REALTY ASSOCIATES L.P.

and

CALI SO. WEST REALTY ASSOCIATES L.P.

and

CALI WP REALTY ASSOCIATES L.P.

and

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

Dated as of

January 31, 1997

TABLE OF CONTENTS

		Page
1.	Assumption of the First Replacement Notes	13
2.	The Second Mortgage	15
3.	Termination of YIDA Documents	15
4.	INTENTIONALLY OMITTED	15
5.	Recourse Loan	15
6.	Prepayment	16
7.	Non-Recourse	17
8.	Representations and Warranties of the Borrowers and the LLC	20
9.	Transfer, Pledge and Assignment of Company Interests	23
10.	Partial Releases	23
11.	Environmental Indemnity	25
12.	RMC Escrow Agreement	25

13. Lockbox Account.. 25

14. Letter Agreement... 25

15. Miscellaneous.. 25

SCHEDULES

Schedule I-A	Schedule of Original Loan A Notes, Mortgages and Lease Assignments
Schedule I-B	Schedule of Original Loan B Notes, Mortgages and Lease Assignments
Schedule I-C	Schedule of Original Loan C Notes, Mortgages and Lease Assignments
Schedule I-D	Schedule of Original Loan D Notes, Mortgages and Lease Assignments
Schedule I-E	Schedule of Original Loan E Notes, Mortgages and Lease Assignments
Schedule I-F	Schedule of Original Loan F Notes, Bonds, Mortgages and Lease Assignments
Schedule I-G	Schedule of Original Loan G Notes, Mortgages and Lease Assignments
Schedule I-H	Schedule of Original Loan H Notes, Mortgages and Lease Assignments
Schedule I-I	Schedule of Original Notes, Mortgages and Lease Assignment
Schedule II	Release Prices and List of Properties Subject to Partial Release
Exhibit A	Loan A Property Description
Exhibit B	Loan B Property Description
Exhibit C	Loan C Property Description
Exhibit D	Loan D Property Description
Exhibit E	Loan E Property Description
Exhibit F	Loan F Property Description
Exhibit G	Loan G Property Description
Exhibit H	Loan H Property Description
Exhibit I	Loan I Property Description

Exhibit J-1	Form of Amended and Restated First Replacement Mortgage
Exhibit J-2	Form of Amended and Restated First Replacement Assignment of Leases
Exhibit J-3	Form of Amended and Restated Cross-collateral Mortgage
Exhibit J-4	Form of Amended and Restated Cross-collateral Assignment of Leases
Exhibit J-5	Form of Consolidation, Spreader and Modification Agreement
Exhibit J-6	Form of Amended and Restated Loan F First Replacement Note
Exhibit K	Form of Termination of YIDA Lease
Exhibit L	Term Sheet for Recourse Loan
Exhibit M	Form of Environmental Indemnity
Exhibit N	Form of Termination of RMC Escrow Agreement

Exhibit O Form of Termination of Lock-Box Agreement

Exhibit P Form of Letter Agreement

THIRD MODIFICATION AND ASSUMPTION OF LOANS AGREEMENT

THIS THIRD MODIFICATION AND ASSUMPTION OF LOANS AGREEMENT is made as of January __, 1997 by and among ROBERT MARTIN COMPANY, LLC (the "LLC"), a New York limited liability company, successor-in-interest to ROBERT MARTIN COMPANY, a New York general partnership (the "Partnership") and having an address at 100 Clearbrook Road, Elmsford, New York 10523, CALI CW REALTY ASSOCIATES L.P. ("Cali CW"), a New York limited partnership, ELMSFORD REALTY ASSOCIATES L.P. ("Elmsford Realty"), a New York limited partnership, TALLEYRAND REALTY ASSOCIATES L.P. ("Talleyrand Realty"), a New York limited partnership, CALI MID-WEST REALTY ASSOCIATES L.P. ("Cali MW"), a New York limited partnership, CALI SO. WEST REALTY ASSOCIATES L.P. ("Cali SW"), a New York limited partnership, CALI WP REALTY ASSOCIATES L.P. ("Cali WP"), a New York limited partnership (Cali CW, Elmsford Realty, Talleyrand Realty, Cali MW, Cali SW and Cali WP are hereinafter sometimes individually referred to as a "Borrower" and collectively referred to as the "Borrowers"), each of which has an address at c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016, and TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, a New York corporation ("TIAA"), having an address at 730 Third Avenue, New York, New York 10017.

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

WHEREAS, on November 19, 1985, TIAA made a loan to the Partnership in the original principal amount of $15,400,000, which loan was originally (a) evidenced by the six notes, as assigned and modified, set forth in Schedule I-A attached hereto (collectively, the "Original Loan A Note"), and (b) secured by, among other things, (i) the six mortgages, as assigned, consolidated, spread and modified, set forth in Schedule I-A attached hereto (collectively, the "Original Loan A Mortgage"), covering certain land described on Exhibit A attached hereto and the other property described therein and located in Elmsford, New York (the "Loan A Property"), and (ii) the assignment of lessor's interest in leases set forth in Schedule I-A attached hereto (the "Original Loan A Lease Assignment");

WHEREAS, on June 30, 1986, TIAA made a loan to the Partnership in the original principal amount of $26,000,000, which loan was originally (a) evidenced by the 24 notes, as assigned and modified, set forth in Schedule I-B attached hereto (collectively, the "Original Loan B Note"), and (b) secured by, among other things, (i) the 24 mortgages, as assigned, consolidated, spread and modified, set forth in Schedule I-B attached hereto (collectively, the "Original Loan B Mortgage"), covering certain land described on Exhibit B attached hereto and the other

property described therein and located in Elmsford, New York (the "Loan B Property"), and (ii) the assignment of lessor's interest in leases set forth in Schedule I-B attached hereto (the "Original Loan B Lease Assignment");

WHEREAS, on June 4, 1986, TIAA made a loan to the Partnership in the original principal amount of $6,350,000, which loan was originally (a) evidenced by the note set forth in Schedule I-C attached hereto (the "Original Loan C Note"), and (b) secured by, among other things, (i) the mortgage set forth in Schedule I-C attached hereto (the "Original Loan C Mortgage"), covering certain land described on Exhibit C attached hereto and the other property described therein and located in Mount Pleasant, New York (the "Loan C Property"), and (ii) the assignment of lessor's interest in leases set forth in Schedule I-C attached hereto (the "Original Loan C Lease Assignment");

WHEREAS, on December 9, 1986, TIAA made a loan to the Partnership in the original principal amount of $93,000,000, which loan was originally (a) evidenced by the 32 notes, as assigned, consolidated and modified set forth in Schedule I-D attached hereto (collectively, the "Original Loan D Note"), and (b) secured by, among other things, (i) the 32 mortgages, as assigned, consolidated, extended, spread and modified, set forth in Schedule I-D attached hereto (collectively, the "Original Loan D Mortgage"), covering certain land described on Exhibit D attached hereto and the other property described therein and located in Greenburgh, Mount Pleasant, Ossining, White Plains and Yonkers, New York (the "Loan D Property"), and (ii) the assignment of lessor's interest in leases set forth in Schedule I-D attached hereto (the "Original Loan D Lease Assignment");

WHEREAS, on August 11, 1988, TIAA made a loan to the Partnership in the original principal amount of $30,000,000, which loan was originally (a) evidenced by the note set forth in Schedule I-E attached hereto (the "Original Loan E Note"), and (b) secured by, among other things, (i) the mortgage set forth in Schedule I-E attached hereto (the "Original Loan E Mortgage"), covering certain land described on Exhibit E attached hereto and the other property

described therein and located in White Plains, New York (the "Loan E Property"), and (ii) the assignment of lessor's interest in leases set forth in Schedule I-E attached hereto (the "Original Loan E Lease Assignment");

WHEREAS, on October 12, 1989, TIAA made a loan to the Partnership in the original principal amount of $10,200,000 and a loan to the City of Yonkers Industrial Development Agency ("YIDA") in the original principal amount of $7,000,000, which loans were originally (a) evidenced, in part, by the two notes issued by the Partnership, as consolidated and modified, set

forth in Schedule I-F attached hereto (collectively, the "Original Loan F Note"), (b) evidenced, in part, by the 1989 Taxable Industrial Development Revenue Refunding Bond issued by YIDA, as consolidated and modified, set forth in Schedule I-F attached hereto (the "Original Loan F Bond"), which Original Loan F Bond provides that the obligations of YIDA thereunder are limited to payment of the Original Loan F Bond from the rentals under that certain Amended and Restated Lease Agreement, dated October 1, 1989, between YIDA and the Partnership (the "Original YIDA Lease" and, as amended by the First Amendment to Lease, dated as of July 28, 1993, between YIDA and the Partnership, the "Amended YIDA Lease"), and (c) secured by, among other things, (i) the three mortgages, as consolidated, spread and modified, set forth in Schedule I-F attached hereto (collectively, the "Original Loan F Mortgage"), covering certain land described on Exhibit F attached hereto and the other property described therein and located in Yonkers and Greenburgh, New York (the "Loan F Property"), and (ii) the assignments of lessor's interest in leases set forth in Schedule I-F attached hereto (the "Original Loan F Lease Assignments");

WHEREAS, on February 5, 1990, TIAA made a loan to the Partnership in the original principal amount of $37,700,000, which loan was originally (a) evidenced by the four notes, as assigned, consolidated and modified, set forth in Schedule I-G attached hereto (collectively, the "Original Loan G Note"), and (b) secured by, among other things, (i) the four mortgages, as assigned, consolidated and modified, set forth in Schedule I-G attached hereto (collectively, the "Original Loan G Mortgage"), covering certain land described on Exhibit G attached hereto and the other property described therein and located in Mount Pleasant, New York (the "Loan G Property"), and (ii) the assignment of lessor's interest in leases, as modified as set forth in Schedule I-G attached hereto (the "Original Loan G Lease Assignment");

