

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: **June 1, 2004**
(Date of earliest event reported)

MACK-CALI REALTY CORPORATION

(Exact name of Registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

1-13274
(Commission File No.)

22-3305147
(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)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events and Regulation FD Disclosure.

On June 2, 2004, Mack-Cali Realty Corporation (the "Company") announced a strategic real estate transaction with AT&T Corporation, who is also a significant tenant of the Company.

Under the agreements executed with AT&T (which are filed herewith), the Company:

- 1) Acquired 30 Knightsbridge Road, a four-building office complex, aggregating 670,318 square feet and located in Piscataway, New Jersey. AT&T, who currently occupies the entire complex, has leased back from the Company two of the buildings in the complex, totaling 275,000 square feet, for 10 years and seven months, and is leasing back the remaining 395,318 square feet of the complex for a minimum of four months. Upon expiration of the lease back of the 395,318 square feet, AT&T will pay additional base rent on up to 20,000 square feet of the common area in the complex, subject to certain adjustments, for the remainder of the term of the lease of 275,000 square feet or until the same is no longer common area;
- 2) Acquired Kemble Plaza II, a 475,100 square-foot office building located in Morris Township, New Jersey, from AT&T, which the Company had previously sold to AT&T in June of 2000. AT&T, who currently occupies the entire building, has leased back the entire property from the Company for one year;
- 3) Signed a lease extension at the Company's Kemble Plaza I property in Morris Township, New Jersey, extending AT&T's lease for the entire 387,000 square-foot building for an additional five years to August 2014. Under the lease extension, the Company has agreed, among other things, to fund up to \$2.1 million of tenant improvements to be performed by AT&T at the property;
- 4) Paid cash consideration of approximately \$12.9 million to AT&T; and
- 5) Assumed AT&T's lease obligations with third-party landlords at seven office buildings.

The following is a listing of the assumed leases:

PROPERTY LOCATION	SQ. FT. OF ASSUMED LEASE	EXPIRATION OF ASSUMED LEASE
290 Davidson Ave., Somerset, NJ	444,760	4/30/09
15 Vreeland Road, Florham Park, NJ	133,090	5/17/06
30A Vreeland Road, Florham Park, NJ	41,309	5/31/09
30B Vreeland Road, Florham Park, NJ	75,562	1/31/08
437 Ridge Road, Dayton, NJ	30,000	12/31/06
Teleport I & II Staten Island, NY	197,953	12/31/08

AT&T and others have sublet from the Company certain portions of the space included in the assumed lease obligations for certain periods of time. The Company has estimated that the obligations, net of such subleases, total approximately \$84.8 million, with a net present value of approximately \$76.2 million utilizing a weighted average discount rate of 4.70 percent.

In connection with the foregoing, the Company hereby files the following documents.

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

(c) Exhibits

Exhibit No.	Description
10.1	Agreement of Sale and Purchase [30 Knightsbridge, Piscataway, New Jersey] by and between Mack-Cali Realty Corporation and AT&T Corp. dated as of April 2, 2004.
10.2	First Amendment to Agreement of Sale and Purchase [30 Knightsbridge, Piscataway, New Jersey] by and between Knightsbridge Realty L.L.C. and AT&T Corp. dated as of June 1, 2004.
10.3	Agreement of Sale and Purchase [Kemble Plaza II – 412 Mt. Kemble Avenue, Morris Township, NJ] by and between Mack-Cali Realty Corporation and AT&T Corp. dated as of April 2, 2004.
10.4	First Amendment to Agreement of Sale and Purchase [Kemble Plaza II – 412 Mt. Kemble Avenue, Morris Township, NJ] by and between Kemble Plaza II Realty L.L.C. and AT&T Corp. dated as of June 1, 2004.
10.5	Master Assignment and Assumption Agreement by and between AT&T Corp. and Mack-Cali Realty Corporation dated as of April 2, 2004.
10.6	First Amendment to Master Assignment and Assumption Agreement by and between AT&T Corp. and Mack-Cali Realty Corporation dated as of June 1, 2004.
10.7	Nominee Agreement between Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. dated as of April 2, 2004.
99.1	Press Release of Mack-Cali Realty Corporation dated June 2, 2004.

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SIGNATURES

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

MACK-CALI REALTY CORPORATION

Date: June 3, 2004

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

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EXHIBIT INDEX

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AGREEMENT OF SALE AND PURCHASE

[30 KNIGHTSBRIDGE, PISCATAWAY, NEW JERSEY]

THIS AGREEMENT OF SALE AND PURCHASE ("**Agreement**") made this 2d day of April, 2004 by and between Mack-Cali Realty Corporation, a corporation organized under the laws of the State of Maryland, having an address at 11 Commerce Drive, Cranford, New Jersey 07016 ("**Purchaser**") and AT&T Corp., a corporation organized under the laws of the State of New York, having an address at 55 Corporate Drive, Bridgewater, New Jersey 08807 ("**Seller**").

In consideration of the mutual promises, covenants, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. For purposes of this Agreement, the following capitalized terms have the meanings set forth in this Section 1.1:

"**Assignment of AT&T Wireless License**" has the meaning ascribed to such term in Section 2.4 and shall be in the form attached hereto as Exhibit I.

"**Assignment of Permits, Plans and Licenses**" has the meaning ascribed to such term in Section 10.3 and which shall be in the form attached hereto as Exhibit K.

"**AT&T Wireless License**" has the meaning ascribed to such term in Section 2.4 and which is attached hereto as Exhibit H.

"**Authorities**" means the various governmental and quasi-governmental bodies or agencies having jurisdiction over the Real Property and Improvements, or any portion thereof.

"**Bill of Sale**" has the meaning ascribed to such term in Section 10.3 and which shall be in the form attached hereto as Exhibit L.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which national banking associations are authorized or required to close.

"**Certificate as to Foreign Status**" has the meaning ascribed to such term in Section 10.3(f) and shall be in the form attached as Exhibit F.

"**Closing**" means the consummation of the purchase and sale of the Property contemplated by this Agreement, as provided for in Article X.

"**Closing Date**" has the meaning ascribed to such term in Section 10.1.

"**Closing Statement**" has the meaning ascribed to such term in Section 10.4(a).

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"**Closing Surviving Obligations**" means the rights, liabilities and obligations set forth in Sections 3.2, 5.2(b), 5.3(c), 5.4, 5.5, 8.2, 10.4, 12.1, 16.1, 18.2 and 18.8, and any other provisions which pursuant to their terms survives the Closing hereunder.

"**Deed**" has the meaning ascribed to such term in Section 10.3(a).

"**Documents**" has the meaning ascribed to such term in Section 5.2(a).

"**Earnest Money Deposit**" has the meaning ascribed to such term in Section 4.1.

"**Effective Date**" means the latest date on which this Agreement has been executed by Seller or Purchaser, which date shall be set forth opposite such party's signature.

"**Environmental Condition**" has the meaning ascribed to such term in Section 5.3.

"**Environmental Laws**" means each and every federal, state, county and municipal statute, ordinance, rule, regulation, code, order, requirement, directive pertaining to Hazardous Substances issued by any Authorities and in effect as of the date of this Agreement with respect to or which otherwise pertains to or affects the Real Property or the Improvements, or any portion thereof, the use, ownership, occupancy or operation of the Real Property or the Improvements, or any portion thereof, or Purchaser, and as same have been amended, modified or supplemented from time to time prior to the Effective Date, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), as amended by the Hazardous and Solid Wastes Amendments of 1984, the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Water Act (33 U.S.C. § 1321 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the National Environmental Policy Act (42 U.S.C. § 4321 et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), the New Jersey Environmental Rights Act (N.J.S.A. 2A:35A-1 et seq.), the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), the New Jersey Air Pollution Control Act (N.J.S.A. 26:2C-1 et seq.), the Hazardous Substances Discharge: Reports and Notices Act (N.J.S.A. 13:1K-15 et seq.), the Industrial Site Recovery Act (N.J.S.A. 13: 1K-6 et seq.) ("ISRA"), the New Jersey Underground Storage of Hazardous Substances Act (N.J.S.A. 58: 10A-2 1 et seq.) (collectively, the "**Environmental Statutes**"), and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the Environmental Statutes.

"**Escrow Agent**" means Lawyers Title Insurance Corporation.

"**Existing Survey**" means Seller's existing survey of the Real Property dated October 7, 1992, prepared by Casey & Keller, Inc. and updated through September 17, 2003.

"**Evaluation Period**" has the meaning ascribed to such term in Section 5.1.

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"**Furniture**" has the meaning ascribed to such term in Section 2.1.

"**Governmental Regulations**" means all statutes, ordinances, rules and regulations of the Authorities applicable to Seller or the use or operation of the Real Property

or the Improvements or any portion thereof.

“**Hazardous Substances**” means (a) asbestos, radon gas and urea formaldehyde foam insulation, (b) any solid, liquid, gaseous or thermal contaminant, including acids, alkalis, chemicals, petroleum products or byproducts, PCBs, phosphates, lead or other heavy metals and chlorine, (c) any solid or liquid waste (including, without limitation, hazardous waste), hazardous air pollutant, hazardous substance, hazardous chemical substance and mixture, toxic substance, pollutant, pollution, regulated substance and contaminant, as such terms are defined in any of the Environmental Statutes and (d) any other chemical, material or substance, the use or presence of which, or exposure to the use or presence of which, is prohibited, limited or regulated by any Environmental Statutes.

“**Improvements**” means all buildings, structures, fixtures, parking areas and other improvements located on the Real Property.

“**Initial Scheduled Closing Date**” means May 24, 2004.

“**Lease**” means the lease from Purchaser to Seller as described in Section 2.1(b), a draft copy of which is attached hereto as **Exhibit B** and the final form of which shall be negotiated and agreed to by the parties during the Evaluation Period.

“**Licenses**” has the meaning ascribed to such term in Section 2.4(a).

“**Maximum Credit**” has the meaning ascribed to such term in Section 11.1.

“**Permitted Exceptions**” has the meaning ascribed to such term in Section 2.3.

“**Permitted Outside Parties**” has the meaning ascribed to such term in Section 5.2(b).

“**Property**” has the meaning ascribed to such term in Section 2.1.

“**Proration Items**” has the meaning ascribed to such term in Section 10.4(a).

“**Purchase Price**” has the meaning ascribed to such term in Section 3.1.

“**Purchaser’s Information**” has the meaning ascribed to such term in Section 5.3(c).

“**Real Property**” means that certain parcel or parcels of real property located at 30 Knightsbridge, Piscataway, New Jersey, as more particularly described on the legal description attached hereto and made a part hereof as **Exhibit A**, together with all of Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Seller’s right, title and interest in and to the adjacent streets, alleys and right-of-ways, and any easement rights, air rights, subsurface development rights and water rights.

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“**Right of Access and Confidentiality Agreement**” means that certain Right of Access and Confidentiality Agreement fully executed on March 26, 2004 by and between Seller and Mack-Cali Realty, L.P.

“**Scheduled Closing Date**” means June 1, 2004 or such earlier or later date to which Purchaser and Seller may hereafter agree in writing.

“**Section 2.2(b) Transactions**” has the meaning ascribed to such term in Section 2.2(b).

“**Service Contracts**” means all of Seller’s service agreements, maintenance contracts, equipment leasing agreements, warranties, guarantees, bonds, open purchase orders and other contracts for the provision of labor, services, materials or supplies relating solely to the Real Property or Improvements.

“**Significant Portion**” means, for purposes of the condemnation provisions set forth in Article XII hereof, a taking by condemnation of a portion of the Property having a fair market value in excess of Five Hundred Thousand Dollars (\$500,000.00).

“**Termination Surviving Obligations**” means the rights, liabilities and obligations set forth in Sections 5.2, 5.3, 12.1, Articles XII and XIII, 16.1, 18.2 and 18.8, and any other provisions which pursuant to their terms survive any termination of this Agreement.

“**Thomson Financial License**” has the meaning ascribed to such term in Section 2.4.

“**Title Commitment**” has the meaning ascribed to such term in Section 6.1.

“**Title Company**” means Lawyers Title Insurance Corporation.

“**To Seller’s Knowledge**” means the present actual (as opposed to constructive or imputed) knowledge solely of (a) Vincent Placco, the Global Real Estate Manager, with respect to any environmental representations, and (b) Paul Foeldveri, the property manager for the Property who has held that position since November 2003, and Claudia Ortuso, the property manager for the Property for the four years prior to Paul Foeldveri, both of whom are employed by The Gale Company, with respect to any non-environmental representations. The knowledge of the referenced individuals is without any independent investigation or inquiry whatsoever, including, without limitation, any review of the Documents.

Section 1.2 References: Exhibits and Schedules. Except as otherwise specifically indicated, all references in this Agreement to Articles or Sections refer to Articles or Sections of this Agreement, and all references to Exhibits or Schedules refer to Exhibits or Schedules attached hereto, all of which Exhibits and Schedules are incorporated into, and made a part of, this Agreement by reference. The words “herein,” “hereof,” “hereinafter” and words and phrases of similar import refer to this Agreement as a whole and not to any particular Section or Article.

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ARTICLE II AGREEMENT OF PURCHASE AND SALE

Section 2.1 **Agreement.**

(a) Seller hereby agrees to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Seller, on the Closing Date and subject to the terms and conditions of this Agreement, all of the following (collectively, the “**Property**”):

- (i) the Real Property;
 - (ii) the Improvements;
 - (iii) all of Seller's right, title and interest, to the extent assignable or transferable, in and to all other intangible rights, titles, interests, privileges and appurtenances owned by Seller and related to or used exclusively in connection with the ownership, use or operation of the Real Property or the Improvements;
 - (iv) all of Seller's right, title and interest in and to the AT&T Wireless License;
 - (v) to the extent assignable, plans and specifications, existing survey, governmental licenses, certificates, permits and approvals relating to the Property; and
 - (vi) all of Seller's right, title and interest in the Furniture as hereinafter defined. The Lease shall provide that Purchaser shall notify Seller of any furniture which Purchaser elects to keep at the Property forty five days prior to the expiration of the lease term ("Furniture"), and Seller shall convey such Furniture to Seller by appropriate bill of sale and Seller shall be responsible to remove all other furniture upon the expiration of the Lease.
- (b) On the Closing Date, Purchaser shall lease a portion of the Property back to Seller pursuant to the form of lease approved by the parties and attached hereto as **Exhibit B** (the "Lease").

Section 2.2 Indivisible Economic Package and Closing Contingencies

(a) Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has agreed to sell, all of the Property, subject to and in accordance with the terms and conditions hereof.

(b) In addition to the conditions precedent set forth in Article IX of this Agreement, the Closing shall be contingent upon satisfaction of the conditions set forth in this

Section 2.2(b) contemporaneously at the Closing. Purchaser has no right to purchase, and Seller has no obligation to sell the Property, unless the terms and conditions of this Section 2.2(b) are satisfied at the Closing, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller to enter into this Agreement, Purchaser and Seller have agreed to close title to the following properties and to execute and deliver the following documents at the Closing.

(i) Contemporaneously with the Closing, the parties shall close title to real property known as Kemble Plaza II, 412 Mt. Kemble Avenue, Morris Township, New Jersey and that certain parcel containing approximately 25 acres commonly known as Lot 15, Block 23.02, whereby Seller shall sell and Purchaser shall purchase said real property upon such terms and conditions agreed to by the parties, including but not limited to, execution and delivery of a certain lease from Purchaser to Seller as described in the contract of sale for such property.

(ii) Contemporaneously with the Closing, the parties shall execute and deliver the documents required pursuant to that certain Master Assignment and Assumption Agreement executed by and between the parties of even date herewith ("Master Assignment and Assumption Agreement").

The transactions described in this Section 2.2(b)(i) and (ii) hereinafter referred to as the "**Section 2.2(b) Transactions**".

Section 2.3 Permitted Exceptions. The Property shall be sold, and title thereto conveyed, subject to (i) all Violations (as hereinafter defined), (ii) the Permitted Title Exceptions (as hereinafter defined) and the Permitted Survey Conditions (as hereinafter defined), and (iii) the Licenses (the Violations, the Permitted Title Exceptions, the Permitted Survey Conditions, and the Licenses being hereinafter collectively referred to as the "**Permitted Exceptions**").

Section 2.4 Licenses.

(a) The Property is subject to the following license agreements (collectively, the "**Licenses**"):

(i) License Agreement between AT&T Corp., as licensor, and AT&T Wireless, as licensee, a copy of which is attached hereto as **Exhibit H** (the "**AT&T Wireless License**");

(ii) Enterprise Hosting Service Agreement between AT&T Corp. and Thomson Financial Inc. and The Thomson Corporation Delaware Inc. (the "**Thomson Financial License Agreement**"); and

(iii) Revocable License Agreement between AT&T Corp., as licensor, and Metrocall, Inc., as Licensee (the "**Metrocall Agreement**"); and

(iv) License Agreement between AT&T Corp., as licensor, and Affinity Federal Credit Union, as licensee (the "**Affinity FCU Agreement**").