WHEREAS, on September 11, 1990, TIAA made a loan to the Partnership in the original principal amount of $42,400,000, which loan was originally (a) evidenced by the four notes, as assigned, consolidated and modified, set forth in Schedule I-H attached hereto (collectively, the "Original Loan H Note") four mortgages, as assigned, consolidated and modified, set forth on Schedule I-H attached hereto (collectively, the "Original Loan H Mortgages") covering certain land described on Exhibit H attached hereto and the other property described therein and located in White Plains, New York (the "Loan H Property"), and (ii) the assignment of lessor's interest in leases, as modified, set forth in Schedule I-H attached hereto (the "Original Loan H Lease Assignment");

WHEREAS, on July 15, 1982 and on January 29, 1990, TIAA made two loans to the Partnership and its tenant-in-common (Tallyrand Property, Inc. or Corporate Property Investors, as applicable), which loans were originally (a) evidenced by the three notes, as assigned, consolidated and modified, set forth in Schedule I-I attached hereto (collectively, the "Original Loan I Note"; the Original Loan A Note, the Original Loan B Note, the Original Loan C Note, the Original Loan D Note, the Original Loan E Note, the Original Loan F Note, the Original Loan F Bond, the Original Loan G Note, the Original Loan H Note and the Original Loan I Note are hereinafter sometimes referred to individually as an "Original Note" and collectively as the "Original Notes"), and (b) secured by, among other things, (i) the three mortgages, as assigned, consolidated and modified, set forth in Schedule I-I attached hereto (collectively, the "Original Loan I Mortgage"; the Original Loan A Mortgage, the Original Loan B Mortgage, the Original Loan C Mortgage, the Original Loan D Mortgage, the Original Loan E Mortgage, the Original Loan F Mortgage, the Original Loan G Mortgage, the Original Loan H Mortgage and the Original Loan I Mortgage are hereinafter sometimes referred to collectively as the "Original Mortgages"), covering certain land described on Exhibit I attached hereto and the other property described therein and located in Tarrytown, New York (the "Loan I Property"; the Loan A Property, the Loan B Property, the Loan C Property, the Loan D Property, the Loan E Property, the Loan F Property, the Loan G Property, the Loan H Property and the Loan I Property are hereinafter sometimes referred to individually as a "Property" and collectively as the "Properties"), and (ii) the assignment of lessor's interest in leases, as modified, set forth in Schedule I-I attached hereto (the "Original Loan I Lease Assignment");

WHEREAS, pursuant to that certain Modification of Loans Agreement, dated as of July 28, 1993, among the Partnership, YIDA and TIAA (as amended by the Supplemental Modification Agreement (as hereinafter defined), the "1993

Modification Agreement"), each of the loans evidenced by the Original Notes (other than the loans evidenced by the Original Loan I Note) was restructured so as to modify the maturity date thereof, the interest payable thereunder and certain other terms relating to the repayment of such loans as more fully set forth therein and such loans were subsequently further modified by that certain Modification of Notes, Mortgage and Other Loan Documents (the "Supplemental Modification Agreement"), dated as of July 30, 1993, among the Partnership, YIDA and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan A Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage Note, dated as January 1, 1992, from the Partnership to

TIAA, in the original principal amount of $15,342,294.10 (as amended by the Supplemental Modification Agreement and by that certain Allonge, dated July 30, 1993, the "Loan A 1993 Amended Note"), (ii) the Original Loan A Mortgage was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the "Loan A 1993 Mortgage"), dated as of July 28, 1993, between the Partnership and TIAA and (iii) the Original Loan A Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan A 1993 Lease Assignment") between the Partnership and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan B Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage Note, dated as January 1, 1992, from the Partnership to TIAA, in the original principal amount of $25,950,053.98 (as amended by the Supplemental Modification Agreement and by that certain Allonge, dated July 30, 1993, the "Loan B 1993 Amended Note"), (ii) the Original Loan B Mortgage was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the "Loan B 1993 Mortgage"), dated as of July 28, 1993, between the Partnership and TIAA and (iii) the Original Loan B Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan B 1993 Lease Assignment") between the Partnership and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan C Note was amended and restated in its entirety by that certain First Amended and Restated Mortgage Note, dated as January 1, 1992, from the Partnership to TIAA, in the original principal amount of $6,337,801.65 (as amended by the Supplemental Modification Agreement and by that certain Allonge, dated July 30, 1993, the "Loan C 1993 Amended Note"), (ii) the Original Loan C Mortgage was amended and restated in its entirety by that certain First Amended and Restated Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the "Loan C 1993 Mortgage"), dated as of July 28, 1993, between the Partnership and TIAA and (iii) the Original Loan C Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan C 1993 Lease Assignment") between the Partnership and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan D Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage Note, dated as January 1, 1992, from the Partnership to TIAA, in the original principal amount of $93,000,000 (as amended by the Supplemental Modification Agreement and by that certain Allonge, dated July 30, 1993, the "Loan D 1993 Amended Note"), (ii) the Original Loan D Mortgage was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the "Loan D 1993 Mortgage"), dated as of July 28, 1993, between the Partnership and TIAA and (iii) the Original Loan D Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan D 1993 Lease Assignment") between the Partnership and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan E Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage Note, dated as January 1, 1992, from the Partnership to TIAA, in the original principal amount of $30,000,000 (as amended by the Supplemental Modification Agreement, the "Loan E 1993 Amended Note"), (ii) the Original Loan E Mortgage was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the

"Loan E 1993 Mortgage"), dated as of July 28, 1993, between the Partnership and TIAA and (iii) the Original Loan E Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan E 1993 Lease Assignment") between the Partnership and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan F Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage Note, dated as January 1, 1992, from the Partnership to TIAA, in the original principal amount of $10,200,000 (as amended by the Supplemental Modification Agreement, the "Loan F 1993 Amended Note"), (ii) the Original Loan F Bond was amended and restated in its entirety by that certain First Amended and Restated 1989 Taxable Industrial Development Revenue Refunding Bond, dated as January 1, 1992, from YIDA to TIAA in the original principal amount of $7,000,000 (as amended by the Supplemental Modification Agreement, the "Loan F 1993 Amended Bond"), (iii) the Original Loan F Mortgage was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage and Security Agreement (as amended by the

Supplemental Modification Agreement, the "Loan F 1993 Mortgage"), dated as of July 28, 1993, between the Partnership, YIDA and TIAA and (iv) the Original Loan F Lease Assignments were amended and restated in their entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan F 1993 Lease Assignment") between the Partnership, YIDA and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan G Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage Note, dated as January 1, 1992, from the Partnership to TIAA, in the original principal amount of $37,700,000 (as amended by the Supplemental Modification Agreement, the "Loan G 1993 Amended Note"), (ii) the Original Loan G Mortgage was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the "Loan G 1993 Mortgage"), dated as of July 28, 1993, between the Partnership and TIAA and (iii) the Loan G Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan G 1993 Lease Assignment") between the Partnership and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, (i) the Original Loan H Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage Note, dated as January 1, 1992, from the Partnership to TIAA, in the original principal amount of $42,211,848.58 (as amended by the Supplemental Modification Agreement and by that certain Allonge, dated July 30, 1993, the "Loan H 1993 Amended Note"; the Loan A 1993 Amended Note, the Loan B 1993 Amended Note, the Loan C 1993 Amended Note, the Loan D 1993 Amended Note, the Loan E 1993 Amended Note, the Loan F 1993 Amended Note, the Loan F 1993 Amended Bond, the Loan G 1993 Amended Note and the Loan H 1993 Amended Note are hereinafter sometimes referred to individually as a "1993 Amended Note" and collectively as the "1993 Amended Notes" and the 1993 Amended Notes and the Loan I Amended Note (as hereinafter defined) are collectively referred to as the "Amended Notes"), (ii) the Original Loan H Mortgage was amended and restated in its entirety by that certain First Amended and Restated Consolidated Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the "Loan H 1993 Amended Mortgage"; the Loan A 1993 Amended Mortgage, the Loan B 1993 Amended Mortgage, the Loan C 1993 Amended Mortgage, the Loan D 1993 Amended Mortgage, the Loan E 1993 Amended Mortgage, the Loan F 1993 Amended Mortgage, the Loan F 1993 Amended Bond, the Loan G 1993 Amended Mortgage and the Loan H 1993 Amended Mortgage are hereinafter sometimes referred to

individually as a "1993 Amended Mortgage" and collectively as the "1993 Amended Mortgages" and the 1993 Amended Mortgages and the Loan I Amended Mortgage (as hereinafter defined) are collectively referred to as the "Existing Amended Mortgages"), dated as of July 28, 1993, between the Partnership and TIAA and (iii) the Original Loan H Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (as amended by the Supplemental Modification Agreement, the "Loan H 1993 Lease Assignment"; the Loan A 1993 Lease Assignment, the Loan B 1993 Lease Assignment, the Loan C 1993 Lease Assignment, the Loan D 1993 Lease Assignment, the Loan E 1993 Lease Assignment, the Loan F 1993 Lease Assignment, the Loan G 1993 Lease Assignment and the Loan H 1993 Lease Assignment are hereinafter sometimes referred to individually as a "1993 Lease Assignment" and collectively as the "1993 Lease Assignments" and the 1993 Lease Assignments and the Loan I Amended Lease Assignment (as hereinafter defined) are collectively referred to as the "Existing Amended Lease Assignments"), dated as of July 28, 1993, between the Partnership and TIAA;