(b) At the Closing, Seller shall assign and Purchaser shall assume all of Seller's rights and obligations under the AT&T Wireless License to the extent arising after the Closing Date. Seller shall be solely liable for all obligations under the AT&T Wireless License to the extent arising prior to the Closing Date. The parties shall execute an Assignment and Assumption Agreement of the AT&T Wireless License in the form attached hereto as **Exhibit I**. To Seller's Knowledge, Seller represents Seller is not in default under the AT&T Wireless License, and no event has occurred which with the passage of time, or the giving of notice, or both, would constitute a default by Seller under the AT&T Wireless License.

(c) At the Closing, Seller shall not assign to Purchaser and Purchaser shall not assume any of Seller's rights and obligations under the Thomson Financial License Agreement, Metrocall Agreement and Affinity FCU Agreement ("Excluded Agreements"). The Excluded Agreements shall continue in full force and effect between Seller and the respective parties under the Excluded Agreements; provided however, that Seller shall cause all of the Excluded Agreements to terminate at or before the expiration or earlier termination of the term of the Lease. Seller shall indemnify Purchaser and hold Purchaser harmless from and against, any claims, liabilities, damages, loss, cost or expense (including, but not limited to, reasonable attorneys fees) arising out of or resulting from the Excluded Agreements. This paragraph shall survive Closing of title.

Section 3.1 Purchase Price. The purchase price for the Property (the "**Purchase Price**") shall be Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) in lawful currency of the United States of America, payable as provided in Section 3.2.

Section 3.2 Method of Payment of Purchase Price. No later than 3:00 p.m. (Eastern time) on the Closing Date, Purchaser shall pay to Seller the Purchase Price (less the Earnest Money Deposit) by Federal Reserve wire transfer of immediately available funds to an account designated by Seller (such funds, the "**Closing Funds**"). Seller agrees to provide the wiring instructions to Purchaser at least three (3) business days prior to Closing. In the event that the Closing Funds are received after 3:00 p.m. (Eastern time) on the Closing Date but prior to 3:00 p.m. (Eastern time) on the date one (1) Business Day after the Closing Date, then the Closing shall nevertheless be deemed to occur on the Closing Date. In the event that the Closing Funds are not received by 3:00 p.m. (Eastern time) on the date one (1) Business Day after the Closing Date, then Purchaser shall be deemed to have defaulted under this Agreement.

ARTICLE IV EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section 4.1 The Earnest Money Deposit. On the date two (2) Business Days after the execution and delivery of this Agreement by Purchaser, Purchaser shall deposit with the Escrow Agent, by Federal Reserve wire transfer of immediately available funds, the sum of Five Hundred Thousand Dollars (\$500,000.00) as the earnest money deposit on account of the

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Purchase Price (the "**Earnest Money Deposit**"). TIME IS OF THE ESSENCE with respect to the deposit of the Earnest Money Deposit.

Section 4.2 Escrow Instructions. The Earnest Money Deposit shall be held in escrow by the Escrow Agent in an interest-bearing account, in accordance with the provisions of Article XVII. In the event this Agreement is not terminated by Purchaser pursuant to the terms hereof by the end of the Evaluation Period in accordance with the provisions of Section 5.3(c) herein, the Earnest Money Deposit and the interest earned thereon shall, subject to the terms and provisions of this Agreement, become non-refundable to Purchaser. In the event this Agreement is terminated by Purchaser prior to the expiration of the Evaluation Period, the Earnest Money Deposit, together with all interest earned thereon, shall be refunded to Purchaser.

ARTICLE V INSPECTION OF PROPERTY

Section 5.1 Evaluation Period. For a period beginning on the Effective Date and ending at 5:00 p.m. Eastern time on May 14, 2004 (the "**Evaluation Period**"), Purchaser and its authorized agents and representatives (for purposes of this Article V, the "**Licensee Parties**") shall have the right to enter upon the Real Property at all reasonable times during normal business hours to perform an inspection of the Property. Purchaser will provide to Seller notice (for purposes of this Section 5.1, an "**Entry Notice**") of the intention of Purchaser or the other Licensee Parties to enter the Real Property at least 24 hours prior to such intended entry and specify the intended purpose thereof and the inspections and examinations contemplated to be made and with whom any Licensee Party will communicate. At Seller's option, Seller may be present for any such entry and inspection. Notwithstanding anything to the contrary contained herein, no invasive physical testing or boring shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without Seller's specific prior written consent, which shall not be unreasonably withheld, conditioned or delayed. TIME IS OF THE ESSENCE with respect to the provisions of this Section 5.1.

Section 5.2 Document Review.

(a) Prior to the Closing, Purchaser and the Licensee Parties shall have the right to review, inspect and photocopy, at Purchaser's sole cost and expense, all of the following which may be in Seller's possession in AT&T's possession at the Real Property or at Seller's Lease Administration Office located at 55 Corporate Drive, Bridgewater, New Jersey which Assignor represents and warrants to Assignee are, to the knowledge of Jack Colasurdo, Global Real Estate Director, the locations where all material Documents (as hereinafter defined) are located: all existing environmental, engineering or consulting reports and studies of the Real Property (which Purchaser shall have the right to have updated at Purchaser's sole cost and expense), real estate tax bills, together with assessments (special or otherwise), ad valorem and personal property tax bills, covering the period of Seller's ownership of the Property; current and prior calendar year's operating statements; title reports, searches and policies; surveys; documents pertaining to the operation and management of the Real Property and Improvements; licenses, permits and approvals pertaining to the operation of the Real Property and Improvements; and the AT&T Wireless License (collectively, the "**Documents**"). Such inspections shall occur at a location selected by Seller, which may be at the office of Seller,

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Seller's counsel, Seller's property manager, at the Real Property or any of them. Purchaser shall not have the right to review or inspect materials not directly related to the leasing, maintenance and/or management of the Property, including, without limitation, all of Seller's internal memoranda, financial projections, budgets, appraisals, proposals for work not actually undertaken, accounting and tax records and similar proprietary, elective or confidential information.

(b) Purchaser acknowledges that any and all of the Documents may be proprietary and confidential in nature and have been provided to Purchaser solely to assist Purchaser in determining the desirability of purchasing the Property. Subject only to the provisions of Article XII, Purchaser agrees not to disclose the contents of the Documents or any of the provisions, terms or conditions contained therein, to any party outside of Purchaser's organization other than its attorneys, partners, accountants, lenders, consultants, advisors or investors (collectively, for purposes of this Section 5.2(b), the "**Permitted Outside Parties**"). Purchaser further agrees that within its organization, or as to the Permitted Outside Parties, the Documents will be disclosed and exhibited only to those persons within Purchaser's organization or to those Permitted Outside Parties who are responsible for determining the desirability of Purchaser's acquisition of the Property or otherwise have need to know. Purchaser agrees not to divulge the contents of such Documents and other information except in accordance with the confidentiality standards set forth in this Section 5.2, Article XII, and the provisions of Paragraph 2 of a certain Right of Access and Confidentiality Agreement. In permitting Purchaser and the Permitted Outside Parties to review the Documents and other information to assist Purchaser, Seller has not waived any privilege or claim of confidentiality with respect thereto, and no third party benefits or relationships of any kind, either express or implied, have been offered, intended or created by Seller, and any such claims are expressly rejected by Seller and waived by Purchaser and the Permitted Outside Parties, for whom, by its execution of this Agreement, Purchaser is acting as an agent with regard to such waiver.

(c) Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Seller's ownership of the Property. **PURCHASER HEREBY ACKNOWLEDGES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING THE TRUTH, ACCURACY OR COMPLETENESS OF THE DOCUMENTS OR THE SOURCES THEREOF. EXCEPT AS OTHERWISE PROVIDED HEREIN, SELLER HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION AS TO THE TRUTH, ACCURACY OR COMPLETENESS OF THE DOCUMENTS AND IS PROVIDING THE DOCUMENTS SOLELY AS AN ACCOMMODATION TO PURCHASER.**

Section 5.3 Entry and Inspection Obligations; Termination of Agreement

(a) Purchaser agrees that in entering upon and inspecting or examining the Property, Purchaser and the other Licensee Parties will not: interfere with the operation and maintenance of the Real Property or Improvements; damage any part of the Property or any personal property owned or held by Seller or any other person or

exercise of Purchaser's rights under this Article V or reveal or disclose any information obtained concerning the Property and the Documents to anyone outside Purchaser's organization, except in accordance with the confidentiality standards set forth in Section 5.2(b) and Article XII. Purchaser will: (i) promptly pay when due to the third parties who assisted and were contracted for by Purchaser, the costs of all entry and inspections and examinations done with regard to the Property; (ii) cause any inspection to be conducted in accordance with standards customarily employed in the industry and in compliance with all Governmental Regulations; (iii) at Seller's request, furnish to Seller copies of all third party reports that address the physical conditions of the Property; provided, however, Purchaser shall not provide Seller third party reports relating to any financial analysis of the Property or non-physical analysis of the Property or incorporating any analysis by Purchaser, and provided further that Seller assumes all risk that any information furnished by Purchaser under this paragraph might be misleading, incorrect or incomplete and Seller understands that any use or reliance on said information is at the full and sole risk of Seller; and (iv) restore the Real Property and Improvements to the condition in which the same were found before any such entry upon the Real Property and inspection or examination was undertaken.

(b) Purchaser shall indemnify and hold Seller harmless from any and all damage, loss, claim, liability or expense (including reasonable attorneys fees of attorneys of Seller's choice) arising out of any inspections, investigations, examinations, sampling or tests conducted by Purchaser or any of the Licensee Parties ("Property Examination"), whether prior to or after the date hereof, except to the extent such damage, loss, claim, liability or expense (including reasonable attorneys fees of attorneys of Seller's choice) is the result of Seller's negligence or willful misconduct, or any condition existing on the Property prior to Purchaser's Property Examination. In no event shall Purchaser have any liability arising out of its discovery of existing conditions discovered by Purchaser except to the extent that any such conditions are contributed to, aggravated, or exacerbated by the negligence of Purchaser or its employees, agents, contractors or subcontractors. This provision shall survive the termination of this Agreement.

(c) In the event that Purchaser determines, for any reason or no reason, that it does not desire to complete the transaction contemplated by this Agreement Purchaser shall have the right to terminate this Agreement by providing written notice to Seller prior to the expiration of the Evaluation Period, WITH TIME BEING OF THE ESSENCE WITH RESPECT THERETO. The failure of Purchaser to deliver any termination notice to Seller during the Evaluation Period as provided in the immediately preceding sentence shall be deemed to be an election not to terminate this Agreement, in which event Purchaser shall thereupon be deemed to have waived any right to terminate this Agreement pursuant to the provisions of this Section 5.3(c) and this Agreement shall continue in full force and effect in accordance with its terms, and the Earnest Money Deposit shall, unless otherwise provided for in this Agreement, thereupon become nonrefundable by Purchaser on the last day of the Evaluation Period. In the event Purchaser terminates this Agreement in accordance with this Section 5.3(c), or under any other right of termination as set forth herein, Purchaser shall have the right to receive a refund of the Earnest Money Deposit, together with all interest which has accrued thereon, and except with respect to the Termination Surviving Obligations, this Agreement and the Section 2.2(b) Transactions shall be null and void and the parties shall have no further obligation to each other. In the event this Agreement is terminated, Purchaser shall return to Seller (i) all copies Purchaser has made of the Documents and (ii) copies of any studies, reports or test results regarding any

part of the Property obtained by Purchaser, before or after the execution of this Agreement, in connection with Purchaser's inspection of the Property (collectively, "Purchaser's Information") which Seller specifically requests of Purchaser promptly following the time this Agreement is terminated for any reason.

Section 5.4 Sale "As Is" THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER. THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS THE RIGHT TO CONDUCT ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN THE MATTERS REPRESENTED IN SECTION 8.1 HEREOF OR ELSEWHERE SPECIFICALLY REPRESENTED IN THIS AGREEMENT, BY WHICH ALL OF THE FOLLOWING PROVISIONS OF THIS SECTION 5.4 ARE LIMITED, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE.

SELLER SPECIFICALLY DISCLAIMS, AND NEITHER IT NOR ANY OF ITS AFFILIATES NOR ANY OTHER PERSON IS MAKING, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER, AND NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER OR RELIED UPON BY PURCHASER WITH RESPECT TO THE STATUS OF TITLE TO OR THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF THE PROPERTY, OR ANY PORTION THEREOF, INCLUDING BUT NOT LIMITED TO (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY RIGHTS OF PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (e) ANY CLAIM BY PURCHASER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO THE IMPROVEMENTS, (f) THE FINANCIAL CONDITION OR PROSPECTS OF THE PROPERTY AND (g) THE COMPLIANCE OR LACK THEREOF OF THE REAL PROPERTY OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS, IT BEING THE EXPRESS INTENTION OF SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO PURCHASER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", WITH ALL FAULTS. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL ESTATE, AND THAT, EXCEPT WITH RESPECT TO THE REPRESENTATIONS OF SELLER CONTAINED IN THIS AGREEMENT, IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE PROPERTY. PURCHASER HAS BEEN GIVEN A SUFFICIENT OPPORTUNITY HEREIN TO CONDUCT AND HAS

CONDUCTED OR WILL CONDUCT SUCH INSPECTIONS, INVESTIGATIONS AND OTHER INDEPENDENT EXAMINATIONS OF THE PROPERTY AND RELATED MATTERS AS PURCHASER DEEMS NECESSARY, INCLUDING BUT NOT LIMITED TO THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND WILL RELY UPON SAME AND NOT UPON ANY STATEMENTS OF SELLER (EXCLUDING THE LIMITED MATTERS REPRESENTED BY SELLER IN SECTION 8.1 HEREOF OR SPECIFICALLY REPRESENTED IN THIS AGREEMENT BY SELLER) NOR OF ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR ATTORNEY OF SELLER. PURCHASER ACKNOWLEDGES THAT ALL INFORMATION OBTAINED BY PURCHASER WAS OBTAINED FROM A VARIETY OF SOURCES, AND, EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, SELLER WILL NOT BE DEEMED TO HAVE REPRESENTED OR WARRANTED THE COMPLETENESS, TRUTH OR ACCURACY OF ANY OF THE DOCUMENTS OR OTHER SUCH INFORMATION HERETOFORE OR HEREAFTER FURNISHED TO PURCHASER. UPON CLOSING AND EXCEPT AS OTHERWISE PROVIDED FOR IN THIS AGREEMENT, PURCHASER WILL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER WILL SELL AND CONVEY TO PURCHASER, AND PURCHASER WILL ACCEPT THE PROPERTY, "AS IS, WHERE IS," WITH ALL FAULTS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE

PROPERTY, BY SELLER, ANY AGENT OF SELLER OR ANY THIRD PARTY. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN. PURCHASER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS, WHERE IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY. PURCHASER, WITH PURCHASER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT AND UNDERSTANDS THEIR SIGNIFICANCE AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS AGREEMENT. THE TERMS AND CONDITIONS OF THIS SECTION 5.4 WILL EXPRESSLY SURVIVE THE CLOSING, WILL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS AND ARE HEREBY DEEMED INCORPORATED INTO THE DEED AS FULLY AS IF SET FORTH AT LENGTH THEREIN.

EXCEPT AS EXPRESSLY PROVIDED FOR IN SECTION 5.5, PURCHASER FURTHER COVENANTS AND AGREES NOT TO SUE SELLER FOR, AND,

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RELEASES SELLER OF AND FROM AND WAIVES ANY CLAIM OR CAUSE OF ACTION THAT PURCHASER MAY HAVE AGAINST SELLER UNDER ANY ENVIRONMENTAL LAW (INCLUDING WITHOUT LIMITATION ANY ENVIRONMENTAL STATUTES), NOW EXISTING OR HEREAFTER ENACTED OR PROMULGATED, RELATING TO ENVIRONMENTAL MATTERS, HAZARDOUS SUBSTANCES OR ENVIRONMENTAL CONDITIONS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE NEW JERSEY SPILL COMPENSATION AND CONTROL ACT, OR BY VIRTUE OF ANY COMMON LAW RIGHT RELATED TO ENVIRONMENTAL CONDITIONS, HAZARDOUS SUBSTANCES OR ENVIRONMENTAL MATTERS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO THE PROPERTY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING OF TITLE TO THE PROPERTY OR THE TERMINATION OF THIS AGREEMENT, AS THE CASE MAY BE.

Section 5.5 Environmental Indemnification.

(a) Subject to the terms hereof, Seller shall indemnify, defend and hold harmless Purchaser from and against all claims which are asserted or commenced by third parties against Purchaser in connection with any violation of, or remediation required pursuant to, any Environmental Laws, but only to the extent that such claims arise from an Environmental Condition that existed prior to the Closing Date and except to the extent that the Environmental Condition or claim are contributed to, aggravated, or exacerbated by the acts, omissions or negligence of Purchaser or its employees, agents, contractors or subcontractors. "Environmental Condition" shall mean any environmental contamination or pollution of, or the release of Hazardous Substances into, the surface water, groundwater, surface soil, subsurface soil, sediment, air or land at, on, beneath or emanating from the Property.