WHEREAS, pursuant to the 1993 Modification Agreement, the Partnership and YIDA executed a Second Mortgage and Security Agreement (as amended by the Supplemental Modification Agreement, the "Second Mortgage") and a Subordinate Assignment of Lessor's Interest in Lease(s) (as amended by the Supplemental Modification Agreement, the "Subordinate Assignment"), in each case covering the Properties (other than the Loan I Property) and in favor of TIAA, as security for the payment and performance by the Partnership of its obligations under that certain Mortgage Note (the "Additional Note"), dated July 28, 1993, in favor of TIAA in the original principal amount of $1,500,000;

WHEREAS, pursuant to the 1993 Modification Agreement, the Partnership executed (a) a separate Third Mortgage and Security Agreement for each of the Properties (other than the Loan I Property) in favor of TIAA (each such Third Mortgage and Security Agreement, as amended by the Supplemental Modification Agreement, is hereinafter referred to individually as a "Cross-collateral Mortgage" and collectively as the "Cross-collateral Mortgages"), and (b) a separate Subordinate Assignment of Lessor's Interest in Leases for each of the Properties (other than the Loan I Property) (each such Subordinate Assignment of Lessor's Interest in Leases, as amended by the Supplemental Modification Agreement, is hereinafter referred to individually as a "Cross-collateral Lease Assignment" and collectively as the "Cross-collateral Lease Assignments"), in each case as additional security for the payment and performance by the Partnership of its obligations under the 1993 Amended Notes, the 1993 Amended

Mortgages, the 1993 Lease Assignments and the 1993 Modification Agreement;

WHEREAS, (i) the Original Loan I Note was amended and restated in its entirety by that certain First Amended and Restated Consolidated Note, dated as January 1, 1994, from the Partnership to TIAA, in the original principal amount of $16,366,391.61 (the "Loan I Amended Note"), (ii) the Original Loan I Mortgage was amended by that certain Consolidation, Modification, Spreader and Extension Agreement (as amended, the "Loan I Amended Mortgage"), dated as of December 23, 1994, between the Partnership and TIAA and (iii) the Original Loan I Lease Assignment was amended and restated in its entirety by that certain Amended and Restated Assignment of Lessor's Interest in Leases (the "Loan I Amended Lease Assignment");

WHEREAS, on July 16, 1996, the Partnership converted into a limited liability company under Section 1006 of the New York Liability Company Law and is now known as the LLC;

WHEREAS, pursuant to the Second Modification of Loans Agreement (the "Second Modification Agreement"), dated as of December 30, 1996, between the LLC and TIAA and nine (9) separate Mortgage Splitter and Modification Agreements (the "Mortgage Splitter Agreements"), each dated as of December 30, 1996, between the LLC and TIAA, the LLC and TIAA amended the terms of the loans evidenced by the Amended Notes (other than the loan evidenced by the Loan F 1993 Amended Bond) so as to, among other things, split such loans into (i) separate first mortgage loans on the Properties in the aggregate principal amount (together with the principal amount of the loan evidenced by the Loan F 1993 Amended Bond) of $185,283,477, such first mortgage loans evidenced by (a) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $10,292,001 (the "Loan A First Replacement Note"), (b) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $25,600,537 (the "Loan B First Replacement Note"), (c) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $4,462,646 (the "Loan C First Replacement Note"), (d) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $58,596,855 (the "Loan D First Replacement Note"), (e) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $15,464,970 (the "Loan E First Replacement Note"), (f) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $3,058,354 (the "Loan F First Replacement Note"), and the Loan F 1993 Amended Bond in the amount of $7,000,000, (g) the First Replacement

Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $21,552,695 (the "Loan G First Replacement Note"), (h) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $27,918,366 (the "Loan H First Replacement Note"), and (i) the First Replacement Mortgage Note, dated as of December 30, 1996, from the LLC to TIAA in the principal amount of $11,337,053 (the "Loan I First Replacement Note"; the Loan A First Replacement Note, the Loan B First Replacement Note, the Loan C First Replacement Note, the Loan D First Replacement Note, the Loan E First Replacement Note, the Loan F First Replacement Note and the Loan F 1993 Amended Bond (as such Loan F 1993 Amended Bond may be replaced by the Reduced Subordinate Replacement Note (as hereinafter

defined) and as such Reduced Subordinate Replacement Note and Loan F First Replacement Note may be consolidated, amended and restated pursuant to the Amended Loan F First Replacement Note (as hereinafter defined)), the Loan G First Replacement Note, the Loan H First Replacement Note and the Loan I First Replacement Note are hereinafter sometimes referred to individually as a "First Replacement Note" and collectively as the "First Replacement Notes") and (ii) a separate subordinate mortgage loan on the Properties (other than YIDA's interest in the Loan F Property) in the aggregate principal amount of $98,637,600.31, such subordinate mortgage loan evidenced by the Subordinate Replacement Notes (as defined in the Second Modification Agreement);

WHEREAS, pursuant to the Second Modification and the Mortgage Splitter Agreements, (i) each First Replacement Note is secured by the Existing Amended Mortgage affecting the applicable Property, as amended by the Mortgage Splitter Agreement with respect to such Property (each such mortgage being hereinafter referred to as a "First Replacement Mortgage" and all such First Replacement Mortgages being hereinafter collectively referred to as the "First Replacement Mortgages"), and (ii) the Subordinate Replacement Notes are secured by a Subordinate Replacement Mortgage and Security Agreement (the "Subordinate Replacement Mortgage"), dated as of December 30, 1996, between the LLC and TIAA covering the Properties (other than YIDA's interest in the Loan F Property);

WHEREAS, pursuant to the Second Modification Agreement and nine (9) separate Lease Assignment Splitter and Modification Agreements (the "Lease Splitter Agreements"), each dated as of December 30, 1996, between the LLC and TIAA, (i) each First Replacement Note is also secured by the Existing Amended Lease Assignment affecting the applicable Property, as amended by the Lease Splitter Agreement with respect to such Property (each such assignment of lessor's interest in leases being hereinafter referred to as the "First Replacement Lease Assignment" and all

such First Replacement Lease Assignments being hereinafter collectively referred to as the "First Replacement Lease Assignments"), and (ii) the Subordinate Replacement Notes are also secured by a Subordinate Replacement Assignment of Lessor's Interest in Leases (the "Subordinate Replacement Lease Assignment"), dated as of December 30, 1996, between the LLC and TIAA covering the Properties (other than YIDA's interest in the Loan F Property);

WHEREAS, pursuant to the Second Modification Agreement, (i) the terms of each of the Cross-collateral Mortgages and the Cross-collateral Assignments were amended pursuant to separate First Amendments to Third Mortgage and Security Agreement and to Subordinate Assignment of Lessor's Interest in Leases, each dated as of December 30, 1996, between the LLC and TIAA so as to, among other things, secure the First Replacement Notes and to incorporate amendments necessary to reflect the changes in loan terms contemplated by the Second Modification Agreement and by the First Replacement Notes (as so amended the "Loan A-H Cross-collateral Mortgages" and the "Loan A-H Cross-collateral Assignments", respectively) and (ii) a new cross-collateral mortgage and security agreement (the "Loan I Cross-collateral Mortgage"; the Loan A-H Cross-collateral Mortgages and the Loan I Cross-collateral Mortgage are hereinafter collectively referred to as the "Amended Cross-collateral Mortgages") and a new subordinate assignment of lessor's interest in leases (the "Loan I Cross-collateral Lease Assignment"; the Loan A-H Cross-collateral Assignments and the Loan I Cross-collateral Lease Assignment are hereinafter collectively referred to as the "Amended Cross-collateral Lease Assignments") on the Loan I Property was executed by the LLC as additional security for the First Replacement Notes;

WHEREAS, simultaneously with the execution and delivery hereof, the LLC is acquiring title to the portion of the Loan F Property owned by YIDA;

WHEREAS, simultaneously with the execution and delivery hereof, the LLC is transferring the Properties to the Borrowers and simultaneously therewith the LLC is prepaying in its entirety the Additional Note and the Loan F 1993 Amended Bond and is prepaying the amount outstanding on the Subordinate Replacement Notes in excess of $7,000,000 (the remaining $7,000,000 principal amount of the Subordinate Replacement Notes shall be evidenced by the Subordinate Replacement Mortgage Note, dated December 30, 1996, from the LLC to TIAA in the original principal amount of $7,141,646 and as so reduced shall hereinafter be referred to as the "Reduced Subordinate Replacement Note") (the "Principal Prepayment") and is making certain other payments to TIAA in connection with the transactions contemplated hereby;

WHEREAS, as a condition to such transfer of the Properties, the Borrowers have agreed to assume the First Replacement Notes (subject to the non-recourse provisions expressly set forth therein);

WHEREAS, TIAA and Borrowers desire to consolidate the Loan F First Replacement Note and the Reduced Subordinate Replacement Note so as to form a

single first indebtedness of $10,058,354 (as so consolidated, the "Amended Loan F First Replacement Note") and to consolidate, modify and spread the primary mortgages securing such notes; and

WHEREAS, TIAA and the Borrowers desire to amend and restate in their entirety the First Replacement Mortgages, the First Replacement Lease Assignments, the Amended Cross-collateral Mortgages and the Amended Cross-collateral Lease Assignments.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the LLC, the Borrowers, and TIAA hereby agree as follows:

1. Assumption of the First Replacement Notes. Cali CW hereby assumes the Loan A First Replacement Note and the Loan B Replacement Note. Cali MW hereby assumes the Loan C First Replacement Note and the Loan G First Replacement Note. Elmsford Realty, Cali CW, Cali SW, Cali WP and Cali MW each hereby jointly and severally assumes the Loan D First Replacement Note. Cali WP hereby assumes the Loan E First Replacement Note and the Loan H First Replacement Note. Cali CW and Cali SW each hereby jointly and severally assumes the Loan F First Replacement Note and the Reduced Subordinate Replacement Note. Talleyrand Realty hereby assumes the Loan I First Replacement Note. Each of the Borrowers agrees to be personally bound for such performance pursuant to the First Replacement Notes to the same extent as if said instruments had originally been executed by the Borrowers, subject to the non-recourse provisions contained therein and herein. In connection with such assumption, TIAA and the Borrowers are, simultaneously with the execution and delivery of this Agreement, executing and delivering (a) Amended and Restated First Replacement Mortgage and Security Agreements, each in the form of Exhibit J-1 attached hereto (the "Amended and Restated First Replacement Mortgages"), for each of the Properties, amending and restating in its entirety each of the First Replacement Mortgages, (b) Amended and Restated First Replacement Assignment of Lessor's Interest in Leases, each in the form of Exhibit J-2 attached hereto (the "Amended and Restated First Replacement Lease Assignments"), for each of the Properties, amending and restating in its entirety each of the First Replacement Lease Assignments, (c) Amended and Restated Cross-

collateral Mortgage and Security Agreements, each in the form of Exhibit J-3 attached hereto (the "Amended and Restated Cross-collateral Mortgages"), for each of the Properties, amending and restating in its entirety each of the Amended Cross-collateral Mortgages, (d) Amended and Restated Cross-collateral Assignment of Lessor's Interest in Leases, each in the form of Exhibit J-4 attached hereto (the "Amended and Restated Cross-collateral Lease Assignments"), for each of the Properties, amending and restating in its entirety each of the Amended Cross-collateral Lease Assignments, (e) Consolidation, Spreader and Modification Agreement in the form of Exhibit J-5 attached hereto among Cali CW, Cali SW and TIAA, and (f) Amended and Restated First Replacement Mortgage Note in the form of Exhibit J-6 attached hereto (the "Amended Loan F First Replacement Note") from Cali CW and Cali SW to TIAA, the Borrowers shall execute and deliver such additional security documents, including, without limitation, amendments to all existing or new Uniform Commercial Code Financing Statements, as TIAA may reasonably request. Promptly after the execution and delivery thereof, the Borrowers shall cause this Agreement and related security documents to be duly recorded or filed in the appropriate County Recorder's or Secretary of State's offices and shall pay all recording, registration, filing fees and other charges in connection therewith. This Agreement, the First Replacement Notes, the Amended and Restated First Replacement Mortgages, the Amended and Restated First Replacement Lease Assignments, the Amended and Restated Cross-collateral Mortgages, the Amended and Restated Cross-collateral Lease Assignments, and the additional security documents executed by the Borrowers are hereinafter referred to collectively as the "Loan Documents". TIAA and the Borrowers acknowledge that from and after the execution and delivery of this Agreement, the terms of the loans from TIAA to Borrowers, and the Borrowers obligations to TIAA with respect to such loans, shall be governed by the Loan Documents and the Environmental Indemnity (as hereinafter defined). All references in the Loan Documents to the "First Replacement Notes" shall be deemed to refer to the First Replacement Notes as defined herein.

2. The Second Mortgage and Subordinate Replacement Mortgage. The parties acknowledge that the Principal Prepayment represents the amounts due under the Additional Note, and secured by the Second Mortgage and Subordinate Assignment, and the amounts due under the Subordinate Replacement Note and secured by the Subordinate Replacement Mortgage and the Subordinate Replacement Lease Assignment. Simultaneously with the execution and delivery hereof, TIAA will cause the necessary satisfactions, releases and termination statements related to the Additional Note, the Second Mortgage, the Subordinate Assignment, the Subordinate Replacement Notes, the Subordinate Replacement Mortgage and the Subordinate Replacement Lease Assignment and

related security documents to be executed and delivered to the LLC and the LLC will cause such documents to be duly recorded or filed in the appropriate county or secretary of state's offices in New York.

3. Termination of YIDA Documents. Simultaneously with (or prior to) the execution and delivery of this Agreement, YIDA, the LLC and TIAA, as appropriate, shall enter into the Lease Termination Agreement in the form of Exhibit K attached hereto (the "YIDA Lease Termination Agreement"), pursuant to which the Amended YIDA Lease and certain security documents relating thereto shall be terminated. Promptly after the execution and delivery thereof, the LLC shall cause the YIDA Lease Termination Agreement to be duly recorded or filed in the appropriate county or secretary of state's offices in New York and shall pay all recording, registration and filing fees and other charges, if any, in connection therewith. As a result of the execution and delivery of the above-described documents, YIDA shall no longer have any interest in the Loan F Property and the loans and security agreements for such Loan F Property shall be directly between TIAA and Cali CW and Cali SW.

4. INTENTIONALLY OMITTED

5. Recourse Loan. Cali Realty, LP ("CRLP") shall have the right to cause the loans evidenced by the First Replacement Notes to be refinanced through a senior unsecured publicly registered and rated recourse loan by TIAA to CRLP (the "Recourse Loan"), provided that such conversion right shall be subject to various closing conditions to be agreed upon by TIAA and CRLP, each party acting reasonably, including, without limitation, the preparation of acceptable loan documents, the rating of such Recourse Loan as BBB- or better by Standard & Poor's (or the equivalent rating by Moody's Investors Services) and by either Fitch Investor Services or Duff & Phelps (or such organization's equivalent rating), there being no material adverse change in the financial condition of CRLP, and there being no Event of Default or event which, with the passage of time or the giving of notice of both, would be an Event of Default under the Loan Documents or the documents to evidence such Recourse Loan. If CRLP elects to enter into the Recourse Loan, such Recourse Loan shall be on the terms and conditions set forth on the term sheet attached hereto as Exhibit L or on such other terms and conditions as shall be acceptable to CRLP and TIAA and which are customary for debt issuances by public real estate investment trusts owning properties similar to the Properties which debt issuances have been rated by Standard & Poor's (or Moody's Investor Services) and have a rating comparable to the rating on the Recourse Loan. TIAA and each of the Borrowers agree that any reference in the First Replacement

Notes to Paragraph 7 of the Second Modification Agreement shall, from and after the date hereof, be deemed to refer to this Paragraph 5.

6. Prepayment. The First Replacement Notes shall be prepayable in their entirety (except partial prepayments shall be permitted as set forth in Paragraph 12 of the Second Modification Agreement) at any time from and after the date hereof upon delivery to TIAA of not less than fifteen (15) (nor more than sixty (60)) days prior written notice by the Borrower of their intent to prepay the First Replacement Notes and upon payment to TIAA of a prepayment premium as set forth in the First Replacement Notes, all as more fully set forth in the First Replacement Notes, provided that no prepayment premium shall be required in connection with the refinancing of the First Replacement Notes pursuant to the terms set forth in Paragraph 5 hereof. Upon default by any Borrower and following the acceleration of maturity of any First Replacement Note, a tender of payment of the amount necessary to satisfy the entire indebtedness (including sale under any power of sale contained in the security documents) or during any redemption period after foreclosure, by any Borrower, its successors or assigns, or by any one on behalf of any Borrower, its successors or assigns, shall constitute an evasion of the prepayment privilege and shall be deemed to be a prepayment of the First Replacement Notes and such prepayment, to the extent permitted by law, will therefore include a premium required under the prepayment privilege set forth in the First Replacement Notes.

7. Non-Recourse. Notwithstanding any provisions in this Agreement, the First Replacement Notes or in the Loan Documents, it is expressly understood and agreed that if TIAA at any time takes action to enforce the collection of amounts owing under the First Replacement Notes or the Loan Documents, TIAA will proceed to foreclose the Amended and Restated First Mortgages and/or the Amended and Restated Cross-collateral Mortgages and to exercise its remedies with respect to collateral securing the First Replacement Notes. If, as a result of such foreclosure and sale of the property described therein, a lesser sum is realized therefrom than the amount then due and owing under the First Replacement Notes and any document securing the First Replacement Notes, TIAA will never institute any action, suit, claim or demand in law or in equity against the Borrowers or the partners of the Borrowers or any directors, officers, shareholders or employees of the Borrowers or the partners of Borrowers seeking personal liability for or on account of such deficiency.

Nothing contained in the immediately preceding paragraph will in any way

affect or impair (i) the lien of the

Amended and Restated First Replacement Mortgages, the Amended and Restated Cross-collateral Mortgages or any lien on other collateral, TIAA's ability to foreclose the Amended and Restated First Replacement Mortgages, the Amended and Restated Cross-collateral Mortgages or any lien on other collateral, or any representation or warranty of title made by any Borrower, all of which will remain in full force and effect and inure to the benefit of TIAA and to the benefit of any insurer of title to a Property; (ii) TIAA's rights under any master lease, any indemnity agreement or any guarantee given by any Borrower or the partners of any Borrower to TIAA in connection with the indebtedness evidenced by the First Replacement Notes; (iii) TIAA's right to present and collect on any letter of credit in connection with the indebtedness evidenced by the First Replacement Notes; or (iv) any Borrower's personal liability for the indebtedness evidenced by any of the First Replacement Notes if at the time of acceleration of the indebtedness or foreclosure of the Amended and Restated First Replacement Mortgages or the Amended Cross-collateral Mortgages and sale of a Property, such Borrower is in default under any of the provisions of Sections 62, 63 or 64 of any of the Amended and Restated First Replacement Mortgages or the Amended and Restated Cross-collateral Mortgages (such sections relating to Environmental Laws as defined therein) and such default has an adverse effect on the value of such Property, but such personal liability shall be only to the extent of the loss in value of such Property resulting from such failure to comply with the provisions of such sections. Further, the following are excluded and excepted from the provisions of the immediately preceding paragraph and TIAA may recover personally against the Borrowers for the following:

(1) all losses, damages or liabilities suffered by TIAA arising out of any fraud or willful or intentional misrepresentation by the any Borrower or any of the Borrower's partners, members or principals of any Borrower in connection (i) with any Borrower's performance or fulfillment of any of TIAA's conditions to or requirements in advancing the indebtedness evidenced by the First Replacement Notes or otherwise with any Borrower's inducements to TIAA to advance such indebtedness; (ii) with the execution and delivery of any of the documents evidencing or securing the indebtedness evidenced by the First Replacement Notes; (iii) with the making of any representations or warranties (which are in addition to the representations and warranties of title in the Amended and Restated First Replacement Mortgages or the Amended and Restated Cross-collateral Mortgages covered under the preceding paragraph) contained in any of the documents evidencing or securing the indebtedness evidenced by the First Replacement Notes; or (iv) with any Borrower's performance of any of its obliga-

tions under any of the documents evidencing or securing the indebtedness evidenced by the First Replacement Notes;

(2) all rents and other revenues, payments or reimbursements ("Income") of any kind whatsoever (including all payments and contributions from tenants for taxes, insurance, operating expenses and common area maintenance charges) derived from a Property after a default by any Borrower (whether or not notice of such default has been given) under any of the documents evidencing or securing the indebtedness evidenced by the First Replacement Notes or on deposit on the date such default occurs in one or more accounts used by any Borrower or any Borrower's agents, representatives or property manager in connection with the operation of a Property, except to the extent properly applied (as documented by evidence reasonably satisfactory to TIAA) to the normal and customary expenses and operations of a Property;

(3) all security deposits collected by any Borrower (or any of such Borrower's predecessors) and not properly refunded to tenants and all advance rents collected by a Borrower (or any of such the Borrower's predecessors) and not properly applied in due course; proper refunding or application must be documented by evidence reasonably satisfactory to TIAA;

(4) the replacement cost of any items of personalty or any fixtures removed from a Property, and not replaced with personalty or fixtures of a like kind, value and utility, after any Borrower defaults under any of the documents evidencing or securing the indebtedness evidenced by the First Replacement Notes;

(5) all losses, damages or liabilities suffered by TIAA arising from any acts of commission or omission by any Borrower that result in waste upon a Property;

(6) all payments made by TIAA to discharge mechanic's liens, materialmen's liens or any other liens arising from work performed on or materials delivered to a Property prior to foreclosure of the Amended Restated First Replacement Mortgage or the Amended and Restated

Cross-collateral Mortgage and sale of a Property but only to the extent TIAA had advanced funds to such Borrower to pay for such work or materials and has not been reimbursed therefor; and

(7) any insurance or condemnation proceeds attributable to a Property that are not applied in accordance with the terms of the Amended and Restated First Replacement

Mortgage or the Amended and Restated Cross-collateral Mortgage and any insurance or condemnation proceeds attributable to a Property that were not paid to TIAA when and to the extent required under the terms of the Amended and Restated First Replacement Mortgages or the Amended and Restated Cross-collateral Mortgages.

The provisions of this Paragraph 7 shall not be deemed to diminish or limit the liability of an indemnitor under that certain Environmental Indemnity dated as of even date herewith from Borrowers and CRLP to TIAA given to indemnify TIAA against any loss TIAA may incur by reason of a failure to comply with any Environmental Laws.

8. Representations and Warranties of the Borrowers and the LLC.

(a) In order to induce TIAA to enter into this Agreement, the Borrowers hereby jointly and severally warrant and represent to TIAA as follows:

(i) Each Borrower is a duly organized and validly existing limited partnership organized under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to assume all of the obligations of the LLC and the Partnership as set forth in the Loan Documents in accordance with the terms and conditions hereof. All necessary actions of the partners of each Borrower to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(ii) This Agreement and the agreements and other documents to be executed and delivered by each of the Borrowers hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of such Borrower, enforceable in accordance with their terms. The performance by each Borrower of each of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by each of them hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of each Borrower or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to

which each Borrower is a party or by which each of its assets are or may be bound.

(iii) Each Borrower has furnished to TIAA a true and complete copy of its Partnership Agreement, as amended to date, and of the Partnership Agreement of CRLP as amended to date.

(iv) No action, suit, claim, investigation or proceeding, whether legal or administrative or in meditation or arbitration, is pending or, to best knowledge of each Borrower, threatened, at law or in equity, against any of the Borrowers before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent any of the Borrowers from performing their respective material obligations pursuant to this Agreement or the Loan Documents. There are no judgments, decrees or orders entered on a suit or proceeding against any Borrower, an adverse decision in which might, or which judgment, decree or order does, adversely affect the ability of any Borrower to perform its respective material obligations pursuant to this Agreement or the Loan Documents, or which seeks to restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the carrying of this Agreement or the transactions contemplated hereby.

(v) The execution and delivery of this Agreement and the documents contemplated hereby and the performance by each Borrower of its respective obligations hereunder and thereunder do not and will not conflict in any material respect with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over any Borrower, including, without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of

any arbitrator to which any Borrower is a party or by which any Borrower is bound or affected.

(vi) The sole general partner of each Borrower is a wholly-owned subsidiary of the REIT and the sole limited partner of each Borrower is CRLP.

(vii) None of the REIT, CRLP or any Borrower has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of the REIT's, CRLP's or any Borrower's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of

the REIT's, CRLP's or any Borrower's assets, suffered the attachment or other judicial seizure of all, or substantially all, of the REIT's, CRLP's or any Borrower's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(b) In order to induce TIAA to enter into this Agreement, the LLC hereby represents and warrants to TIAA as follows (it being acknowledged that the following are representations and warranties made by the LLC for the benefit of TIAA and that any failure of such representations and warranties to be true and correct shall not constitute a default under the Loan Documents):

(i) The LLC is a limited liability company duly formed and validly existing under the laws of the State of New York.

(ii) The LLC has full power and authority to execute and deliver this Agreement and to perform all transactions (including the execution and delivery of all documents) required of the LLC for the performance of this Agreement. This Agreement has been duly authorized and, when executed and delivered, shall constitute the legal, valid and binding obligation of the LLC, enforceable in accordance with its terms. Prior to or on the date of this Agreement, all transactions required by this Agreement to be performed as of such date by the LLC shall have been duly accomplished, all documents required by this Agreement to be executed and delivered by the LLC shall have been duly authorized, executed and delivered and all such documents shall be enforceable in accordance with their terms.

(iii) The execution and delivery of this Agreement and the performance by the LLC of all transactions required by this Agreement (including the execution and delivery of all documents required by this Agreement to be executed and delivered by the LLC):

(x) do not breach any contractual covenants or restrictions between the LLC and any third party and do not conflict with the any federal, state or local laws and the rules and regulations promulgated thereunder;

(y) do not require any consent or approval of any public or private authority; and

(z) are not threatened with invalidity or unenforceability by any action, proceeding (including, without limitation, bankruptcy or insolvency proceed-

ings) or investigation pending or presently threatened by or against the LLC.

9. Transfer, Pledge and Assignment of Company Interests. Without the prior written consent of TIAA, CRLP and the REIT shall be prohibited from, directly or indirectly, transferring, pledging or assigning, in one or more transactions, any of their respective interests in the Borrowers, provided that it is understood and agreed that the prior written consent of TIAA shall not be required for any transfer or conveyance to one or more wholly-owned subsidiaries of CRLP or the REIT.

10. Partial Releases. If any Borrower shall desire to sell, transfer or otherwise convey its interest in any Property, or any portion thereof, to an unaffiliated third party, such Borrower shall have the right to obtain a partial release of the Amended and Restated First Replacement Mortgage and the Amended and Restated Cross-collateral Mortgage and the other Loan Documents encumbering such Property, or portion thereof, subject in each case to the terms and conditions as set forth in this Paragraph 10. A partial release shall only be permitted with respect to the properties listed on Schedule II attached hereto and such properties may not be further subdivided for purposes of this Paragraph 10. In order to qualify for a partial release of the Amended and Restated First Replacement Mortgage and the Amended and Restated Cross-collateral Mortgage encumbering such Property, or portion thereof, the Borrower must satisfy all of the following conditions:

(a) As of the release date, there shall be no Event of Default or condition or event which, with the giving of notice or the expiration of time, or both, would constitute an Event of Default under any of the Loan Documents;

(b) TIAA shall have received, not less than 15 days prior to the proposed release date (the "Release Date"), a written request for such release from the Borrower that owns the applicable Property, or portion thereof, which notice shall specify the Property, or portion thereof, proposed to be released and the proposed release payment pursuant to this Paragraph 10.

(c) TIAA shall have received pursuant to this Paragraph 10 with respect to the requested release of the Property in question, or portion thereof, a prepayment of the First Replacement Note secured by a first mortgage on such Property (or portion thereof) in an amount equal to the amount set

forth on Schedule II attached hereto with respect to such Property (or portion thereof) plus any accrued interest on the amount of such prepayment and the prepayment premium, if any, thereon in accordance with the terms of such First Replacement Note;

(d) TIAA shall have received such title reports and endorsements to the title insurance policies issued in connection with the Amended and Restated First Replacement Mortgages and the Amended and Restated Cross-collateral Mortgages as TIAA shall reasonably require and as shall be reasonably available confirming that the release of the Property (or portion thereof) will not affect the title insurance issued to TIAA on the remaining Properties;

(e) TIAA shall be reasonably satisfied that the release of the Property in question, or a portion thereof, will not result in a violation in any applicable legal requirements relating to the building code and zoning laws with respect to the Properties remaining as collateral for the First Replacement Notes and that the Property, or a portion thereof, to be released constitutes a separate tax lot;

(f) All of TIAA's reasonable legal, title, recording and other transaction costs with respect to such requested release (including attorney fees and expenses) shall be paid by the Borrower requesting such release; and

(g) If after the date hereof any entity shall guaranty all or any portion of the indebtedness evidenced by the First Replacement Notes or the Loan Documents, such guarantor shall have agreed that the release of the Property will not affect the terms of its Guaranty.