(b) In the case of any claim asserted by a third party against Purchaser, Purchaser shall provide notice to Seller promptly after Purchaser has knowledge or notice of a claim that has been made as to which indemnity may be sought, and Purchaser shall permit Seller, at Seller's cost, to assume the defense of any claim or litigation arising therefrom, provided that (i) the counsel for Seller who shall conduct the defense of such claim or litigation shall be reasonably satisfactory to Purchaser, and (ii) Purchaser may participate in such defense at Purchaser's expense. Except with the prior written consent of Purchaser, which consent shall not be unreasonably withheld, Seller, in the defense of any such claim or litigation, shall not consent to the entry of any judgment or enter into any settlement that provides for injunctive relief or other nonmonetary relief affecting Purchaser or the Property or that does not include as an unconditional term thereof the giving by the claimant or plaintiff to Purchaser of a release of all liability in respect of such claim or litigation. Seller and Purchaser shall cooperate in the defense of any claim or litigations subject to the terms herein. The failure of Purchaser to provide notice to Seller in accordance with this Section 5.3 shall relieve Seller of its obligations under Section 5.3 hereof only to the extent that Seller is actually prejudiced by such failure.

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ARTICLE VI
TITLE AND SURVEY MATTERS

Section 6.1 Title Insurance. Purchaser acknowledges that Seller has delivered to Purchaser, and Purchaser has received, a copy of Seller's current title policy for the Property, and Purchaser will obtain and deliver to Seller prior to the expiration of the Evaluation Period a copy of a commitment for title insurance (the "Title Commitment") from the Title Company with respect to the Property. If the Title Commitment discloses exceptions to title which are both (A) not included within the list of permitted title matters listed on Exhibit C attached hereto and made a part hereof and (B) material and adverse to Purchaser in Purchaser's good faith business judgment (any such exception being referred to herein as an "Unpermitted Title Exception"), then Purchaser shall have the right to give Seller notice of any such Unpermitted Title Exception on or prior to the date which is five (5) days after Purchaser's receipt of the title commitment (the "Title Objection Out Date"). Any matters revealed by the Title Commitment that are not objected to by Purchaser on or prior to the Title Objection Out Date shall be deemed "Permitted Title Exceptions". In addition, any matters revealed by the Title Commitment that do not constitute Unpermitted Title Exceptions, regardless of whether Purchaser objects thereto, shall constitute Permitted Title Exceptions. Seller shall have five (5) days following the receipt of any such notice in which to give Purchaser notice that Seller will either (a) cause such Unpermitted Title Exception(s) to be deleted as an exception from the Title Commitment or insured against by the Title Company or (b) not cause such Unpermitted Title Exception(s) to be deleted as an exception from the Title Commitment or insured against by the Title Company (without payment of additional charge or premium by either party); if Seller gives notice pursuant to clause (a), then Seller will cause such Unpermitted Title Exception(s) to be deleted from the Title Commitment or cause the Title Company to give affirmative insurance in favor of Purchaser with respect to such Unpermitted Title Exception(s) prior to the Closing Date (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same). If Seller (i) fails to give any such notice within said five (5) day period, or (ii) gives notice pursuant to clause (b) above, then Purchaser will have three (3) Business Days following the earlier of the expiration of such five (5) day period or the giving of such notice by Seller in which to elect to either (X) terminate this Agreement or (Y) waive the right to terminate this Agreement as a result of any such Unpermitted Title Exception(s), which election must be made by the giving of notice thereof to Seller within said three (3) Business Day period. If Purchaser fails to deliver such notice terminating this Agreement pursuant to clause (X) above within said three (3) Business Day period, then Purchaser shall be deemed to have waived its right to terminate this Agreement. If Purchaser elects to waive, or is deemed to have waived, the right to terminate this Agreement as aforesaid, then any Unpermitted Title Exceptions previously objected to by Purchaser shall become "Permitted Title Exceptions". If Purchaser terminates this Agreement as aforesaid, then Seller and Purchaser shall direct the Title Company to return the Earnest Money Deposit to Purchaser, and neither party shall have any further obligation under this Agreement or the Section 2.2(b) Transactions, except that the obligations of the parties under the Termination Surviving Obligations shall survive. Purchaser acknowledges that Seller shall be entitled to deliver its notice under clause (a) or clause (b) above in its sole and absolute discretion subject to the provisions of Section 6.4 of this Agreement.

Section 6.2 Survey. Purchaser acknowledges that Seller has delivered to Purchaser, and Purchaser has received, a copy of Seller's current survey for the Property, and Purchaser

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may, at Purchaser's option within the Evaluation Period, obtain, and deliver to Seller a copy of, an updated survey of the Property certified to Purchaser and the Title Company (the existing survey or the updated survey, as applicable, "Survey"). If Purchaser does not obtain an updated survey, then Seller, upon request by Purchaser, shall execute and deliver at Closing a survey affidavit of no change. If the Survey discloses conditions which are both (A) not included within the list of permitted title matters listed on Exhibit C attached hereto and made a part hereof and (B) material and adverse to Purchaser in Purchaser's good faith business judgment (any such exception being referred to herein as an "Unpermitted Survey Condition", then Purchaser shall have the right to give Seller notice of any such Unpermitted Survey Condition on or prior to the date which is five (5) days after Purchaser's receipt of the Survey (the "Survey Objection Out Date"). Any matters revealed by the Survey that are not objected to by Purchaser on or prior to the Survey Objection Out Date shall be deemed "Permitted Survey Conditions". In addition, any matters revealed by the Survey that do not constitute Unpermitted Survey Conditions, regardless of whether Purchaser objects thereto, shall constitute Permitted Survey Conditions. Seller shall have five (5) days following the receipt of any such notice in which to give Purchaser notice that Seller will either (a) cause such Unpermitted Survey Conditions(s) to be removed from the Survey or insured against by the Title Company or (b) not cause such Unpermitted Survey Conditions(s) to be removed from the Survey or insured against by the Title Company (without payment of additional charge or premium by either party); if Seller gives notice pursuant to clause (a), then Seller will cause such Unpermitted Survey Conditions(s) to be deleted from the Survey, or cause the Title Company to give affirmative insurance in favor of Purchaser with respect to such Unpermitted Survey Conditions(s) prior to the Closing Date (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same). If Seller (i) fails to give any such notice within said five (5) day period, or (ii) gives notice under clause (b) above, then Purchaser will have three (3) Business Days following the giving of such notice by Seller in which to either (X) elect to terminate this Agreement, or (Y) waive the right to terminate this Agreement as a result of any such Unpermitted Survey Conditions(s), which election must be made by the giving of notice thereof to Seller within said three (3) Business Day period. If Purchaser fails to deliver such notice terminating this Agreement pursuant to clause (X) above within said three (3) Business Day period, then Purchaser shall be deemed to have waived its right to terminate this Agreement. If Purchaser elects to waive, or is deemed to have waived, the right to terminate this Agreement as aforesaid, then any Unpermitted Survey Conditions previously objected to by Purchaser shall become "Permitted Survey Conditions". If Purchaser terminates this Agreement as aforesaid, then Seller and Purchaser shall direct the Title Company to return the Earnest Money Deposit to Purchaser, and neither party shall have any further obligation under this Agreement or the Section 2.2(b) Transactions, except that the obligations of the parties under the Termination Surviving Obligations shall survive. Purchaser acknowledges that Seller shall be entitled to deliver its notice under clause (a) or clause (b) above in its sole and absolute discretion subject to the provisions of Section 6.4 of this Agreement.

Section 6.3 Updates. In the event that any update of the Title Commitment or the Survey shows any new matters or conditions to which Purchaser does not desire to take subject, Purchaser shall deliver notice thereof to Seller prior to the date three (3) Business Days after Purchaser receives such update of the Title Commitment or the Survey (and if Purchaser fails to deliver such notice within such three (3) Business Day period, then Purchaser shall be deemed to have accepted such matters or conditions as Permitted Title Exceptions or Permitted Survey

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Conditions, as applicable). Seller shall have three (3) Business Days following the receipt of any such notice in which to give Purchaser notice that Seller will either (a) cause such new matter or condition to be deleted from the Title Commitment or removed from the Survey, as the case may be, or (b) not cause such new matter or condition to be deleted from the Title Commitment or removed from the Survey, as the case may be; if Seller gives notice pursuant to clause (a), then Seller will cause same to occur prior to the Closing Date (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same). If Seller (i) fails to give any such notice within said three (3) Business Day period, or (ii) gives notice pursuant to clause (b) above, then Purchaser will have three (3) Business Days following the giving of such notice by Seller in which to elect to either (X) terminate this Agreement, or (Y) waive the right to terminate this Agreement as a result of any such new matter or condition, which election must be made by the giving of notice thereof to Seller within said three (3) Business Day period. If Purchaser fails to deliver such notice terminating this Agreement pursuant to clause (X) above within said three (3) Business Day period, then Purchaser shall be deemed to have waived its right to terminate this Agreement. If Purchaser elects to waive the right, or is deemed to have elected to waive the right, to terminate this Agreement as aforesaid, then any new matter or condition previously objected to by Purchaser shall become Permitted Survey Conditions or Permitted Title Exceptions, as the case may be. If Purchaser terminates this Agreement as aforesaid, then Seller and Purchaser shall direct the Title Company to return the Earnest Money Deposit to Purchaser, and neither party shall have any further obligation under this Agreement or the Section 2.2(b) Transactions, except that the obligations of the parties under the Termination Surviving Obligations shall survive. Purchaser acknowledges that Seller shall be entitled to deliver its notice under clause (a) or clause (b) above in its sole and absolute discretion subject to the provisions of Section 6.4 of this Agreement.

Section 6.4. Notwithstanding anything contained herein to the contrary, except as specified in this Section 6.4, Seller shall have no obligation to take any steps, bring any action or proceeding or incur any effort or expense whatsoever to cure any title or survey objection, provided, however, notwithstanding the foregoing, Seller shall cause to be removed as exceptions to title any mortgages, mechanic's or materialmen's liens filed against the Property due to work performed at the Property by Seller at Seller's direction, and monetary liens and other encumbrances which are dischargeable by the payment of a sum certain at the Closing (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same).

ARTICLE VII INTERIM OPERATING COVENANTS AND VIOLATIONS

Section 7.1 Interim Operating Covenants. Seller covenants to Purchaser that Seller will:

(a) **Operations.** From the Effective Date until Closing, continue to operate, manage and maintain the Improvements in the ordinary course of Seller's business and substantially in accordance with Seller's present practice, subject to ordinary wear and tear and further subject to Article XI of this Agreement.

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(b) **Compliance with Governmental Regulations.** From the Effective Date until Closing, not knowingly take any action that Seller knows would result in a failure to comply in all material respects with all Governmental Regulations applicable to the Property, it being understood and agreed that prior to Closing, Seller will have the right to contest any such Governmental Regulations.

(c) **Service Contracts.** From the Effective Date until Closing, Seller shall have the right to enter into any Service Contracts provided that Seller shall be solely responsible for the performance of Seller's obligations under any such Service Contracts and Purchaser shall have no obligation thereunder.

(d) **Notices.** To the extent received by Seller, from the Effective Date until Closing, promptly deliver to Purchaser copies of written default notices, notices of lawsuits and notices of violations affecting the Property.

(e) **No Encumbrances.** From the Effective Date until Closing, not to intentionally create any additional encumbrances on the title to the Property.

(f) **Non-Applicability Letter.** Obtain prior to Closing a non-applicability letter from the Industrial Site Evaluation Element, or its successor, of the New Jersey Department of Environmental Protection, or its successor, for which Seller shall apply pursuant to the Industrial Site Recovery Act, N.J.S.A. 13:1K-6, the regulations promulgated thereunder, and any successor legislation and regulations ("ISRA"). To the extent in Purchaser's possession, Purchaser shall provide Seller with all information reasonably requested in order for Seller to complete the application for the non-applicability letter.

Section 7.2 Violations. Purchaser shall accept title to the Property subject to all violations of law or municipal ordinances, orders or requirements issued by the departments of buildings, fire, labor, health or other Federal, State, County, Municipal or other departments and governmental agencies having jurisdiction against or affecting the Property, and any outstanding work orders, whether any of the foregoing are outstanding as of the date hereof (each, an "Existing Violation") or noticed after the date

hereof (each, a “New Violation” together with the Existing Violations, the “Violations”). In the event Seller receives written notice of a Violation after the Effective Date and prior to Closing and the cost to correct the Violation is equal to or less than One Million Dollars (\$1,000,000.00), Seller, at Seller’s cost and expense, shall be responsible to correct the Violation prior to Closing or to provide Purchaser with credit against the Purchase Price in the amount reasonably required to cure the Violation. If the cost to correct the Violation is reasonably estimated to cost in excess of One Million Dollars (\$1,000,000.00), Seller shall have the right to terminate this Agreement upon ten (10) days written notice to Purchaser unless Purchaser notifies Seller within said 10-day period that Purchaser will accept the Property with the Violation in which case Seller shall have no responsibility to correct the Violation and Purchaser shall receive a credit against the Purchase Price in the amount of One Million Dollars (\$1,000,000.00) at Closing. Except as otherwise expressly provided in this Section 7.2, Purchaser acknowledges that Seller shall have no restoration, repair, remediation or other obligation or liability of any kind or nature with respect to the Violations. If the municipality where the Real Property is located requires the issuance of a Certificate of Occupancy in connection with the sale of the Property, Seller shall be responsible to obtain the

Certificate of Occupancy or Certificate of Continuing Occupancy, if required by the municipality, at Seller’s cost subject to the limitations on Seller’s obligations to correct any Violations as provided herein.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES

Section 8.1 Seller’s Representations and Warranties. The following constitute the sole representations and warranties of Seller, which representations and warranties shall be true, accurate and complete as of the Effective Date, and shall be deemed repeated and shall be true, accurate and complete as of the Closing Date. Subject to the limitations set forth in Section 8.3 of this Agreement, Seller represents and warrants to Purchaser the following:

- (a) **Status.** Seller is a corporation, duly organized and validly existing under the laws of the State of New York, and qualified to do business in the State of New Jersey.
- (b) **Authority.** The execution and delivery of this Agreement and the performance of Seller’s obligations hereunder have been or will be duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding obligation of Seller.
- (c) **Non-Contravention.** The execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of, or constitute a default under the organizational documents of Seller, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Seller is a party or by which it is bound.
- (d) **Suits and Proceedings.** To Seller’s Knowledge, except as listed in Exhibit E, there are no legal actions, suits or similar proceedings pending and served, or threatened in writing against Seller or the Property which (i) are not adequately covered by existing insurance and (ii) if adversely determined, would materially and adversely affect the value of the Property, the continued operations thereof, or Seller’s ability to consummate the transactions contemplated hereby.
- (e) **Non-Foreign Entity.** Seller is not a “foreign person” or “foreign corporation” as those terms are defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.
- (f) **Service Contracts.** Seller shall be solely responsible for the performance of Seller’s obligations under any Service Contracts and Purchaser shall have no obligations thereunder.
- (g) **No Assignment/Bankruptcy.** Seller has not (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of any voluntary petition by its creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets; or (iv) suffered the attachment or other judicial seizure of all or substantially all of its assets.

- (h) **Environmental.** Except as set forth in the report listed in Exhibit G:
 - (i) To Seller’s Knowledge, there have been no violations of any Environmental Laws at, on or under the Real Property which have not been corrected in accordance with Environmental Laws. To the Seller’s Knowledge, Seller has received no written notice of any such violations from any governmental authority of any Environmental Law.
 - (ii) To Seller’s Knowledge, except for the two (2) existing 10,000 gallon underground storage tanks, there are no other underground storage tanks under the Real Property installed for the purpose of storage of Hazardous Substances (“Tanks”). Any Tanks which have been removed, to Seller’s Knowledge, were removed in accordance with any Environmental Laws. Except as set forth in the report listed in Exhibit G and this subparagraph, to Seller’s Knowledge, there are no Hazardous Substances located on or beneath the Real Property or Improvements, and no debris has been buried on the Real Property.
 - (iii) To Seller’s Knowledge, there are no claims, actions or proceedings of any kind pending against the Seller under Environmental Laws with respect to the Real Property as to which the Seller has received written notice.
 - (iv) Seller’s SIC Code is 4813, which presently excludes the Real Property from the definition of an “industrial establishment” as defined in the Industrial Site Recovery Act, N.J.S.A. 13:1k-6 et seq.
- (i) **Violations of Law.** To Seller’s Knowledge, Seller has not received any written notice of any violations of any ordinance, regulation, law or statute of any governmental agency pertaining to the Property or any portion thereof.
- (j) **Taking/Condemnation.** Seller has not received any written notice of, nor does Seller have actual knowledge of, any eminent domain taking or condemnation affecting all or any part of the Property.
- (k) Seller represents that there are no brokerage contracts or obligations in effect with respect to or affecting the Property which would be binding on Purchaser.
- (l) To Seller’s Knowledge, there are no unconfirmed or confirmed Assessments affecting the Property.
- (m) Except as set forth in Section 2.4, there are no leases or other rights to possession or occupancy affecting the Property.
- (n) Seller will not, and as of the Closing has not, entered into any new leases, contracts, or other undertakings or modified, cancelled, amended or otherwise changed any of the aforesaid affecting the Property without the express written consent of Purchaser, except to the extent required pursuant to this Agreement, if

any.