Upon the satisfaction of all of the foregoing conditions, TIAA shall execute and deliver to the applicable Borrower on the Release Date a partial release or partial assignment (without representation or warranty by TIAA and without recourse to TIAA) of the First Replacement Mortgage and the Amended and Restated Cross-collateral Mortgage and the other Loan Documents encumbering the Property (or portion thereof) to be released, such partial release to cover the portion of the Property to be released as set forth above and to be in a form

reasonably satisfactory to TIAA. TIAA and each of the Borrowers agree that any reference in the First Replacement Notes to Paragraph 12 of the Second Modification Agreement shall, from and after the date hereof, be deemed to refer to this Paragraph 10.

11. Environmental Indemnity. Simultaneously with the execution and delivery of this Agreement, each Borrower and CRLP shall, in consideration of the execution and delivery of this Agreement by TIAA, execute and deliver to TIAA an environmental indemnity agreement in the form of Exhibit M attached hereto (the "Environmental Indemnity").

12. RMC Escrow Agreement. Pursuant to the 1993 Modification Agreement, the Partnership established the Impound Escrow Account and the RMC Escrow Account(as such terms are defined in the 1993 Modification Agreement). Simultaneously with the execution and delivery of this Agreement, the Impound Escrow Account and the RMC Escrow Account will be terminated pursuant to a Termination of Escrow Agreements in the form of Exhibit N attached hereto and the proceeds thereof will be released to the LLC.

13. Lockbox Account. Pursuant to the 1993 Modification Agreement, the Partnership established a Lock-Box Account with the Bank (as such terms are defined in the 1993 Modification Agreement). Simultaneously with the execution

and delivery of this Agreement, the Lock-Box Account shall be terminated and TIAA, the Bank and the LLC shall enter into a Termination of Lock-Box Agreements in the form of Exhibit O attached hereto.

14. Letter Agreement. Simultaneously with the execution hereof the Borrowers and TIAA shall enter into a side letter substantially in the form of Exhibit P attached hereto, which shall address certain issues regarding the transaction contemplated herein, including but not limited to press releases issued by any of the Borrowers and/or CRLP and late charges payable under the First Replacement Notes.

15. Miscellaneous. References in this Agreement to any document or agreement shall also include any subsequent amendment, modification, restatement, consolidation or replacement thereof. Except as expressly set forth in this Agreement, this Agreement supersedes in its entirety the Second Modification Agreement. This Agreement may be executed in counterparts. If any provision of the Loan Documents or other documents delivered in connection therewith is inconsistent with or contrary to any provision of this Agreement, the provision of this Agreement shall control and prevail over such inconsistent or contrary provision in such other document.

IN WITNESS WHEREOF, the LLC, the Borrowers and TIAA have executed and delivered this Assumption of Loans Agreement as of the date and year first above written.

ROBERT MARTIN COMPANY, LLC

By /s/ Robert F. Weinberg

Name: Robert F. Weinberg
Title: Manager

CALI CW REALTY ASSOCIATES L.P.

By: Cali Sub XIII, Inc.,
its sole general partner

By /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: V.P. and General Counsel

ELMSFORD REALTY ASSOCIATES L.P.

By: Cali Sub XIII, Inc.,
its sole general partner

By /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: V.P. and General Counsel

TALLEYRAND REALTY ASSOCIATES L.P.

By: Cali Sub XIII, Inc.,
its sole general partner

By /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: V.P. and General Counsel

CALI MID-WEST REALTY ASSOCIATES L.P.

By: Cali Sub XIV, Inc.,
its sole general partner

By /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: V.P. and General Counsel

CALI SO. WEST REALTY ASSOCIATES L.P.

By: Cali Sub XIV, Inc.,
its sole general partner

By /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: V.P. and General Counsel

CALI WP REALTY ASSOCIATES L.P.

By: Cali Sub XIV, Inc.,
its sole general partner

By /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: V.P. and General Counsel

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By /s/ Mark DePrima

Name: Mark DePrima
Title: Associate Director

EXHIBIT J-6

FORM OF AMENDED AND RESTATED LOAN F FIRST REPLACEMENT NOTE

AMENDED AND RESTATED FIRST
REPLACEMENT MORTGAGE NOTE

$10,058,354 New York, New York
January ___, 1997

FOR VALUE RECEIVED, the undersigned, CALI CW REALTY ASSOCIATES L.P., a New York limited partnership, and CALI SO. WEST REALTY ASSOCIATES L.P., a New York limited partnership, each having offices at 11 Commerce Drive, Cranford, New Jersey 07016 (jointly and severally, "Maker"), jointly and severally promise to pay to TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA ("Holder"), a New York corporation, or order, during regular business hours at its offices at 730 Third Avenue, New York, New York 10017, or at such other place as may be designated from time to time in writing by Holder, the principal sum of TEN MILLION FIFTY-EIGHT THOUSAND THREE HUNDRED FIFTY-FOUR ($10,058,354) DOLLARS, or so much thereof as may have been advanced hereunder, together with Fixed Interest (as hereinafter defined) on so much thereof as is from time to time outstanding and unpaid, all in lawful money of the United States of America which shall at that time be deemed to be legal tender in payment of all debts and dues, public and private. The principal amount hereof, and the Fixed Interest, shall be paid by Maker to Holder as set forth below.

1. Definitions. As used in this Note, the following terms shall have the following meanings.

"Applicable Rate" shall mean a rate of interest equal to 7.18% per annum.

"Consolidation Agreement" shall mean the Consolidation, Spreader and Modification Agreement, dated as of the date hereof, between Maker and Holder

"Cross-Collateral Mortgages" shall have the meaning specified in Section 13.

"Default Discount Rate" shall mean the Discount Rate (as hereinafter defined) less 300 basis points.

"Default Rate" shall mean twelve percent (12%) per annum.

"Discounted Value" shall mean the discounted value of a Note Payment (as hereinafter defined), based on the following formula:

$$\frac{NP}{(1 + R/12)^n} = \text{Discounted Value}$$

NP = Amount of Note Payment

R = Discount Rate or Default Discount Rate, as the case may be.

n = The number of months between the date of prepayment and the Maturity Date (as hereinafter defined), rounded to the nearest integer.

"Discount Rate" shall mean the sum of (a) the yield on a U.S. Treasury issue selected by Holder, as published by The Wall Street Journal, two (2) weeks prior to a permitted Payment Date (as hereinafter defined) having a maturity date corresponding (or most closely corresponding, if not identical) to the Maturity Date and a coupon interest rate corresponding (or most closely corresponding, if not identical) to the rate of interest on this Note and (b) 1%.

"Fixed Interest" shall have the meaning specified in Section 2.

"Holder" shall mean Teachers Insurance and Annuity Association of America, a New York corporation.

"Loan Documents" shall have the meaning set forth in the Third Loan Modification Agreement.

"Maker" shall mean, jointly and severally, CALI CW REALTY ASSOCIATES L.P., a New York limited partnership, and CALI SO. WEST REALTY ASSOCIATES L.P., a New York limited partnership.

"Maturity Date" shall mean December 31, 2003.

"Mortgage" shall mean the mortgages identified on Schedule I attached hereto, as consolidated, amended and restated in their entirety by Amended and Restated Consolidated First Replacement Mortgage, dated as of the date hereof, between Maker and Holder, covering certain property described therein and located in Greenburgh and Yonkers, New York.

"Mortgaged Property" shall have the meaning specified in the Granting Clauses of the Mortgage.

"Note Payments" shall mean any payments of Fixed Interest and principal under this Note, but does not include other payments under this Note or the Loan Documents such as late payment charges, interest paid at the Default Rate, escrow payments or payments made as reimbursement for sums expended by Holder under the terms of the Loan Documents, whether or not those sums expended are deemed added to principal pursuant to the terms of the Loan Documents.

"Other Replacement Notes" shall mean (a) the First Replacement Mortgage Note, dated December 30, 1996, from Robert Martin Company, LLC (the "LLC") to Holder, in the principal amount of $10,292,001, (b) the First Replacement Mortgage Note, dated December 30, 1996, from the LLC to Holder, in the principal amount of $25,600,537, (c) the First Replacement Mortgage Note, dated December 30, 1996, from the LLC to Holder, in the principal amount of $4,462,646, (d) the First Replacement Mortgage Note, dated December 30, 1996, from the LLC to Holder, in the principal amount of $15,464,970, (e) the First Replacement Mortgage Note, dated December 30, 1996, from the LLC to Holder, in the principal amount of $58,596,855, (f) the First Replacement Mortgage Note, dated December 30, 1996, from the LLC to Holder, in the principal amount of $21,552,695, (g) the First Replacement Mortgage Note, dated December 30, 1996, from the LLC to Holder, in the principal amount of $27,918,366 and (h) the First Replacement Mortgage Note, dated December 30, 1996, from the LLC to Holder, in the principal amount of $11,337,053.

"Payment Date" shall mean the Maturity Date or any earlier date on which there is a voluntary or involuntary prepayment of this Note, including any payment or prepayment of this Note after acceleration or otherwise.

"Prepayment Date" shall mean the date on which any principal evidenced by this Note, the accrued Fixed Interest thereon and all other sums then due and owing under the Loan Documents are paid.

"Prepayment Premium" shall mean the amount by which the sum of the

Discounted Value of Note Payments, calculated at the Discount Rate exceeds the principal balance of this Note on the Prepayment Date, provided that (a) if such Prepayment Premium is being calculated in connection with a prepayment of this Note following the occurrence of an Event of Default under the Loan Documents the Default Discount Rate shall be used in lieu of the Discount Rate, and (b) in the case of a partial prepayment of this Note in accordance with Paragraph 10 of the Third Loan Modification Agreement, the Note

Payments shall be calculated based upon the principal amount being prepaid and the Fixed Interest thereon.