(o) **Patriot Act.** Neither Seller nor any person or entity holding any legal or beneficial interest whatsoever in it (whether directly or indirectly), is named on any list of

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persons, entities, and governments issued by the Office of Foreign Assets Control of the United States Department of the Treasury (**OFAC**) pursuant to Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism ("**Executive Order 13224**"), as in effect on the date hereof, or any similar list issued by OFAC or any other department or agency of the United States of America (collectively, the "**OFAC Lists**"), or is included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in any OFAC Lists.

(p) **Taxes.** The Real Property is not currently subject to any tax abatement, or added or omitted assessment.

(q) Seller has not received written notice that any certificate, license or permit with respect to the Property has been or is threatened to be revoked; or that it fails to possess any legally required certificate, license or permit.

Section 8.2 Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller the following:

(a) **Status.** Purchaser is a corporation, duly organized and validly existing under the laws of the State of Maryland.

(b) **Authority.** The execution and delivery of this Agreement and the performance of Purchaser's obligations hereunder have been duly authorized by all necessary action on the part of Purchaser and this Agreement constitutes the legal, valid and binding obligation of Purchaser.

(c) **Non-Contravention.** The execution and delivery of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of or constitute a default under the organizational documents of Purchaser, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchaser is a party or by which it is bound.

(d) **Consents.** No consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(e) **Patriot Act.** Neither Buyer nor any person or entity holding any legal or beneficial interest whatsoever in it (whether directly or indirectly), is named on any OFAC List of persons, entities, and governments issued by OFAC pursuant to Executive Order 13224 as in effect on the date hereof, or any similar OFAC Lists issued by OFAC or any other department or agency of the United States of America, or is included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in any OFAC Lists.

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Section 8.3 Survival of Representations, Warranties and Covenants. The representations and warranties of Seller set forth in **Section 8.1** and/or expressly stated elsewhere in this Agreement will survive the Closing for a period of three hundred sixty-five (365) days. Seller shall have no liability with respect to any of Seller's representations, warranties and covenants herein if, prior to the Closing, Purchaser has knowledge of any breach of a covenant of Seller herein, or Purchaser obtains knowledge (from whatever source, as a result of Purchaser's due diligence tests, investigations and inspections of the Property, or written disclosure by Seller or Seller's agents and employees) that contradicts any of Seller's representations, warranties and covenants herein, and Purchaser nevertheless consummates the transaction contemplated by this Agreement. In the event the Seller's representations, and warranties herein are not materially true, accurate and complete as of the Closing Date, Purchaser may, as Purchaser's sole and exclusive remedy, elect by written notice to Seller within fifteen (15) Business Days after Purchaser obtains knowledge of any breach to terminate this Agreement, in which event Purchaser will receive from the Escrow Agent the Earnest Money Deposit together with all interest accrued thereon and Seller shall pay to Purchaser an amount equal to its reasonable out-of-pocket expenses incurred by Purchaser such amount not to exceed Five Hundred Thousand Dollars (\$500,000.00), whereupon Seller and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations. The Closing Surviving Obligations and the Termination Surviving Obligations will survive Closing without limitation. All other covenants and agreements made or undertaken by Seller under this Agreement, unless otherwise specifically provided herein, will not survive the Closing Date but will be merged into the Deed and other Closing documents delivered at the Closing.

ARTICLE IX CONDITIONS PRECEDENT TO CLOSING

Section 9.1 Conditions Precedent to Obligation of Purchaser. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in **Section 10.3**.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement or not materially adverse to Purchaser in Purchaser's reasonable judgment).

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date.

Section 9.2 Conditions Precedent to Obligation to Seller. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date

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of Closing of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

(a) Seller shall have received the Purchase Price as adjusted pursuant to, and payable in the manner provided for, in this Agreement.

(b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not

limited to, those provided for in Section 10.2.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement or not materially adverse to Seller in Seller's reasonable judgment).

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Closing Date.

ARTICLE X CLOSING

Section 10.1 Closing. The consummation of the transaction contemplated by this Agreement by delivery of documents and payments of money shall take place at 10:00 a.m. Eastern Time on the Scheduled Closing Date at the offices of the Seller's counsel: Pitney, Hardin, Kipp & Szuch LLP, 200 Campus Drive, Florham Park, New Jersey 07932. Seller and Purchaser shall attend a pre-closing at the office of the Seller's counsel on May 24, 2004 ("Initial Scheduled Closing Date"). In the event the Closing does not occur on June 1, 2004, either party may schedule a time of the essence closing upon ten (10) days written notice to the other party.

At Closing, the events set forth in this Article X will occur, it being understood that the performance or tender of performance of all matters set forth in this Article X are mutually concurrent conditions which may be waived by the party for whose benefit they are intended. The acceptance of the Deed by Purchaser shall be deemed to be full performance and discharge of each and every agreement and obligation on the part of the Seller to be performed hereunder unless otherwise specifically provided herein.

Notwithstanding anything to the contrary contained in this Agreement, in the event that the Closing does not occur on or before the time of the essence closing date for any reason other than a Purchaser default, Purchaser shall have the right to terminate this Agreement by written notice to Seller, in which event, the Earnest Money Deposit and any interest thereon will be returned to Purchaser and neither Seller nor Purchaser will have any further obligation under this Agreement or with respect to the Section 2.2(b) Transactions, except for the Termination Surviving Obligations or pursuant to Article 13, if applicable.

Section 10.2 Purchaser's Closing Obligations. On the Closing Date, Purchaser, at its sole cost and expense, will deliver the following items to Seller at Closing as provided herein:

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(a) The Purchase Price, after all adjustments are made as herein provided, by Federal Reserve wire transfer of immediately available funds, in accordance with the timing and other requirements of Section 3.3

(b) The Lease, duly executed by Purchaser;

(c) A counterpart original of the Assignment of AT&T Wireless License, duly executed by Purchaser;

(d) Evidence reasonably satisfactory to Seller that the person executing the Lease on behalf of Purchaser has full right, power and authority to do so;

(e) A counterpart original of the Closing Statement, duly executed by Purchaser;

(f) A certificate, dated as of the date of Closing, stating that the representations and warranties of Purchaser contained in Section 8.2 are true and correct in all material respects as of the Closing Date (with appropriate modifications to reflect any changes therein) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Purchaser be liable to Seller for, or be deemed to be in default hereunder if any representation or warranty is not true and correct in all material respects; provided, however, that such event shall constitute the non-fulfillment of the condition set forth in Section 9.2(c). If, despite changes or other matters described in such certificate, the Closing occurs, Purchaser's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(g) A counterpart original of the Assignment of Licenses, Permits and Plans in the form attached hereto as Exhibit K; and

(h) Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transaction with is the subject of this Agreement.

Section 10.3 Seller's Closing Obligations. At the Closing, Seller will deliver to Purchaser the following documents:

(a) A bargain and sale deed with covenants against grantor's acts attached hereto as Exhibit D (the "Deed"), duly executed and acknowledged by Seller, conveying to the Purchaser the Real Property and the Improvements subject only to the Permitted Exceptions;

(b) The Lease, duly executed by Seller;

(c) A counterpart original of the Assignment of AT&T Wireless License, duly executed by Seller;

(d) The original AT&T Wireless License;

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(e) Evidence reasonably satisfactory to the Title Company that the person executing the documents delivered by Seller pursuant to this Section 10.3 on behalf of Seller has full right, power, and authority to do so;

(f) A certificate in the form attached hereto as Exhibit F ("Certificate as to Foreign Status") certifying that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, as well as any form or other document required under applicable laws to be executed by Seller in connection with any transfer tax applicable to the transaction contemplated by this Agreement;

(g) A certificate, dated as of the date of Closing, stating that the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of the Closing Date (with appropriate modifications to reflect any changes therein) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. Except as otherwise provided in Section 8.3, in no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder if any representation or warranty is not true and correct in all material respects; provided, however, that such event shall constitute the non-fulfillment of the condition set forth in Section 9.1(b). If, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(h) Counterparts of the transfer tax declaration, duly executed by Seller;

- (i) All other Documents not previously delivered to Purchaser which are in Seller's possession;
- (j) The original tax bills for the Property;
- (k) An affidavit of title in form reasonably required by the Title Company;
- (l) A counterpart original of the Assignment of Licenses, Permits and Plans in the form attached hereto as Exhibit K ("Assignment of Licenses, Permits and Plans");
- (m) A Bill of Sale for the Furniture in the form attached hereto as Exhibit L ("Bill of Sale"); and
- (n) Certificate of Occupancy or Certificate of Continuing Occupancy, if required by the municipality.

Section 10.4 Prorations.

- (a) Seller and Purchaser agree to adjust, as of 11:59 p.m. on the day preceding the Closing Date (the "**Proration Time**"), the following (collectively, the "**Proration Items**"):
 - (i) Utility charges payable by Seller, if any, including, without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Seller will cause readings of all said meters to be performed not more than five (5) days prior to

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the Closing Date, and a per diem adjustment shall be made for the days between the meter reading date and the Closing Date based on the most recent meter reading.

- (ii) License fees and any other amounts payable under the AT&T Wireless License, if any.
- (iii) Real estate taxes due and payable for the calendar year. 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.
- (iv) Any unconfirmed assessments will be satisfied in full by Seller at Closing.

Seller will be charged and credited for the amounts of all of the Proration Items relating to the period up to and including the Proration Time, and Purchaser will be charged and credited for all of the Proration Items relating to the period after the Proration Time. The estimated Closing prorations shall be set forth on a preliminary closing statement to be prepared by Seller and submitted to Purchaser prior to the Closing Date (the "**Closing Statement**"). The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller. The prorations shall be paid at Closing by Purchaser to Seller (if the prorations result in a net credit to Seller) or by Seller to Purchaser (if the prorations result in a net credit to Purchaser) by increasing or reducing the cash to be delivered by Purchaser in payment of the Purchase Price at the Closing. If the actual amounts of the Proration Items are not known as of the Closing Date, the prorations will be made at Closing on the basis of the best evidence then available; thereafter, when actual figures are received, re-prorations will be made on the basis of the actual figures, and a final cash settlement will be made between Seller and Purchaser. No prorations will be made in relation to insurance premiums, and Seller's insurance policies will not be assigned to Purchaser. Final readings and final billings for utilities will be made if possible as of the Closing Date, in which event no proration will be made at the Closing with respect to utility bills. Seller will be entitled to all deposits presently in effect with the utility providers, and Purchaser will be obligated to make its own arrangements for any deposits with the utility providers. The provisions of this Section 10.4(a) will survive the Closing for twelve (12) months.

Section 10.5 Costs of Title Company and Closing Costs Costs of the Title Company and other Closing costs incurred in connection with the Closing will be allocated as follows:

- (a) Seller shall pay (i) Seller's attorney's fees, (ii) all transfer and conveyance taxes and (iii) one-half (1/2) of escrow fees, if any.
- (b) Purchaser shall pay (i) the costs of recording the Deed to the Property and all other documents; (ii) the cost of the premium for the Title Policy and all title searches; (iii) all costs of any additional coverage under the Title Policy or endorsements or deletions to the Title Policy that are desired by Purchaser, and not required to be provided by Seller to address title defects as may be imposed pursuant to Sections 6.1 or 6.4; (iv) all premiums and other costs for any mortgagee policy of title insurance, if any, including but not limited to any endorsements or deletions; (v) Purchaser's attorney's fees; (vi) one-half (1/2) of escrow fees, if any and (vii) the costs of the Survey as provided for in Section 6.2.

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- (c) Any other costs and expenses of Closing not provided for in this Section 10.5 shall be allocated between Purchaser and Seller in accordance with the custom in the area in which the Property is located.

**ARTICLE XI
CONDEMNATION AND CASUALTY**

Section 11.1 Casualty. If, prior to the Closing Date, the Real Property and Improvements are destroyed or damaged by fire or other casualty in whole or in part, Seller will notify Purchaser of such casualty and Seller shall have the option to either: (i) restore the damage prior to Closing, or (ii) proceed to Closing and provide Purchaser with an assignment of all money received or receivable under any insurance policies and, to the extent the loss or damage is not covered by insurance, or to the extent of any deductibles, Seller shall pay or credit at Closing Purchaser an amount equal to the reasonable costs of repairing or restoring the damage.

Section 11.2 Condemnation of Property.

In the event of any actual or threatened condemnation of all or any Significant Portion of the Real Property and Improvements prior to the Closing, Purchaser shall have the option to terminate this Agreement by serving written notice to Seller within thirty (30) days after receipt of notice of such condemnation. If this Agreement is terminated by Purchaser pursuant to this Section 11.2, the Earnest Money Deposit and all interest accrued thereon will be returned to Purchaser and thereafter neither Seller nor Purchaser will have any further rights or obligations to the other hereunder or with respect to the Section 2.2(b) Transactions except with respect to the Termination Surviving Obligations. If Purchaser elects not to terminate this Agreement in accordance with this Section 11.2, Seller will assign to Purchaser any and all claims for the proceeds of such condemnation or sale to the extent the same are applicable to the Property, and Purchaser will take title to the Property with the assignment of such proceeds and subject to such condemnation and without reduction of the Purchase Price. Notwithstanding anything to the contrary herein, if any eminent domain or condemnation proceeding is instituted (or notice of same is given) solely for the taking of any subsurface rights for utility easements or for any right-of-way easement, and the surface may, after such taking, be used in substantially the same manner as though such rights have not been taken, Purchaser will not be entitled to terminate this Agreement as to any part of the Property, but any award resulting therefrom will be assigned to Purchaser at Closing and will be the exclusive property of Purchaser upon Closing.

**ARTICLE XII
CONFIDENTIALITY**

Section 12.1 Confidentiality. Seller and Purchaser each expressly acknowledge and agree that the transactions contemplated by this Agreement and the terms, conditions, and negotiations concerning the same will be held in the strictest confidence by each of them until Closing and will not be disclosed by either of them except to their respective legal counsel, accountants, consultants, officers, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder. Purchaser further acknowledges and agrees that, unless and until the Closing occurs, all information obtained by Purchaser in connection with the Property will not be disclosed by

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Purchaser to any third persons without the prior written consent of Seller, except as otherwise provided in this Agreement. Nothing contained in this Article XII will preclude or limit either party to this Agreement from disclosing or accessing any information otherwise deemed confidential under this Article XII response to lawful process or subpoena or other valid or enforceable order of a court of competent jurisdiction or any filings with governmental authorities required by reason of the transactions provided for herein pursuant to an opinion of counsel. Nothing in this Article XII will negate, supersede or otherwise affect the obligations of the parties under the Right of Access and Confidentiality Agreement. In addition, prior to or as a part of the Closing, any press release with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by both parties and their respective counsel, which approval shall not be unreasonably withheld or delayed. The parties and their respective counsel hereby approve the post-closing issuance of a press release substantially in the form attached hereto as **Exhibit M**, attached hereto and made a part hereof. The provisions of this Article XII will survive any termination of this Agreement.

**ARTICLE XIII
REMEDIES**

Section 13.1 Default by Seller. In the event the Closing and the transactions contemplated hereby do not occur as herein provided by reason of any default of Seller, Purchaser may, as Purchaser's sole and exclusive remedy, elect by written notice to Seller within fifteen (15) Business Days following the Scheduled Closing Date, either of the following: (a) terminate this Agreement, in which event Purchaser will receive from the Escrow Agent the Earnest Money Deposit together with all interest accrued thereon and Seller pay to Purchaser an amount equal to its reasonable out-of-pocket expenses incurred by Purchaser such amount not to exceed Five Hundred Thousand Dollars (\$500,000.00), whereupon Seller and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations; or (b) seek to enforce specific performance of Seller's obligations hereunder. Notwithstanding the foregoing, in the event the Closing and the transactions contemplated hereby do not occur as herein provided by reason of any willful material default of Seller, Purchaser and Seller agree that Purchaser may, as Purchaser's sole and exclusive remedy, elect by written notice to Seller within thirty (30) Business Days following the Scheduled Closing Date, either of the following: (a) terminate this Agreement, in which event Purchaser will receive from the Escrow Agent the Earnest Money Deposit together with all interest accrued thereon and Seller shall pay to Purchaser an amount equal to Five Hundred Thousand Dollars (\$500,000.00) as the full, agreed and liquidated damages for Seller's default and failure to complete the sale of the Property, whereupon this Agreement will terminate and Seller and Purchaser will have no further rights or obligations hereunder, except with respect to the Termination Surviving Obligations; or (b) seek to enforce specific performance of Seller's obligations hereunder. Except as provided in this Section with regard to out-of-pocket expenses and the liquidated damages in the event of a willful material default by Seller, Purchaser expressly waives its rights to seek damages in the event of Seller's default hereunder. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money Deposit if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the county and state in which the Property is located or provide Seller with notice of a willful material default, on or before ninety (90) days following the Scheduled Closing Date.

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Section 13.2 Default by Purchaser. In the event the Closing and the consummation of the transactions contemplated herein do not occur as provided herein by reason of any default of Purchaser, Purchaser and Seller agree it would be impractical and extremely difficult to fix the damages which Seller may suffer. Purchaser and Seller hereby agree that (a) an amount equal to the Earnest Money Deposit, together with all interest accrued thereon, is a reasonable estimate of the total net detriment Seller would suffer in the event Purchaser defaults and fails to complete the purchase of the Property, and (b) such amount will be the full, agreed and liquidated damages for Purchaser's default and failure to complete the purchase of the Property, and will be Seller's sole and exclusive remedy (whether at law or in equity) for any default of Purchaser resulting in the failure of consummation of the Closing, whereupon this Agreement will terminate and Seller and Purchaser will have no further rights or obligations hereunder, except with respect to the Termination Surviving Obligations. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to Seller. Notwithstanding the foregoing, nothing contained herein will limit Seller's remedies at law, in equity or as herein provided in the event of a breach by Purchaser of any of the Termination Surviving Obligations.

**ARTICLE XIV
NOTICES**

Section 14.1 Notices.

(a) All notices or other communications required or permitted hereunder shall be in writing, and shall be given by any nationally recognized overnight delivery service with proof of delivery, or by facsimile transmission (provided that such facsimile is confirmed by the sender by expedited delivery service in the manner previously described), sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee will have designated by written notice sent in accordance herewith. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement will be as follows:

If to Seller:	AT&T Corp. 55 Corporate Drive Room 32A03 Bridgewater, NJ 08807-1265 Attn: Jack Colasurdo (908) 658-7747 (tele.) (908) 658-2191 (fax)
with a copy to:	Lawrence F. Reilly, Esq. Pitney, Hardin, Kipp & Szuch LLP 200 Campus Drive Florham Park, New Jersey 07932 (973) 966-6300 (tele.) (973) 966-1550 (fax)

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If to Purchaser: c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
with separate notices to the attention of:
Mr. Mitchell E. Hersh
(908) 497-2009 (tele.)
(908) 272-0214 (fax)
and
Roger W. Thomas, Esq.
(908) 272-2612 (tele.)
(908) 497-0485 (fax)

with a copy to: Martin E. Dollinger, Esq.
Greenbaum, Rowe, Smith, Ravin, Davis & Himmel, LLP
99 Wood Avenue South
Iselin, New Jersey 08830
732-549-5600 (tele.)
732-549-1881 (fax)

If to Escrow Agent: Attn: Pete Doyle
Lawyers Title Insurance Corp.
655 Third Avenue, 11th Floor
New York, NY 10017
212-949-0100 (tele)
212-697-0286 (fax)

(b) Notices given by overnight delivery service as aforesaid shall be deemed received and effective on receipt or refusal to accept delivery. 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.

ARTICLE XV ASSIGNMENT AND BINDING EFFECT

Section 15.1 **Assignment; Binding Effect.** The provisions hereof shall inure to the benefit of, and shall be binding upon, the heirs, executors, administrators, successors and assigns of the respective parties; provided, however, Purchaser may not assign this Agreement or any of Purchaser's rights hereunder to any person or entity other than to a Permitted Assignee (as hereinafter defined). No permitted assignment of this Agreement shall relieve Purchaser from any of its obligations hereunder. As used herein, a "Permitted Assignee" shall mean an Affiliate of Purchaser. As used herein, an "Affiliate" shall refer to an entity that is controlled by the same entity that controls Purchaser, is controlled by Purchaser or Mack-Cali Realty L.P., or controls Purchaser. The terms "control," "controlled by," or "in common control with" shall mean ownership of (i) more than fifty percent (50%) of the outstanding voting stock of a corporation (or other equity and control interest if not a corporation), or (ii) the possession of power to direct

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or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute, or according to the provisions of a contract.

ARTICLE XVI BROKERAGE

Section 16.1 **Brokers.** Purchaser and Seller represent that they have not dealt with any brokers, finders or salesmen, in connection with this transaction and 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 either party may sustain, incur or be exposed to by reason of any claim for fees or commissions made through the other party. The provisions of this Article XVI will survive any Closing or termination of this Agreement.

ARTICLE XVII ESCROW AGENT

Section 17.1 **Escrow.**

(a) Escrow Agent will hold the Earnest Money Deposit in escrow in an interest bearing account of the type generally used by Escrow Agent for the holding of escrow funds until the earlier of (i) the Closing, or (ii) the termination of this Agreement in accordance with any right hereunder. In the event Purchaser has not terminated this Agreement by the end of the Evaluation Period, the Earnest Money Deposit shall be non-refundable to Purchaser, but shall be credited against the Purchase Price at the Closing. All interest earned on the Earnest Money Deposit shall be paid to the party entitled to the Earnest Money Deposit. In the event this Agreement is terminated prior to the expiration of the Evaluation Period or as otherwise provided for in accordance with the terms and provisions of this Agreement, the Earnest Money Deposit and all interest accrued thereon will be returned by the Escrow Agent to the Purchaser. In the event the Closing occurs, the Earnest Money Deposit and all interest accrued thereon will be released to Seller, and Purchaser shall receive a credit against the Purchase Price in the amount of the Earnest Money Deposit, without the interest. In all other instances, Escrow Agent shall not release the Earnest Money Deposit to either party until Escrow Agent has been requested by Seller or Purchaser to release the Earnest Money Deposit and has given the other party five (5) Business Days to dispute, or consent to, the release of the Earnest Money Deposit. Seller represents that its tax identification number, for purposes of reporting the interest earnings, is 13-4924710. Purchaser represents that its tax identification number, for purposes of reporting the interest earnings, is 22-3305147.

(b) Escrow Agent shall not be liable to any party for any act or omission, except for bad faith, gross negligence or willful misconduct, and the parties agree to indemnify Escrow Agent and hold Escrow Agent harmless from any and all claims, damages, losses or expenses arising in connection herewith. The parties acknowledge that Escrow Agent is acting solely as stakeholder for their mutual convenience. In the event Escrow Agent receives written notice of a dispute between the parties with respect to the Earnest Money Deposit and the interest earned thereon (the "**Escrowed Funds**"), Escrow Agent shall not be bound to release and deliver the Escrowed Funds to either party but may either (i) continue to hold the Escrowed Funds until

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otherwise directed in a writing signed by all parties hereto or (ii) deposit the Escrowed Funds with the clerk of any court of competent jurisdiction. Upon such deposit, Escrow

Agent will be released from all duties and responsibilities hereunder. Escrow Agent shall have the right to consult with separate counsel of its own choosing (if it deems such consultation advisable) and shall not be liable for any action taken, suffered or omitted by it in accordance with the advice of such counsel.

I Escrow Agent shall not be required to defend any legal proceeding which may be instituted against it with respect to the Escrowed Funds, the Property or the subject matter of this Agreement unless requested to do so by Purchaser or Seller and is indemnified to its satisfaction against the cost and expense of such defense. Escrow Agent shall not be required to institute legal proceedings of any kind and shall have no responsibility for the genuineness or validity of any document or other item deposited with it or the collectibility of any check delivered in connection with this Agreement. Escrow Agent shall be fully protected in acting in accordance with any written instructions given to it hereunder and believed by it to have been signed by the proper parties.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 Waivers. No waiver of any breach of any covenant or provisions contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

Section 18.2 Recovery of Certain Fees. In the event a party hereto files any action or Suit against another party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, then in that event the substantially prevailing party will be entitled to have and recover certain fees from the other party including all reasonable attorneys' fees and costs resulting therefrom. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photocopying, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 18.2 shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment.

Section 18.3 Construction. Headings at the beginning of each article and section are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular will include the plural and the masculine will include the feminine and vice versa. This Agreement will not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. All exhibits and schedules referred to in this Agreement are attached and incorporated by this reference, and any capitalized term used in any exhibit or schedule which is not defined in such exhibit or schedule will have the meaning attributable to such term in the body of this Agreement. In the

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event the date on which Purchaser or Seller is required to take any action under the terms of this Agreement is not a Business Day, the action will be taken on the next succeeding Business Day.

Section 18.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

Section 18.5 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other conditions and provisions of this Agreement will nevertheless remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to reflect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 18.6 Entire Agreement. This Agreement is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof, and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument, signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein or in the Right of Access and Confidentiality Agreement.

Section 18.7 Governing Law. THIS AGREEMENT WILL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS RULES. SELLER AND PURCHASER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED.

Section 18.8 No Recording. The parties hereto agree that neither this Agreement nor any affidavit or memorandum concerning it will be recorded and any recording of this Agreement or any such affidavit or memorandum by Purchaser will be deemed a default by Purchaser hereunder; provided, however, that Purchaser may record a Notice of Settlement or file a lis pendens in the event it institutes a suit for specific performance.

Section 18.9 Further Actions. The parties agree to execute such instructions to the Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

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Section 18.10 Exhibits. The following sets forth a list of Exhibits to the Agreement:

Exhibit A	Legal Description of Real Property
Exhibit B	Lease
Exhibit C	Permitted Exceptions
Exhibit D	Form of Deed
Exhibit E	Suits and Proceedings
Exhibit F	Certificate as to Foreign Status
Exhibit G	List of Environmental Reports
Exhibit H	AT&T Wireless License
Exhibit I	Assignment of AT&T Wireless License
Exhibit J	Intentionally Omitted
Exhibit K	Assignment of Plans, Permits and Licenses
Exhibit L	Bill of Sale
Exhibit M	Press Release

Section 18.11 No Partnership. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

Section 18.12 Limitations on Benefits. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser and Seller and their permitted successors and assigns is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, Purchaser and Seller or their respective successors and assigns as permitted hereunder. Nothing contained in this Agreement shall under any circumstances whatsoever be deemed or construed, or be interpreted, as making any third party a beneficiary of any term or provision of this Agreement or any instrument or document delivered pursuant hereto, and Purchaser and Seller expressly reject any such intent, construction or interpretation of this Agreement.

Section 18.13 Discharge of Obligations. The acceptance of the Deed by Purchaser shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, except those which are herein specifically stated to survive the Closing.

Section 18.14 Non-Liability.

(a) Notwithstanding anything to the contrary contained in this Agreement, no director, officer, employee, shareholder, member, manager, partner or agent of Seller nor any of the directors, officers, employees, shareholders, members, managers, partners

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or agents of any of the directors, officers, employees, shareholders, members, managers, partners or agents of Seller nor any other person, partnership, corporation or trust, as principal of Seller, whether disclosed or undisclosed (collectively, the "Seller Exculpated Parties") shall have any personal obligation or liability hereunder, and Purchaser shall not seek to assert any claim or enforce any of its rights hereunder against any Seller Exculpated Party.

(b) Notwithstanding anything to the contrary contained in this Agreement, no director, officer, employee, shareholder, member, manager, partner or agent of Purchaser nor any of the directors, officers, employees, shareholders, members, managers, partners or agents of any of the directors, officers, employees, shareholders, members, managers, partners or agents of Purchaser nor any other person, partnership, corporation or trust, as principal of Purchaser, whether disclosed or undisclosed (collectively, the "Purchaser Exculpated Parties") shall have any personal obligation or liability hereunder, and Purchaser shall not seek to assert any claim or enforce any of its rights hereunder against any Purchaser Exculpated Party.

Section 18.15 Waiver of Jury Trial. PURCHASER AND SELLER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY PURCHASER AND SELLER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. SELLER OR PURCHASER, AS APPLICABLE, IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY PURCHASER OR SELLER, AS APPLICABLE.

[SIGNATURE BLOCKS ON NEXT PAGE]

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IN WITNESS WHEREOF, Seller and Purchaser have respectively executed this Agreement as of the Effective Date.

Date Executed:

SELLER:

April 2, 2004

AT&T CORP., a New York corporation

By: /s/ Jack Colasurdo
Name: Jack Colasurdo
Title: Global Real Estate Director

PURCHASER:

April 2, 2004

Mack-Cali Realty Corporation, a Maryland corporation

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

ESCROW AGENT:

April 5, 2004

Lawyers Title Insurance Corporation

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

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**FIRST AMENDMENT TO
AGREEMENT OF SALE AND PURCHASE**

[30 KNIGHTSBRIDGE, PISCATAWAY, NEW JERSEY]

THIS FIRST AMENDMENT TO AGREEMENT OF SALE AND PURCHASE (this "**First Amendment**") made and entered into this 1st day of June, 2004, by and between **KNIGHTSBRIDGE REALTY L.L.C.**, a limited liability company organized under the laws of the State of New Jersey, having an address at 11 Commerce Drive, Cranford, New Jersey 07016 ("**Purchaser**") and **AT&T CORP.**, a corporation organized under the laws of the State of New York, having an address at 55 Corporate Drive, Bridgewater, New Jersey 08807 ("**Seller**"). (Purchaser and Seller are hereinafter referred to collectively as the "**Parties**".)

RECITALS:

A. Mack-Cali Realty Corporation, a Maryland corporation ("**MC**") and Seller entered into that certain Agreement of Sale and Purchase Real Estate dated April 2, 2004 (hereinafter referred to as the "**Contract**"), wherein Seller agreed to sell and Purchaser agreed to purchase that certain parcel or parcels of real property located at 30 Knightsbridge, Piscataway, New Jersey as more particularly described in Exhibit A to the Contract ("**Property**").

B. MC assigned its interest in the Contract to Purchaser by Assignment and Assumption of Contract of Sale dated May 28, 2004.

C. Purchaser and Seller are desirous of modifying and amending the terms and conditions of the Contract only as set forth in this First Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, the parties, each intending to be legally bound hereby, agree as follows:

1. Previously Defined Terms: Conflict.

(a) All of the capitalized terms not expressly defined in this First Amendment shall have the meanings ascribed to such terms in the Contract.

(b) All references to "This Agreement" in the Contract shall be deemed to mean the Contract as supplemented and amended by this First Amendment. The Contract and this First Amendment shall be collectively referred to as the "**Agreement**". In the event of any conflict or inconsistency between the Contract and this First Amendment, this First Amendment shall control.

2. Section 2.1 Agreement.

(a) Section 2.1(a)(iii) of the Contract is hereby amended by adding the following after the word "Improvements" in the last line of the subsection: "including, but not limited to the warranties of Honeywell International, Inc. ("**Honeywell**")", Warranty numbers

N0220990504 and N0220000525 dated March 2, 2000 and August 10, 2001, respectively (collectively, the "**Roof Warranty**"). Seller agrees, at its own cost expense, to promptly take all actions required to transfer the roof to Purchaser, including, but not limited to, providing the required notice of transfer of the roof warranty to Honeywell, paying any required transfer fee, and making any maintenance or repairs required by Honeywell as a condition to warranty transfer, to the extent the cost of such required maintenance or repair exceeds \$10,600. This obligation shall survive closing of title."

(b) Section 2.1(a)(vi) of the Contract is amended by adding the words, "(including, but not limited to conference room, cafeteria and fitness center furniture, fixtures and equipment)" immediately after the word "furniture" in the third line of the subsection. Section 2.1 (a)(vi) is further amended by adding the following: "Seller represents and warrants that it has sole title to the Furniture free of security interests, liens and encumbrances. Seller agrees to indemnify and hold Purchaser harmless against any claims of title to or liens or security interests against the Furniture. The foregoing representation and indemnity shall be reaffirmed in the bill of sale and shall survive Closing of title."

3. Section 2.4 Licenses. Section 2.4 of the Contract is amended by adding a new subsection (d) as follows:

(d) Seller agrees to deliver at Closing a representation to the Purchaser's title company an affidavit and indemnification agreement, which agreement shall, among other things provide that (i) the Thomson Financial License Agreement and the other Excluded Agreements will continue after closing solely as obligations of Seller and affecting only premises leased by Seller; (ii) the Seller will cause the Excluded Agreements to terminate at or before the expiration of the Seller's lease; and (iii) the Seller will indemnify and hold the title company harmless from and against any loss, damage, claim, liability, loss, cost or expense (including, but not limited to, reasonable attorneys' fees) resulting from the Excluded Agreements.