"Properties" shall have the meaning specified in the Third Loan Modification Agreement.

"Replacement Notes" shall mean this Note and the Other Replacement Notes.

"Third Loan Modification Agreement" shall mean the Third Modification and Assumption of Loans Agreement, dated as of the date hereof, among the LLC, Maker, certain other subsidiaries of Cali Realty L.P. and Holder.

2. Fixed Interest; Payments of Fixed Interest. From and after the date hereof, fixed interest shall accrue on the principal balance outstanding hereunder at the Applicable Rate (the "Fixed Interest").

Maker shall make payments on account of Fixed Interest to Holder, at the address and in the manner specified above, in arrears on the first day of each calendar month commencing on January 1, 1997 and continuing through and including December 1, 2003.

3. Maturity Date. The entire unpaid principal balance of this Note, together with all unpaid Fixed Interest and all sums due hereunder and under the Mortgage shall be due and payable on the Maturity Date.

4. Prepayment. (a) Maker shall have no right, power or privilege to prepay this Note in whole or in part except as expressly set forth herein. From and after the date hereof, Maker shall be entitled to prepay the entire (but not less than the entire, provided that after the Transfer Date partial prepayments of this Note shall be permitted in accordance with paragraph 10 of the Third Loan Modification Agreement) principal balance of this Note on not less than fifteen (15) days' prior written notice to Holder, together with all unpaid Fixed Interest and all other sums then due and owing under this Note and the Mortgage, upon the payment of an amount equal to the Prepayment Premium, provided that, except with respect to partial prepayments under Paragraph 10 of the Third Loan Modification Agreement, simultaneously with any such prepayment Maker shall also prepay all of the Other Replacement Notes in accordance with their respective terms. Notwithstanding the aforesaid to the contrary, no Prepayment Premium shall be required in connection with (x) a refinancing of this Note pursuant to Paragraph 5 of the Third Loan Modification Agreement, or (y) so long as no Event

of Default has occurred and is continuing, a prepayment of this Note occurring on or after October 1, 2003.

(b) Maker specifically acknowledges and agrees that if all or any part of the indebtedness evidenced hereby shall be paid prior to the Maturity Date for any reason whatsoever, whether such payment is voluntary or involuntary and whether or not such payment arising by virtue of (i) the exercise by Maker of the prepayment privilege, if any, expressly reserved in this Note, or (ii) a default by Maker hereunder or under the Mortgage or any other document evidencing or securing the loan evidenced hereby or a default arising from the failure for any reason of Maker to pay the principal balance of this Note after giving Holder written notice of its intention to make such prepayment, then such payment, except as set forth in clause (a) above, shall include an amount equal to the Prepayment Premium. No Prepayment Premium shall be due in connection with a prepayment of the whole or any part of this Note from insurance proceeds or condemnation awards.

(c) MAKER HEREBY FURTHER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT (A) THE PREPAYMENT PREMIUM IS REASONABLE IN AMOUNT, (B) THE PREPAYMENT PREMIUM SHALL BE PAID WITHOUT PREJUDICE TO THE RIGHT OF HOLDER TO COLLECT ANY OTHER AMOUNTS PROVIDED TO BE PAID HEREUNDER OR UNDER THE MORTGAGE OR ANY OTHER DOCUMENT EVIDENCING OR SECURING THE LOAN EVIDENCED HEREBY, (C) ANY TENDER OF PAYMENT BEFORE THE MATURITY DATE FOR ANY REASON WHATSOEVER (EXCEPT IN CONNECTION WITH HOLDER'S APPLICATION, IF ANY, OF INSURANCE PROCEEDS OR CONDEMNATION AWARDS TO REDUCE THE OUTSTANDING PRINCIPAL BALANCE HEREOF AND EXCEPT AS PROVIDED IN CLAUSE (a) ABOVE) OF ALL OR ANY PART OF THE INDEBTEDNESS EVIDENCED HEREBY SHALL

INCLUDE THE PREPAYMENT PREMIUM, (D) HOLDER SHALL BE ENTITLED TO BID ALL OR A PORTION OF THE PREPAYMENT PREMIUM AT ANY FORECLOSURE SALE UNDER THE MORTGAGE, (E) IF AN EVENT OF DEFAULT OCCURS HEREUNDER OR UNDER THE MORTGAGE OR ANY OTHER DOCUMENT EVIDENCING OR SECURING THE LOAN EVIDENCED HEREBY, HOLDER SHALL BE ENTITLED TO DAMAGES FOR THE DETRIMENT CAUSED THEREBY, BUT THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE EXTENT OF SUCH DAMAGES AND THAT THE PREPAYMENT PREMIUM IS A REASONABLE ESTIMATE OF SUCH DAMAGE, AND (F) NOTHING CONTAINED HEREIN OR IN THE MORTGAGE SHALL BE DEEMED TO MEAN THAT MAKER HAS ANY RIGHT TO PAY ALL OR ANY PART OF THE INDEBTEDNESS EVIDENCED HEREBY PRIOR TO THE MATURITY DATE EXCEPT FOR THE PRIVILEGE EXPRESSLY RESERVED TO SO PREPAY, AS SET FORTH IN THIS NOTE.

MAKER HEREBY ACKNOWLEDGES AND AGREES THAT HOLDER WOULD NOT LEND TO MAKER THE LOAN EVIDENCED BY THIS NOTE WITHOUT MAKER'S AGREEMENT, AS SET FORTH ABOVE IN THIS SECTION 4, TO PAY HOLDER A PREPAYMENT PREMIUM HEREUNDER, UPON THE SATISFACTION OF ALL OR ANY PORTION OF THE PRINCIPAL INDEBTEDNESS EVIDENCED HEREBY FOLLOWING

THE ACCELERATION OF THE MATURITY DATE HEREOF BY REASON OF A DEFAULT HEREUNDER, INCLUDING, WITHOUT LIMITATION, A DEFAULT ARISING FROM THE CONVEYANCE OF ANY RIGHT, TITLE OR INTEREST IN THE MORTGAGED PROPERTY ENCUMBERED BY THE MORTGAGES IN VIOLATION OF THE MORTGAGE, AND MAKER HAS CAUSED THOSE PERSONS SIGNING THIS NOTE ON MAKER'S BEHALF TO SEPARATELY SIGN THE AGREEMENT CONTAINED IN THIS SECTION, SUBJECT TO SECTION 11.

CALI CW REALTY ASSOCIATES L.P.

By: Cali Sub XIII, Inc.,
its general partner

By:
Roger Thomas
Vice President

CALI SO. WEST REALTY ASSOCIATES, L.P.

By: Cali Sub XIII, Inc.,
its general partner

By:
Roger Thomas
Vice President

5. Acceleration Upon Transfer. Maker has represented and warranted and does hereby represent and warrant that as of the date hereof Maker is a limited partnership duly organized and validly existing under the laws of the State of New York and is wholly-owned (directly or indirectly) by Cali Realty, L.P. ("CRLP") and Cali Realty Corporation (the "REIT"). Maker understands and acknowledges that Holder, in making the loan evidenced by this Note, is relying to a material extent upon the business expertise and net worth of CRLP and the REIT (subject to the terms of Section 11 below) and upon the continuing interest which CRLP and the REIT shall have in the Mortgaged Property securing this Note. Accordingly, in the event CRLP and the REIT, shall, directly or indirectly, voluntarily or involuntarily, sell, assign, transfer, dispose of, enter into any ground or underlying lease and lease back or further encumber or suffer to exist any lien (other than the lien of the Mortgage as security for this Note or the lien of any other mortgage in favor of Holder) against all or any portion of or any interest in the Mortgaged Property, except as otherwise expressly permitted under the Mortgage, or in the event the composition or control of Maker is changed (including, without limitation, the transfer of any interest in Maker or portion of such interest or the change in control or composition of any partner in Maker, provided that the

foregoing shall not apply to a change in control or composition of CRLP or the REIT), then, or at any time thereafter, Holder, at its option, may declare the entire indebtedness evidenced hereby and/or payable under the Mortgage and/or any other document evidencing or securing this Note, in default and immediately due and payable and may exercise any other remedies for default set forth herein or in any document which secures the indebtedness evidenced hereby, provided that the foregoing will not apply to any transfer of the Mortgaged Property or interest in Maker to one or more wholly-owned subsidiaries of CRLP or the REIT.

6. Acceleration Upon Default. If default is made in the payment of any installment under this Note or if default is made in the performance of any of the terms, conditions, representations, covenants or warranties contained herein or in the Mortgage or any other documents evidencing or securing the loan evidenced hereby, and upon the expiration of any applicable grace period, then in either such event, at the option of Holder, the entire principal sum

evidenced hereby and secured by the Mortgage, together with interest accrued and unpaid thereon, and all other sums then outstanding under this Note or the Mortgage, without notice, shall immediately become due and payable. Failure to exercise this option by Holder shall not constitute a waiver of the right to exercise same in the event of any subsequent default.

7. Default Interest. In the event (a) Maker fails to make any payment hereunder, under the Mortgage or under any other agreement or instrument evidencing or securing the loan evidenced hereby, or (b) of any default hereunder or under the Mortgage or under any other agreement or instrument evidencing or securing the loan evidenced hereby and, in the case of either (a) or (b), upon acceleration of the entire indebtedness aforesaid, fixed interest shall accrue thereafter on the unpaid principal balance together with any accrued but unpaid interest thereon from and including the date of such default (until the date such default is cured and the indebtedness is reinstated) at the Default Rate, such interest to be compounded annually. Such interest shall be paid on demand.