4. Section 3.1. Purchase Price. Section 3.1 of the Contract is hereby amended and restated as follows: "The purchase price for the Property (the "**Purchase Price**") shall be Six Million Four Hundred Thirty Two Thousand Five Hundred Dollars (\$6,432,500.00) in lawful currency of the United States of America, payable as provided in Section 3.2."

5. Section 5.5. Environmental Indemnification. Section 5.5 of the Agreement is amended to include the following two additional subsections:

(c) Seller has installed or will install one or more monitoring wells to investigate possible groundwater contamination on the Property. Seller agrees that it shall be solely responsible, at its own sole cost and expense, for investigation and remediation of such groundwater contamination, if any, in accordance with the provisions of the Lease and applicable law.

(e) The provisions of this Section 5.5 shall survive Closing of Title.

6. Section 7.2 Violations. Section 7.2 of the Contract is amended by adding the following to the end of the Section: "Nothing in this Agreement is intended to in any way relieve Seller from or otherwise affect Seller's obligation to cure existing and future Violations as provided in the Lease."

7. No Other Revisions to Agreement. Except as specifically modified and amended by this First Amendment, all other provisions of the Contract shall remain the same and in full force and effect.

8. Counterparts. This First Amendment may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this First Amendment, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

IN WITNESS WHEREOF, Seller and Purchaser have respectively executed this Agreement on the date specified below.

Date Executed:

June 1, 2004

SELLER:

AT&T CORP., a New York corporation

By: /s/ Jack Colasurdo

Name: Jack Colasurdo

Title: Global Real Estate Director

PURCHASER:

June 1, 2004

KNIGHTSBRIDGE REALTY, L.L.C.
a New Jersey limited liability company

By: CDECRE, Inc., an Illinois corporation,
Its sole member

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh

Title: Authorized Signatory

AGREEMENT OF SALE AND PURCHASE

[KEMBLE PLAZA II- 412 MT. KEMBLE AVENUE, MORRIS TOWNSHIP, NJ]

THIS AGREEMENT OF SALE AND PURCHASE ("**Agreement**") made this 2d day of April, 2004 by and between Mack-Cali Realty Corporation, a corporation organized under the laws of the State of Maryland, having an address at 11 Commerce Drive, Cranford, New Jersey 07016 ("**Purchaser**") and AT&T Corp., a corporation organized under the laws of the State of New York, having an address at 55 Corporate Drive, Bridgewater, New Jersey 08807 ("**Seller**").

In consideration of the mutual promises, covenants, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. For purposes of this Agreement, the following capitalized terms have the meanings set forth in this Section 1.1:

"**Assignment of AT&T Wireless License**" has the meaning ascribed to such term in Section 2.4 and shall be in the form attached hereto as Exhibit I.

"**Assignment of Permits, Plans and Licenses**" has the meaning ascribed to such term in Section 10.3 and which shall be in the form attached hereto as Exhibit K.

"**AT&T Wireless License**" has the meaning ascribed to such term in Section 2.4 and which is attached hereto as Exhibit H.

"**Authorities**" means the various governmental and quasi-governmental bodies or agencies having jurisdiction over the Real Property and Improvements, or any portion thereof.

"**Bill of Sale**" has the meaning ascribed to such term in Section 10.3 and which shall be in the form attached hereto as Exhibit L.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which national banking associations are authorized or required to close.

"**Certificate as to Foreign Status**" has the meaning ascribed to such term in Section 10.3(f) and shall be in the form attached as Exhibit F.

"**Closing**" means the consummation of the purchase and sale of the Property contemplated by this Agreement, as provided for in Article X.

"**Closing Date**" has the meaning ascribed to such term in Section 10.1.

"**Closing Statement**" has the meaning ascribed to such term in Section 10.4(a).

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"**Closing Surviving Obligations**" means the rights, liabilities and obligations set forth in Sections 3.2, 5.2(b), 5.3(c), 5.4, 5.5, 8.2, 10.4, 12.1, 16.1, 18.2 and 18.8, and any other provisions which pursuant to their terms survives the Closing hereunder.

"**Deed**" has the meaning ascribed to such term in Section 10.3(a).

"**Documents**" has the meaning ascribed to such term in Section 5.2(a).

"**Earnest Money Deposit**" has the meaning ascribed to such term in Section 4.1.

"**Effective Date**" means the latest date on which this Agreement has been executed by Seller or Purchaser, which date shall be set forth opposite such party's signature.

"**Environmental Condition**" has the meaning ascribed to such term in Section 5.3.

"**Environmental Laws**" means each and every federal, state, county and municipal statute, ordinance, rule, regulation, code, order, requirement, directive pertaining to Hazardous Substances issued by any Authorities and in effect as of the date of this Agreement with respect to or which otherwise pertains to or affects the Real Property or the Improvements, or any portion thereof, the use, ownership, occupancy or operation of the Real Property or the Improvements, or any portion thereof, or Purchaser, and as same have been amended, modified or supplemented from time to time prior to the Effective Date, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), as amended by the Hazardous and Solid Wastes Amendments of 1984, the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Water Act (33 U.S.C. § 1321 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the National Environmental Policy Act (42 U.S.C. § 4321 et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), the New Jersey Environmental Rights Act (N.J.S.A. 2A:35A-1 et seq.), the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), the New Jersey Air Pollution Control Act (N.J.S.A. 26:2C-1 et seq.), the Hazardous Substances Discharge: Reports and Notices Act (N.J.S.A. 13:1K-15 et seq.), the Industrial Site Recovery Act (N.J.S.A. 13: 1K-6 et seq.) ("ISRA"), the New Jersey Underground Storage of Hazardous Substances Act (N.J.S.A. 58: 10A-2 1 et seq.) (collectively, the "**Environmental Statutes**"), and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the Environmental Statutes.

"**Escrow Agent**" means Lawyers Title Insurance Corporation.

"**Excluded Agreements**" has the meaning ascribed to such term in Section 2.4.

"**Existing Survey**" means Seller's existing survey of the Real Property dated October 23, 2003, prepared by Kennon Surveying Services.

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"**Evaluation Period**" has the meaning ascribed to such term in Section 5.1.

"**Furniture**" has the meaning ascribed to such term in Section 2.1.

“**Governmental Regulations**” means all statutes, ordinances, rules and regulations of the Authorities applicable to Seller or the use or operation of the Real Property or the Improvements or any portion thereof.

“**Hazardous Substances**” means (a) asbestos, radon gas and urea formaldehyde foam insulation, (b) any solid, liquid, gaseous or thermal contaminant, including acids, alkalis, chemicals, petroleum products or byproducts, PCBs, phosphates, lead or other heavy metals and chlorine, (c) any solid or liquid waste (including, without limitation, hazardous waste), hazardous air pollutant, hazardous substance, hazardous chemical substance and mixture, toxic substance, pollutant, pollution, regulated substance and contaminant, as such terms are defined in any of the Environmental Statutes and (d) any other chemical, material or substance, the use or presence of which, or exposure to the use or presence of which, is prohibited, limited or regulated by any Environmental Statutes.

“**Improvements**” means all buildings, structures, fixtures, parking areas and other improvements located on the Real Property.

“**Initial Scheduled Closing Date**” means May 24, 2004.

“**Lease**” means the lease from Purchaser to Seller as described in Section 2.1(b), a draft copy of which is attached hereto as **Exhibit B** and the final form of which shall be negotiated and agreed to by the parties during the Evaluation Period.

“**Licenses**” has the meaning ascribed to such term in Section 2.4(a).

“**Maximum Credit**” has the meaning ascribed to such term in Section 11.1.

“**Permitted Exceptions**” has the meaning ascribed to such term in Section 2.3.

“**Permitted Outside Parties**” has the meaning ascribed to such term in Section 5.2(b).

“**Property**” has the meaning ascribed to such term in Section 2.1.

“**Proration Items**” has the meaning ascribed to such term in Section 10.4(a).

“**Purchase Price**” has the meaning ascribed to such term in Section 3.1.

“**Purchaser’s Information**” has the meaning ascribed to such term in Section 5.3(c).

“**Real Property**” means that certain parcel or parcels of real property located at Kemble Plaza II, 412 Mt. Kemble Avenue, Morris Township, New Jersey and that certain parcel containing approximately 25 acres commonly known as Lot 15, Block 23.02, , as more particularly described on the legal description attached hereto and made a part hereof as **Exhibit A**, together with all of Seller’s right, title and interest, if any, in and to the appurtenances

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pertaining thereto, including but not limited to Seller’s right, title and interest in and to the adjacent streets, alleys and right-of-ways, and any easement rights, air rights, subsurface development rights and water rights.

“**Right of Access and Confidentiality Agreement**” means that certain Right of Access and Confidentiality Agreement fully executed on March 26, 2004 by and between Seller and Mack-Cali Realty, L.P.

“**Scheduled Closing Date**” means June 1, 2004 or such earlier or later date to which Purchaser and Seller may hereafter agree in writing.

“**Section 2.2(b) Transactions**” has the meaning ascribed to such term in Section 2.2(b).

“**Service Contracts**” means all of Seller’s service agreements, maintenance contracts, equipment leasing agreements, warranties, guarantees, bonds, open purchase orders and other contracts for the provision of labor, services, materials or supplies relating solely to the Real Property or Improvements.

“**Significant Portion**” means, for purposes of the condemnation provisions set forth in Article XII hereof, a taking by condemnation of a portion of the Property having a fair market value in excess of Five Hundred Thousand Dollars (\$500,000.00).

“**Skyline Credit Union License**” has the meaning ascribed to such term in Section 2.4(a).

“**Termination Surviving Obligations**” means the rights, liabilities and obligations set forth in Sections 5.2, 5.3, 12.1, Articles XII and XIII, 16.1, 18.2 and 18.8, and any other provisions which pursuant to their terms survive any termination of this Agreement.

“**Title Commitment**” has the meaning ascribed to such term in Section 6.1.

“**Title Company**” means Lawyers Title Insurance Corporation.

“**To Seller’s Knowledge**” means the present actual (as opposed to constructive or imputed) knowledge solely of (a) Vincent Placco, the Global Real Estate Manager, with respect to any environmental representations, and (b) George Schmidt, the property manager for the Property who has held that position since October 2002 and who is employed by The Gale Company, with respect to any non-environmental representations. The knowledge of the referenced individuals is without any independent investigation or inquiry whatsoever, including, without limitation, any review of the Documents.

Section 1.2 References: Exhibits and Schedules. Except as otherwise specifically indicated, all references in this Agreement to Articles or Sections refer to Articles or Sections of this Agreement, and all references to Exhibits or Schedules refer to Exhibits or Schedules attached hereto, all of which Exhibits and Schedules are incorporated into, and made a part of, this Agreement by reference. The words “herein,” “hereof,” “hereinafter” and words and phrases of similar import refer to this Agreement as a whole and not to any particular Section or Article.

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ARTICLE II AGREEMENT OF PURCHASE AND SALE

Section 2.1 Agreement. (a) Seller hereby agrees to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Seller, on the Closing Date and subject to the terms and conditions of this Agreement, all of the following (collectively, the “**Property**”):

- (i) the Real Property;
 - (ii) the Improvements;
 - (iii) all of Seller's right, title and interest, to the extent assignable or transferable, in and to all other intangible rights, titles, interests, privileges and appurtenances owned by Seller and related to or used exclusively in connection with the ownership, use or operation of the Real Property or the Improvements;
 - (iv) all of Seller's right, title and interest in and to the AT&T Wireless License;
 - (v) to the extent assignable, plans and specifications, existing survey, governmental licenses, certificates, permits and approvals relating to the Property; and
 - (vi) all of Seller's right, title and interest in the Furniture as hereinafter defined. The Lease shall provide that Purchaser shall notify Seller of any furniture which Purchaser elects to keep at the Property forty five days prior to the expiration of the lease term ("Furniture"), and Seller shall convey such Furniture to Seller by appropriate bill of sale and Seller shall be responsible to remove all other furniture upon the expiration of the Lease.
- (b) On the Closing Date, Purchaser shall lease the Property back to Seller pursuant to the form of lease approved by the parties and attached hereto as

Exhibit B (the "Lease").

Section 2.2 Indivisible Economic Package and Closing Contingencies

(a) Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has agreed to sell, all of the Property, subject to and in accordance with the terms and conditions hereof.

(b) In addition to the conditions precedent set forth in Article IX of this Agreement, the Closing shall be contingent upon satisfaction of the conditions set forth in this Section 2.2(b) contemporaneously at the Closing. Purchaser has no right to purchase, and Seller

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has no obligation to sell the Property, unless the terms and conditions of this Section 2.2(b) are satisfied at the Closing, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller to enter into this Agreement, Purchaser and Seller have agreed to close title to the following properties and to execute and deliver the following documents at the Closing.

(i) Contemporaneously with the Closing, the parties shall close title to real property known as 30 Knightsbridge, Piscataway, New Jersey whereby Seller shall sell and Purchaser shall purchase said real property upon such terms and conditions agreed to by the parties.

(ii) Contemporaneously with the Closing, the parties shall execute and deliver the documents required pursuant to that certain Master Assignment and Assumption Agreement executed by and between the parties of even date herewith ("Master Assignment and Assumption Agreement").

The transactions described in this Section 2.2(b)(i) and (ii) hereinafter referred to as the "**Section 2.2(b) Transactions**."

Section 2.3 Permitted Exceptions. The Property shall be sold, and title thereto conveyed, subject to (i) all Violations (as hereinafter defined), (ii) the Permitted Title Exceptions (as hereinafter defined) and the Permitted Survey Conditions (as hereinafter defined), and (iii) the Licenses (the Violations, the Permitted Title Exceptions, the Permitted Survey Conditions, and the Licenses being hereinafter collectively referred to as the "Permitted Exceptions").

Section 2.4 Licenses

(a) The Property is subject to the following license agreements (collectively, the "Licenses"):

(i) License Agreement between AT&T Corp., as licensor, and AT&T Wireless, as licensee, a copy of which is attached hereto as **Exhibit H** (the "AT&T Wireless License"); and

(ii) License Agreement between AT&T Corp., as licensor, and Skyline Credit Union, as licensee (the "Skyline Credit Union License").

(b) At the Closing, Seller shall assign and Purchaser shall assume all of Seller's rights and obligations under the AT&T Wireless License to the extent arising after the Closing Date, Seller shall be solely liable for all obligations under the AT&T Wireless License to the extent arising prior to the Closing Date. The parties shall execute an Assignment and Assumption Agreement of the AT&T Wireless License in the form attached hereto as **Exhibit I**. To Seller's Knowledge, Seller represents Seller is not in default under the AT&T Wireless License, and no event has occurred which with the passage of time, or the giving of notice, or both, would constitute a default by Seller under the AT&T Wireless License.

(c) At the Closing, Seller shall not assign to Purchaser and Purchaser shall not assume any of Seller's rights and obligations under the Skyline Credit Union License. The

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Skyline Credit Union License shall continue in full force and effect between Seller and the respective parties under the Skyline Credit Union License; provided however, that Seller shall cause all of the Excluded Agreements to terminate at or before the expiration or earlier termination of the term of the Lease. Seller shall indemnify Purchaser and hold Purchaser harmless from and against, any claims, liabilities, damages, loss, cost or expense (including, but not limited to, reasonable attorneys fees) arising out of or resulting from the Excluded Agreements. This paragraph shall survive Closing of title.

**ARTICLE III
CONSIDERATION**

Section 3.1 Purchase Price. The purchase price for the Property (the "**Purchase Price**") shall be Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) in lawful currency of the United States of America, payable as provided in Section 3.2.

Section 3.2 Method of Payment of Purchase Price. No later than 3:00 p.m. (Eastern time) on the Closing Date, Purchaser shall pay to Seller the Purchase Price (less the Earnest Money Deposit) by Federal Reserve wire transfer of immediately available funds to an account designated by Seller (such funds, the "Closing Funds").

Seller agrees to provide the wiring instructions to Purchaser at least three (3) business days prior to Closing. In the event that the Closing Funds are received after 3:00 p.m. (Eastern time) on the Closing Date but prior to 3:00 p.m. (Eastern time) on the date one (1) Business Day after the Closing Date, then the Closing shall nevertheless be deemed to occur on the Closing Date. In the event that the Closing Funds are not received by 3:00 p.m. (Eastern time) on the date one (1) Business Day after the Closing Date, then Purchaser shall be deemed to have defaulted under this Agreement.

ARTICLE IV EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section 4.1 The Earnest Money Deposit. On the date two (2) Business Days after the execution and delivery of this Agreement by Purchaser, Purchaser shall deposit with the Escrow Agent, by Federal Reserve wire transfer of immediately available funds, the sum of Five Hundred Thousand Dollars (\$500,000.00) as the earnest money deposit on account of the Purchase Price (the "**Earnest Money Deposit**"). TIME IS OF THE ESSENCE with respect to the deposit of the Earnest Money Deposit.