8. Late Charges. In addition to the foregoing, if Maker shall fail to make any payment of interest or principal or other sum, including, without limitation, payments due on maturity, on or before the date any such payment is due, a late charge by way of damages shall be immediately due and payable. Maker recognizes that default by Maker in making the payments herein or in the Mortgage or in any other document securing this Note agreed to be paid when due will result in Holder incurring additional expense in servicing the loan, in loss to Holder of the use of the money due and in frustration to Holder in meeting

its loan commitments. Maker agrees that, if for any reason Maker fails to pay on the date due any amount due under this Note or under the Mortgage or under any other document securing this Note, Holder shall be entitled to damages for the detriment caused thereby, but that it is extremely difficult and impractical to ascertain the extent of such damages. Maker therefore agrees that a sum equal to five cents ($.05) for each one dollar ($1.00) of each payment which is not paid when due is a reasonable estimate of the said damages to Holder, which sum shall be payable by Maker on demand and shall be secured by the Mortgage.

9. Costs of Collection; Attorneys' Fees. Maker shall pay all costs of collection incurred, whether or not an action or suit be filed, to enforce this Note, including but not limited to reasonable attorneys' fees. If any suit or action be instituted on this Note, Maker promises to pay Holder, in addition to the costs and disbursements allowed by law, such sum as the court may adjudge reasonable as attorneys' fees in said suit or action.

10. Waivers. Maker and all endorsers hereof and all others who may become liable for all or any part of this obligation agree hereby to be jointly and severally bound, and they jointly and severally waive and renounce, to the extent permitted by law, any and all homestead and exemption rights and the benefits of all valuation and appraisement privileges as against this indebtedness and any renewal or extension thereof and waive demand, protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement hereof, waive the right to plead any and all statutes of limitation as a defense to any demand on this Note or under the Mortgage and expressly consent to any extension of time, release of any party liable for this obligation, release of any of the security of this Note, acceptance of other security therefor, or any other indulgence or forbearance whatsoever. Any such extension, release, acceptance, indulgence or forbearance may be made without notice to any party and without in any way affecting the personal liability of any party.

11. Non-Recourse. Notwithstanding any provisions in this Note or in the Mortgage or in any other document securing this Note (except as provided in the immediately succeeding paragraph), it is expressly understood and agreed that if Holder at any time takes action to enforce the collection of the indebtedness evidenced by this Note, the Mortgage, the Cross-collateral Mortgages and any other documents securing this Note, Holder will proceed to foreclose the Mortgage and/or one or more of the Cross-collateral Mortgages and to exercise its remedies with respect to other collateral securing this Note. If, as a result of such foreclosure and sale of the property described therein, a

lesser sum is realized therefrom than the amount then due and owing hereunder and under the Mortgage, the Cross-collateral Mortgages and any other documents securing this Note, Holder will never (except as expressly provided in the immediately succeeding paragraph) institute any action, suit, claim or demand in law or in equity against Maker or its partners or members or any of the officers, directors, shareholders or employees of Maker or its partners or members seeking personal liability for or on account of such deficiency.

Nothing contained in the immediately preceding paragraph will in any way affect or impair (i) the lien of the Mortgage, the Cross-collateral Mortgages or any lien on other collateral, Holder's ability to foreclose the Mortgage, the Cross-collateral Mortgages or any lien on other collateral, or any representation or warranty of title made by Maker, all of which will remain in full force and effect and inure to the benefit of Holder and to the benefit of any insurer of title to the Mortgaged Property; (ii) Holder's rights under any master lease, any indemnity agreement or any guarantee given by Maker or the partners, members or principals of Maker to Holder in connection with the indebtedness evidenced by this Note; (iii) Holder's right to present and collect on any letter of credit given in connection with the indebtedness evidenced by this Note; or (iv) Maker's personal liability for the indebtedness evidenced by this Note if at the time of acceleration of the indebtedness or foreclosure of the Mortgage and sale of the Mortgaged Property, Maker is in default under any of the provisions of sections 62, 63 or 64 of the Mortgage (being the sections relating to Environmental Laws as defined therein) and such default has an adverse effect on the value of the Mortgaged Property, but such personal liability shall be only to the extent of the loss in value of the Mortgaged Property resulting from such failure to comply with the provisions of such sections. Further, the following are excluded and excepted from the provisions of the immediately preceding paragraph and Holder may recover personally against Maker for the following:

(1) all losses, damages or liabilities suffered by Holder arising out of any fraud or willful or intentional misrepresentation by Maker or any of the Maker's partners, members or principals in connection (i) with Maker's performance or fulfillment of any of Holder's conditions to or requirements in advancing the indebtedness evidenced by this Note or otherwise with Maker's inducements to Holder to advance such indebtedness; (ii) with the execution and delivery of any of the documents evidencing or securing the indebtedness evidenced by this Note; (iii) with the making of any representations or warranties (which are in addition to the representations and warranties of title in the Mortgage covered under the preceding paragraph) contained in

any of the documents evidencing or securing the indebtedness evidenced by this Note; or (iv) with Maker's performance of any of its obligations under any of the documents evidencing or securing the indebtedness evidenced by this Note;

(2) all rents and other revenues, payments or reimbursements ("Income") of any kind whatsoever (including all payments and contributions from tenants for taxes, insurance, operating expenses and common area maintenance charges) derived from the Mortgaged Property after a default by Maker (whether or not notice of such default has been given) under any of the documents evidencing or securing the indebtedness evidenced by this Note or on deposit on the date such default occurs in one or more accounts used by Maker or Maker's agents, representatives or property manager in connection with the operation of the Mortgaged Property, except to the extent properly applied (as documented by evidence reasonably satisfactory to Holder) to the normal and customary expenses and operations of the Mortgaged Property;

(3) all security deposits collected by Maker (or any of Maker's predecessors) and not properly refunded to tenants and all advance rents collected by Maker (or any of Maker's predecessors) and not properly applied in due course; proper refunding or application must be documented by evidence reasonably satisfactory to Holder;

(4) the replacement cost of any items of personalty or any fixtures removed from the Mortgaged Property, and not replaced with personalty or fixtures of a like kind, value and utility, after Maker defaults under any of the documents evidencing or securing the indebtedness evidenced by this Note;

(5) all losses, damages or liabilities suffered by Holder arising from any acts of commission or omission by Maker that result in waste upon the Mortgaged Property;

(6) all payments made by TIAA to discharge mechanic's liens, materialmen's liens or any other liens arising from work performed on or materials delivered to the Mortgaged Property prior to foreclosure of the Mortgage and sale of the Mortgaged Property but only to the extent Holder had advanced funds to pay for such work or materials and has not been reimbursed therefor; and

(7) any insurance or condemnation proceeds attributable to the Mortgaged Property that are not applied in accordance with the terms of the Mortgage, or the Cross-collateral Mortgage and any insurance or condemnation proceeds attributable to the Mortgaged Property that were not paid to

Holder when and to the extent required under the terms of the Mortgage or the Cross-collateral Mortgages.

12. Loan F 1993 Amended Note. This Note has been issued by Maker to replace the notes identified in Schedule I attached hereto, as assigned, consolidated and modified as set forth on Schedule I. The effective date of the modification effected by this instrument is the date hereof. The Holder of this Note is entitled to the benefit of the Mortgage and the other mortgages referred to in Section 13, to which reference is made for a description of the properties and rights included in such security, the nature of such security and the rights of the holders of this Note and Maker in respect of such security.

13. Mortgages. This Note is secured or to be secured by the Mortgage covering the Mortgaged Property located in Greenburgh and Yonkers, County of Westchester, State of New York. This Note is also secured by mortgages listed on Schedule II attached hereto (the "Cross-collateral Mortgages") covering the properties more particularly described therein.

14. Miscellaneous. (a) This Note is intended as a contract under and shall be construed and enforced in accordance with the laws of the State of New York.

(b) As used herein, the term "Maker" shall be deemed to include its permitted successors, legal representatives and assigns, whether by voluntary action by Maker or by the operation of law. As used herein, the term "Holder" shall be deemed to include its successors, legal representatives and assigns, whether by voluntary action by Holder or by the operation of law.

(c) References in this Note to any document or agreement shall be deemed to include all subsequent amendments, modifications, consolidations, restatements and replacements thereof.

(d) The headings used herein are for convenience of reference only and shall not limit or otherwise affect any of the terms hereof.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Amended and Restated First Replacement Mortgage Note as of the day and year first above written acting through the undersigned general partner of the Maker, said general partner being duly authorized so to act.

CALI CW REALTY ASSOCIATES L.P.

By: Cali Sub XIII, Inc.,
its general partner

By:
Roger Thomas
Vice President

CALI SO. WEST REALTY ASSOCIATES L.P.

By: Cali Sub XIII, Inc.,
its general partner

By:
Roger Thomas
Vice President

SCHEDULE I

ORIGINAL NOTES AND ORIGINAL MORTGAGES

SCHEDULE II

THE CROSS-COLLATERAL MORTGAGES

1. Separate Third Mortgage and Security Agreements, each dated as of July 28, 1993, for Robert Martin Company to Holder, each as amended by the Supplemental Modification Agreement and by First Amendment to Third Mortgage and Security Agreement and to Subordinate Assignment of Lessor's Interest in Leases, dated as of December 30, 1996, between the LLC and Holder, and each as amended and restated in its entirety by Amended and Restated Cross-collateral Mortgage and Security Agreement, dated as of the date hereof, between Maker and Holder, covering the Properties (other than the Loan F Property and the Loan I Property (as such terms are defined in the Third Loan Modification Agreement)).

2. Third Mortgage and Security Agreement, dated December 30, 1996, from the

LLC to Holder, covering the Loan I Property and as amended and restated in its entirety by Amended and Restated Cross-collateral Mortgage and Security Agreement, dated as of the date hereof, between Maker and Holder.