Section 4.2 Escrow Instructions. The Earnest Money Deposit shall be held in escrow by the Escrow Agent in an interest-bearing account, in accordance with the provisions of Article XVII. In the event this Agreement is not terminated by Purchaser pursuant to the terms hereof by the end of the Evaluation Period in accordance with the provisions of Section 5.3(c) herein, the Earnest Money Deposit and the interest earned thereon shall, subject to the terms and provisions of this Agreement, become non-refundable to Purchaser. In the event this Agreement is terminated by Purchaser prior to the expiration of the Evaluation Period, the Earnest Money Deposit, together with all interest earned thereon, shall be refunded to Purchaser.

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ARTICLE V INSPECTION OF PROPERTY

Section 5.1 Evaluation Period. For a period beginning on the Effective Date and ending at 5:00 p.m. Eastern time on May 14, 2004 (the "**Evaluation Period**"), Purchaser and its authorized agents and representatives (for purposes of this Article V, the "**Licensee Parties**") shall have the right to enter upon the Real Property at all reasonable times during normal business hours to perform an inspection of the Property. Purchaser will provide to Seller notice (for purposes of this Section 5.1, an "**Entry Notice**") of the intention of Purchaser or the other Licensee Parties to enter the Real Property at least 24 hours prior to such intended entry and specify the intended purpose therefor and the inspections and examinations contemplated to be made and with whom any Licensee Party will communicate. At Seller's option, Seller may be present for any such entry and inspection. Notwithstanding anything to the contrary contained herein, no invasive physical testing or boring shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without Seller's specific prior written consent, which shall not be unreasonably withheld, conditioned or delayed. TIME IS OF THE ESSENCE with respect to the provisions of this Section 5.1.

Section 5.2 Document Review.

(a) Prior to the Closing, Purchaser and the Licensee Parties shall have the right to review, inspect and photocopy, at Purchaser's sole cost and expense, all of the following which may be in Seller's possession in AT&T's possession at the Real Property or at Seller's Lease Administration Office located at 55 Corporate Drive, Bridgewater, New Jersey which Assignor represents and warrants to Assignee are, to the knowledge of Jack Colasurdo, Global Real Estate Director, the locations where all material Documents (as hereinafter defined) are located: all existing environmental, engineering or consulting reports and studies of the Real Property (which Purchaser shall have the right to have updated at Purchaser's sole cost and expense), real estate tax bills, together with assessments (special or otherwise), ad valorem and personal property tax bills, covering the period of Seller's ownership of the Property; current and prior calendar year's operating statements; title reports, searches and policies; surveys; documents pertaining to the operation and management of the Real Property and Improvements; licenses, permits and approvals pertaining to the operation of the Real Property and Improvements; and the AT&T Wireless License (collectively, the "**Documents**"). Such inspections shall occur at a location selected by Seller, which may be at the office of Seller, Seller's counsel, Seller's property manager, at the Real Property or any of them. Purchaser shall not have the right to review or inspect materials not directly related to the leasing, maintenance and/or management of the Property, including, without limitation, all of Seller's internal memoranda, financial projections, budgets, appraisals, proposals for work not actually undertaken, accounting and tax records and similar proprietary, elective or confidential information.

(b) Purchaser acknowledges that any and all of the Documents may be proprietary and confidential in nature and have been provided to Purchaser solely to assist Purchaser in determining the desirability of purchasing the Property. Subject only to the provisions of Article XII, Purchaser agrees not to disclose the contents of the Documents or any of the provisions, terms or conditions contained therein, to any party outside of Purchaser's

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organization other than its attorneys, partners, accountants, lenders, consultants, advisors or investors (collectively, for purposes of this Section 5.2(b), the "**Permitted Outside Parties**"). Purchaser further agrees that within its organization, or as to the Permitted Outside Parties, the Documents will be disclosed and exhibited only to those persons within Purchaser's organization or to those Permitted Outside Parties who are responsible for determining the desirability of Purchaser's acquisition of the Property or otherwise have need to know. Purchaser agrees not to divulge the contents of such Documents and other information except in accordance with the confidentiality standards set forth in this Section 5.2, Article XII and the provisions of Paragraph 2 of a certain Right of Access and Confidentiality Agreement. In permitting Purchaser and the Permitted Outside Parties to review the Documents and other information to assist Purchaser, Seller has not waived any privilege or claim of confidentiality with respect thereto, and no third party benefits or relationships of any kind, either express or implied, have been offered, intended or created by Seller, and any such claims are expressly rejected by Seller and waived by Purchaser and the Permitted Outside Parties, for whom, by its execution of this Agreement, Purchaser is acting as an agent with regard to such waiver.

(c) Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Seller's ownership of the Property. **PURCHASER HEREBY ACKNOWLEDGES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING THE TRUTH, ACCURACY OR COMPLETENESS OF THE DOCUMENTS OR THE SOURCES THEREOF. EXCEPT AS OTHERWISE PROVIDED HEREIN, SELLER HAS NOT UNDERTAKEN ANY INDEPENDENT INVESTIGATION AS TO THE TRUTH, ACCURACY OR COMPLETENESS OF THE DOCUMENTS AND IS PROVIDING THE DOCUMENTS SOLELY AS AN ACCOMMODATION TO PURCHASER.**

Section 5.3 Entry and Inspection Obligations; Termination of Agreement.

(a) Purchaser agrees that in entering upon and inspecting or examining the Property, Purchaser and the other Licensee Parties will not: interfere with the operation and maintenance of the Real Property or Improvements; damage any part of the Property or any personal property owned or held by Seller or any other person or entity; injure or otherwise cause bodily harm to Seller, or to any of Seller's agents, guests, invitees, contractors and employees, or to any other person or entity; permit any liens to attach to the Real Property by reason of the exercise of Purchaser's rights under this Article V or reveal or disclose any information obtained concerning the Property and the Documents to anyone outside Purchaser's organization, except in accordance with the confidentiality standards set forth in Section 5.2(b) and Article XII. Purchaser will: (i) promptly pay when due to the third parties who assisted and were contracted for by Purchaser, the costs of all entry and inspections and examinations done with regard to the Property; (ii) cause any inspection to be conducted in accordance with standards customarily employed in the industry and in compliance with all Governmental Regulations; (iii) at Seller's request, furnish to Seller copies of all third party reports that address the physical conditions of the Property; provided, however, Purchaser shall not provide Seller third party reports relating to any financial analysis of the Property or non-physical analysis of the Property or incorporating any analysis by Purchaser, and

Seller understands that any use or reliance on said information is at the full and sole risk of Seller; and (iv) restore the Real Property and Improvements to the condition in which the same were found before any such entry upon the Real Property and inspection or examination was undertaken.

(b) Purchaser shall indemnify and hold Seller harmless from any and all damage, loss, claim, liability or expense (including reasonable attorneys' fees of attorneys of Seller's choice) arising out of any inspections, investigations, examinations, sampling or tests conducted by Purchaser or any of the Licensee Parties ("Property Examination"), whether prior to or after the date hereof, except to the extent such damage, loss, claim, liability or expense (including reasonable attorneys fees of attorneys of Seller's choice) is the result of Seller's negligence or willful misconduct, or any condition existing on the Property prior to Purchaser's Property Examination. In no event shall Purchaser have any liability arising out of existing conditions discovered by Purchaser except to the extent that any such conditions are contributed to, aggravated, or exacerbated by the negligence of Purchaser or its employees, agents, contractors or subcontractors. This provision shall survive the termination of this Agreement.

(c) In the event that Purchaser determines, for any reason or no reason, that it does not desire to complete the transaction contemplated by this Agreement Purchaser shall have the right to terminate this Agreement by providing written notice to Seller prior to the expiration of the Evaluation Period, WITH TIME BEING OF THE ESSENCE WITH RESPECT THERETO. The failure of Purchaser to deliver any termination notice to Seller during the Evaluation Period as provided in the immediately preceding sentence shall be deemed to be an election not to terminate this Agreement, in which event Purchaser shall thereupon be deemed to have waived any right to terminate this Agreement pursuant to the provisions of this Section 5.3(c) and this Agreement shall continue in full force and effect in accordance with its terms, and the Earnest Money Deposit shall, unless otherwise provided for in this Agreement, thereupon become nonrefundable by Purchaser on the last day of the Evaluation Period. In the event Purchaser terminates this Agreement in accordance with this Section 5.3(c), or under any other right of termination as set forth herein, Purchaser shall have the right to receive a refund of the Earnest Money Deposit, together with all interest which has accrued thereon, and except with respect to the Termination Surviving Obligations, this Agreement and the Section 2.2(b) Transactions shall be null and void and the parties shall have no further obligation to each other. In the event this Agreement is terminated, Purchaser shall return to Seller (i) all copies Purchaser has made of the Documents and (ii) copies of any studies, reports or test results regarding any part of the Property obtained by Purchaser, before or after the execution of this Agreement, in connection with Purchaser's inspection of the Property (collectively, "**Purchaser's Information**") which Seller specifically requests of Purchaser promptly following the time this Agreement is terminated for any reason.

Section 5.4 Sale "As Is" THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER. THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS THE RIGHT TO CONDUCT ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN THE MATTERS REPRESENTED IN SECTION 8.1 HEREOF OR ELSEWHERE SPECIFICALLY REPRESENTED IN THIS AGREEMENT, BY WHICH ALL OF THE

FOLLOWING PROVISIONS OF THIS SECTION 5.4 ARE LIMITED, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE.

SELLER SPECIFICALLY DISCLAIMS, AND NEITHER IT NOR ANY OF ITS AFFILIATES NOR ANY OTHER PERSON IS MAKING, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER, AND NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER OR RELIED UPON BY PURCHASER WITH RESPECT TO THE STATUS OF TITLE TO OR THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF THE PROPERTY, OR ANY PORTION THEREOF, INCLUDING BUT NOT LIMITED TO (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY RIGHTS OF PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (e) ANY CLAIM BY PURCHASER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO THE IMPROVEMENTS, (f) THE FINANCIAL CONDITION OR PROSPECTS OF THE PROPERTY AND (g) THE COMPLIANCE OR LACK THEREOF OF THE REAL PROPERTY OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS, IT BEING THE EXPRESS INTENTION OF SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO PURCHASER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", WITH ALL FAULTS. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL ESTATE, AND THAT, EXCEPT WITH RESPECT TO THE REPRESENTATIONS OF SELLER CONTAINED IN THIS AGREEMENT, IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE PROPERTY. PURCHASER HAS BEEN GIVEN A SUFFICIENT OPPORTUNITY HEREIN TO CONDUCT AND HAS CONDUCTED OR WILL CONDUCT SUCH INSPECTIONS, INVESTIGATIONS AND OTHER INDEPENDENT EXAMINATIONS OF THE PROPERTY AND RELATED MATTERS AS PURCHASER DEEMS NECESSARY, INCLUDING BUT NOT LIMITED TO THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND WILL RELY UPON SAME AND NOT UPON ANY STATEMENTS OF SELLER (EXCLUDING THE LIMITED MATTERS REPRESENTED BY SELLER IN SECTION 8.1 HEREOF OR SPECIFICALLY REPRESENTED IN THIS AGREEMENT BY SELLER) NOR OF ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR ATTORNEY OF SELLER. PURCHASER ACKNOWLEDGES THAT ALL INFORMATION OBTAINED BY PURCHASER WAS OBTAINED FROM A VARIETY OF SOURCES, AND, EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, SELLER WILL NOT BE DEEMED TO HAVE REPRESENTED OR WARRANTED THE COMPLETENESS, TRUTH OR

ACCURACY OF ANY OF THE DOCUMENTS OR OTHER SUCH INFORMATION HERETOFORE OR HEREAFTER FURNISHED TO PURCHASER. UPON CLOSING AND EXCEPT AS OTHERWISE PROVIDED FOR IN THIS AGREEMENT, PURCHASER WILL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER WILL SELL AND CONVEY TO PURCHASER, AND PURCHASER WILL ACCEPT THE PROPERTY, "AS IS, WHERE IS," WITH ALL FAULTS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY, BY SELLER, ANY AGENT OF SELLER OR ANY THIRD PARTY. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN. PURCHASER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS, WHERE IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY. PURCHASER, WITH PURCHASER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT AND UNDERSTANDS THEIR SIGNIFICANCE AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS AGREEMENT. THE TERMS AND CONDITIONS

OF THIS SECTION 5.4 WILL EXPRESSLY SURVIVE THE CLOSING, WILL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS AND ARE HEREBY DEEMED INCORPORATED INTO THE DEED AS FULLY AS IF SET FORTH AT LENGTH THEREIN.

EXCEPT AS EXPRESSLY PROVIDED FOR IN SECTION 5.5, PURCHASER FURTHER COVENANTS AND AGREES NOT TO SUE SELLER FOR, AND RELEASES SELLER OF AND FROM AND WAIVES ANY CLAIM OR CAUSE OF ACTION THAT PURCHASER MAY HAVE AGAINST SELLER UNDER ANY ENVIRONMENTAL LAW (INCLUDING WITHOUT LIMITATION ANY ENVIRONMENTAL STATUTES), NOW EXISTING OR HEREAFTER ENACTED OR PROMULGATED, RELATING TO ENVIRONMENTAL MATTERS, HAZARDOUS SUBSTANCES OR ENVIRONMENTAL CONDITIONS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE NEW JERSEY SPILL COMPENSATION AND CONTROL ACT, OR BY VIRTUE OF ANY COMMON LAW RIGHT RELATED TO ENVIRONMENTAL CONDITIONS, HAZARDOUS SUBSTANCES OR ENVIRONMENTAL MATTERS IN, ON, UNDER, ABOUT OR

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MIGRATING FROM OR ONTO THE PROPERTY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING OF TITLE TO THE PROPERTY OR THE TERMINATION OF THIS AGREEMENT, AS THE CASE MAY BE.

Section 5.5 Environmental Indemnification.

(a) Subject to the terms hereof, Seller shall indemnify, defend and hold harmless Purchaser from and against all claims which are asserted or commenced by third parties against Purchaser in connection with any violation of, or remediation required pursuant to, any Environmental Laws, but only to the extent that such claims arise from an Environmental Condition that existed prior to the Closing Date and except to the extent that the Environmental Condition or claim are contributed to, aggravated, or exacerbated by the acts, omissions or negligence of Purchaser or its employees, agents, contractors or subcontractors. "Environmental Condition" shall mean any environmental contamination or pollution of, or the release of Hazardous Substances into, the surface water, groundwater, surface soil, subsurface soil, sediment, air or land at, on, beneath or emanating from the Property.

(b) In the case of any claim asserted by a third party against Purchaser, Purchaser shall provide notice to Seller promptly after Purchaser has knowledge or notice of a claim that has been made as to which indemnity may be sought, and Purchaser shall permit Seller, at Seller's cost, to assume the defense of any claim or litigation arising therefrom, provided that (i) the counsel for Seller who shall conduct the defense of such claim or litigation shall be reasonably satisfactory to Purchaser, and (ii) Purchaser may participate in such defense at Purchaser's expense. Except with the prior written consent of Purchaser, which consent shall not be unreasonably withheld, Seller, in the defense of any such claim or litigation, shall not consent to the entry of any judgment or enter into any settlement that provides for injunctive relief or other nonmonetary relief affecting Purchaser or the Property or that does not include as an unconditional term thereof the giving by the claimant or plaintiff to Purchaser of a release of all liability in respect of such claim or litigation. Seller and Purchaser shall cooperate in the defense of any claim or litigations subject to the terms herein. The failure of Purchaser to provide notice to Seller in accordance with this Section 5.3 shall relieve Seller of its obligations under Section 5.3 hereof only to the extent that Seller is actually prejudiced by such failure.

**ARTICLE VI
TITLE AND SURVEY MATTERS**

Section 6.1 Title Insurance. Purchaser acknowledges that Seller has delivered to Purchaser, and Purchaser has received, a copy of Seller's current title policy for the Property, and Purchaser will obtain and deliver to Seller prior to the expiration of the Evaluation Period a copy of a commitment for title insurance (the "Title Commitment") from the Title Company with respect to the Property. If the Title Commitment discloses exceptions to title which are both (A) not included within the list of permitted title matters listed on Exhibit C attached hereto and made a part hereof and (B) material and adverse to Purchaser in Purchaser's good faith business judgment (any such exception being referred to herein as an "Unpermitted Title Exception"), then Purchaser shall have the right to give Seller notice of any such Unpermitted Title Exception on or prior to the date which is five (5) days after Purchaser's receipt of the title commitment (the "Title Objection Out Date"). Any matters revealed by the Title Commitment that are not

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objected to by Purchaser on or prior to the Title Objection Out Date shall be deemed "Permitted Title Exceptions". In addition, any matters revealed by the Title Commitment that do not constitute Unpermitted Title Exceptions, regardless of whether Purchaser objects thereto, shall constitute Permitted Title Exceptions. Seller shall have five (5) days following the receipt of any such notice in which to give Purchaser notice that Seller will either (a) cause such Unpermitted Title Exception(s) to be deleted as an exception from the Title Commitment or insured against by the Title Company or (b) not cause such Unpermitted Title Exception(s) to be deleted as an exception from the Title Commitment or insured against by the Title Company (without payment of additional charge or premium by either party); if Seller gives notice pursuant to clause (a), then Seller will cause such Unpermitted Title Exception(s) to be deleted from the Title Commitment, or cause the Title Company to give affirmative insurance in favor of Purchaser with respect to such Unpermitted Title Exception(s) prior to the Closing Date (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same). If Seller (i) fails to give any such notice within said five (5) day period, or (ii) gives notice pursuant to clause (b) above, then Purchaser will have three (3) Business Days following the earlier of the expiration of such five (5) day period or the giving of such notice by Seller in which to elect to either (X) terminate this Agreement or (Y) waive the right to terminate this Agreement as a result of any such Unpermitted Title Exception(s), which election must be made by the giving of notice thereof to Seller within said three (3) Business Day period. If Purchaser fails to deliver such notice terminating this Agreement pursuant to clause (X) above within said three (3) Business Day period, then Purchaser shall be deemed to have waived its right to terminate this Agreement. If Purchaser elects to waive, or is deemed to have waived, the right to terminate this Agreement as aforesaid, then any Unpermitted Title Exceptions previously objected to by Purchaser shall become "Permitted Title Exceptions". If Purchaser terminates this Agreement as aforesaid, then Seller and Purchaser shall direct the Title Company to return the Earnest Money Deposit to Purchaser, and neither party shall have any further obligation under this Agreement or the Section 2.2(b) Transactions, except that the obligations of the parties under the Termination Surviving Obligations shall survive. Purchaser acknowledges that Seller shall be entitled to deliver its notice under clause (a) or clause (b) above in its sole and absolute discretion subject to the provisions of Section 6.4 of this Agreement.

Section 6.2 Survey. Purchaser acknowledges that Seller has delivered to Purchaser, and Purchaser has received, a copy of Seller's current survey for the Property, and Purchaser may, at Purchaser's option, within the Evaluation Period, obtain, and deliver to Seller a copy of, an updated survey of the Property certified to Purchaser and the Title Company (the existing survey or the updated survey, as applicable, "Survey"). If Purchaser does not obtain an updated survey, then Seller, upon request by Purchaser, shall execute and deliver at Closing a survey affidavit of no change. If the Survey discloses conditions which are both (A) not included within the list of permitted title matters listed on Exhibit C attached hereto and made a part hereof and (B) material and adverse to Purchaser in Purchaser's good faith business judgment (any such exception being referred to herein as an "Unpermitted Survey Condition"), then Purchaser shall have the right to give Seller notice of any such Unpermitted Survey Condition on or prior to the date which is five (5) days after Purchaser's receipt of the Survey (the "Survey Objection Out Date"). Any matters revealed by the Survey that are not objected to by Purchaser on or prior to the Survey Objection Out Date shall be deemed "Permitted Survey Conditions". In addition, any matters revealed by the Survey that do not constitute Unpermitted Survey Conditions, regardless of whether Purchaser objects thereto, shall constitute Permitted Survey Conditions. Seller shall

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have five (5) days following the receipt of any such notice in which to give Purchaser notice that Seller will either (a) cause such Unpermitted Survey Conditions(s) to be removed from the Survey or insured against by the Title Company or (b) not cause such Unpermitted Survey Conditions(s) to be removed from the Survey or insured against by the Title Company (without payment of additional charge or premium by either party); if Seller gives notice pursuant to clause (a), then Seller will cause such Unpermitted Survey Conditions(s) to be deleted from the Survey, or cause the Title Company to give affirmative insurance in favor of Purchaser with respect to such Unpermitted Survey Conditions(s) prior to the Closing Date (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same). If Seller (i) fails to give any such notice within said five (5) day period, or (ii) gives notice under clause (b) above, then Purchaser will have three (3) Business Days following the giving of such notice by Seller in which to either (X) elect to terminate this Agreement, or (Y) waive the right to terminate this Agreement as a result of any such Unpermitted Survey Conditions(s), which election must be made by the giving of notice thereof to Seller within said three (3) Business Day period. If Purchaser fails to deliver such notice terminating this Agreement pursuant to clause (X) above within said three (3) Business Day period, then Purchaser shall be deemed to have waived its right to terminate this Agreement. If Purchaser elects to waive, or is deemed to have waived, the right to terminate this Agreement as aforesaid, then any Unpermitted Survey Conditions previously objected to by Purchaser shall become "Permitted Survey Conditions". If Purchaser terminates this Agreement as aforesaid, then Seller and Purchaser shall direct the Title Company to return the Earnest Money Deposit to Purchaser, and neither party shall have any further obligation under this Agreement or the Section 2.2(b) Transactions, except that the obligations of the parties under the Termination Surviving Obligations shall survive. Purchaser acknowledges that Seller shall be entitled to deliver its notice under clause (a) or clause (b) above in its sole and absolute discretion subject to the provisions of Section 6.4 of this Agreement.

Section 6.3 Updates. In the event that any update of the Title Commitment or the Survey shows any new matters or conditions to which Purchaser does not desire to take subject, Purchaser shall deliver notice thereof to Seller prior to the date three (3) Business Days after Purchaser receives such update of the Title Commitment or the Survey (and if Purchaser fails to deliver such notice within such three (3) Business Day period, then Purchaser shall be deemed to have accepted such matters or conditions as Permitted Title Exceptions or Permitted Survey Conditions, as applicable). Seller shall have three (3) Business Days following the receipt of any such notice in which to give Purchaser notice that Seller will either (a) cause such new matter or condition to be deleted from the Title Commitment or removed from the Survey, as the case may be, or (b) not cause such new matter or condition to be deleted from the Title Commitment or removed from the Survey, as the case may be; if Seller gives notice pursuant to clause (a), then Seller will cause same to occur prior to the Closing Date (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same). If Seller (i) fails to give any such notice within said three (3) Business Day period, or (ii) gives notice pursuant to clause (b) above, then Purchaser will have three (3) Business Days following the giving of such notice by Seller in which to elect to either (X) terminate this Agreement, or (Y) waive the right to terminate this Agreement as a result of any such new matter or condition, which election must be made by the giving of notice thereof to Seller within said three (3) Business Day period. If Purchaser fails to deliver such notice terminating this Agreement pursuant to clause (X) above within said three (3) Business Day period, then Purchaser shall be deemed to have waived its

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right to terminate this Agreement. If Purchaser elects to waive the right, or is deemed to have elected to waive the right, to terminate this Agreement as aforesaid, then any new matter or condition previously objected to by Purchaser shall become Permitted Survey Conditions or Permitted Title Exceptions, as the case may be. If Purchaser terminates this Agreement as aforesaid, then Seller and Purchaser shall direct the Title Company to return the Earnest Money Deposit to Purchaser, and neither party shall have any further obligation under this Agreement or the Section 2.2(b) Transactions, except that the obligations of the parties under the Termination Surviving Obligations shall survive. Purchaser acknowledges that Seller shall be entitled to deliver its notice under clause (a) or clause (b) above in its sole and absolute discretion subject to the provisions of Section 6.4 of this Agreement.

Section 6.4. Notwithstanding anything contained herein to the contrary, except as specified in this Section 6.4, Seller shall have no obligation to take any steps, bring any action or proceeding or incur any effort or expense whatsoever to cure any title or survey objection, provided, however, notwithstanding the foregoing, Seller shall cause to be removed as exceptions to title any mortgages, mechanic's or materialmen's liens filed against the Property due to work performed at the Property by Seller at Seller's direction, and monetary liens and other encumbrances which are dischargeable by the payment of a sum certain at the Closing (and Seller shall have the right to adjourn the Closing Date for up to four (4) days in order to effectuate same).

ARTICLE VII INTERIM OPERATING COVENANTS AND VIOLATIONS

Section 7.1 Interim Operating Covenants. Seller covenants to Purchaser that Seller will:

- (a) **Operations.** From the Effective Date until Closing, continue to operate, manage and maintain the Improvements in the ordinary course of Seller's business and substantially in accordance with Seller's present practice, subject to ordinary wear and tear and further subject to Article XI of this Agreement.
- (b) **Compliance with Governmental Regulations.** From the Effective Date until Closing, not knowingly take any action that Seller knows would result in a failure to comply in all material respects with all Governmental Regulations applicable to the Property, it being understood and agreed that prior to Closing, Seller will have the right to contest any such Governmental Regulations.
- (c) **Service Contracts.** From the Effective Date until Closing, Seller shall have the right to enter into any Service Contracts provided that Seller shall be solely responsible for the performance of Seller's obligations under any such Service Contracts and Purchaser shall have no obligation thereunder.
- (d) **Notices.** To the extent received by Seller, from the Effective Date until Closing, promptly deliver to Purchaser copies of written default notices, notices of lawsuits and notices of violations affecting the Property.

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- (e) **No Encumbrances.** From the Effective Date until Closing, not to intentionally create any additional encumbrances on the title to the Property.
- (f) **Non-Applicability Letter.** Obtain prior to Closing a non-applicability letter from the Industrial Site Evaluation Element, or its successor, of the New Jersey Department of Environmental Protection, or its successor, for which Seller shall apply pursuant to the Industrial Site Recovery Act, N.J.S.A. 13:1K-6, the regulations promulgated thereunder, and any successor legislation and regulations ("ISRA"). To the extent in Purchaser's possession, Purchaser shall provide Seller with all information reasonably requested in order for Seller to complete the application for the non-applicability letter.

Section 7.2 Violations. Except as provided for in Section 8.1(i), Purchaser shall accept title to the Property subject to all violations of law or municipal ordinances, orders or requirements issued by the departments of buildings, fire, labor, health or other Federal, State, County, Municipal or other departments and governmental agencies having jurisdiction against or affecting the Property, and any outstanding work orders, whether any of the foregoing are outstanding as of the date hereof (each, an "Existing Violation") or noticed after the date hereof (each, a "New Violation") together with the Existing Violations, the "Violations"). In the event Seller receives written notice of a Violation after the Effective Date and prior to Closing and the cost to correct the Violation is equal to or less than One Million Dollars (\$1,000,000.00), Seller, at Seller's cost and expense shall be responsible to correct the Violation prior to Closing or to provide Purchaser with credit against the Purchase Price in the amount reasonably required to cure the Violation. If the cost to correct the Violation is reasonably estimated to cost in excess of One Million Dollars (\$1,000,000.00), Seller shall have the right to terminate this Agreement upon ten (10) days written notice to Purchaser unless Purchaser notifies Seller within said 10-day period that Purchaser will accept the Property with the Violation in which case Seller shall have no responsibility to correct the Violation and Purchaser shall receive a credit against the Purchase Price in the amount of One Million Dollars (\$1,000,000.00) at Closing. Except as otherwise expressly provided in this Section 7.2. Purchaser acknowledges that Seller shall

have no restoration, repair, remediation or other obligation or liability of any kind or nature with respect to the Violations. If the municipality where the Real Property is located requires the issuance of a Certificate of Occupancy in connection with the sale of the Property, Seller shall be responsible to obtain the Certificate of Occupancy or Certificate of Continuing Occupancy at Seller's cost subject to the limitations on Seller's obligations to correct any Violations as provided herein.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES

Section 8.1 Seller's Representations and Warranties. The following constitute the sole representations and warranties of Seller, which representations and warranties shall be true, accurate and complete as of the Effective Date, and shall be deemed repeated and shall be true, accurate and complete as of the Closing Date. Subject to the limitations set forth in Section 8.3 of this Agreement, Seller represents and warrants to Purchaser the following:

(a) **Status.** Seller is a corporation, duly organized and validly existing under the laws of the State of New York, and qualified to do business in the State of New Jersey.

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(b) **Authority.** The execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been or will be duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding obligation of Seller.

(c) **Non-Contravention.** The execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of, or constitute a default under the organizational documents of Seller, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Seller is a party or by which it is bound.

(d) **Suits and Proceedings.** To Seller's Knowledge, except as listed in Exhibit E, there are no legal actions, suits or similar proceedings pending and served, or threatened in writing against Seller or the Property which (i) are not adequately covered by existing insurance and (ii) if adversely determined, would materially and adversely affect the value of the Property, the continued operations thereof, or Seller's ability to consummate the transactions contemplated hereby.

(e) **Non-Foreign Entity.** Seller is not a "foreign person" or "foreign corporation" as those terms are defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(f) **Service Contracts.** Seller shall be solely responsible for the performance of Seller's obligations under any Service Contracts and Purchaser shall have no obligations thereunder.

(g) **No Assignment/Bankruptcy.** Seller has not (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of any voluntary petition by its creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets; or (iv) suffered the attachment or other judicial seizure of all or substantially all of its assets.

(h) **Environmental.** Except as set forth in the reports listed in Exhibit G:

(i) To Seller's Knowledge, there have been no violations of any Environmental Laws at, on or under the Real Property which have not been corrected in accordance with Environmental Laws. To the Seller's Knowledge, Seller has received no written notice of any such violations from any governmental authority of any Environmental Law.

(ii) To Seller's Knowledge, there are no underground storage tanks under the Real Property installed for the purpose of storage of Hazardous Substances ("Tanks"). Any Tanks which have been removed, to Seller's Knowledge, were removed in accordance with any Environmental Laws. Except as set forth in the reports listed in Exhibit G and this subparagraph, to Seller's Knowledge, there are no Hazardous Substances located on or beneath the Real Property or Improvements, and no debris has been buried on the Real Property.

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(iii) To Seller's Knowledge, there are no claims, actions or proceedings of any kind pending against the Seller under Environmental Laws with respect to the Real Property as to which the Seller has received written notice.

(iv) Seller's SIC Code is 4813, which presently excludes the Real Property from the definition of an "industrial establishment" as defined in the Industrial Site Recovery Act, N.J.S.A. 13:1k-6 et seq.

(i) **Violations of Law.** Except as set forth in Exhibit J, to Seller's Knowledge, Seller has not received any written notice of any violations of any ordinance, regulation, law or statute of any governmental agency pertaining to the Property or any portion thereof. Seller shall be solely responsible to correct the violations set forth in Exhibit J and shall endeavor to complete the corrections prior to Closing. In the event the violations are not corrected prior to Closing, Seller shall complete the corrections as soon as reasonably practicable after the Closing. Seller shall indemnify, defend and hold Purchaser harmless from and against any claim, demand, cause of action, charge, judgment, damage, liability, cost or expense (including, without limitation, reasonable attorney's fees and legal costs) arising out of the violations set forth in Exhibit J.

(j) **Taking/Condemnation.** Seller has not received any written notice of, nor does Seller have actual knowledge of, any eminent domain taking or condemnation affecting all or any part of the Property.

(k) Seller represents that there are no brokerage contracts or obligations in effect with respect to or affecting the Property which would be binding on Purchaser.

(l) To Seller's Knowledge, there are no unconfirmed or confirmed Assessments affecting the Property.

(m) Except as set forth in Section 2.4, there are no leases or other rights to possession or occupancy affecting the Property.

(n) Seller will not, and as of the Closing has not, entered into any new leases, contracts, or other undertakings or modified, cancelled, amended or otherwise changed any of the aforesaid affecting the Property without the express written consent of Purchaser, except to the extent required pursuant to this Agreement, if any.

(o) **Patriot Act.** Neither Seller nor any person or entity holding any legal or beneficial interest whatsoever in it (whether directly or indirectly), is named on any list of persons, entities, and governments issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") pursuant to Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism ("Executive Order 13224"),

as in effect on the date hereof, or any similar list issued by OFAC or any other department or agency of the United States of America (collectively, the “OFAC Lists”), or is included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in any OFAC Lists.

(p) Taxes. The Real Property is not currently subject to any tax abatement, or added or omitted assessment.

(q) Seller has not received written notice that any certificate, license or permit with respect to the Property has been or is threatened to be revoked; or that it fails to possess any legally required certificate, license or permit.

Section 8.2 Purchaser’s Representations and Warranties. Purchaser represents and warrants to Seller the following:

(a) **Status.** Purchaser is a corporation, duly organized and validly existing under the laws of the State of Maryland.

(b) **Authority.** The execution and delivery of this Agreement and the performance of Purchaser’s obligations hereunder have been duly authorized by all necessary action on the part of Purchaser and this Agreement constitutes the legal, valid and binding obligation of Purchaser.

(c) **Non-Contravention.** The execution and delivery of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of or constitute a default under the organizational documents of Purchaser, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchaser is a party or by which it is bound.

(d) **Consents.** No consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(e) **Patriot Act.** Neither Buyer nor any person or entity holding any legal or beneficial interest whatsoever in it (whether directly or indirectly), is named on any OFAC List of persons, entities, and governments issued by OFAC pursuant to Executive Order 13224 as in effect on the date hereof, or any similar OFAC Lists issued by OFAC or any other department or agency of the United States of America, or is included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in any OFAC Lists.

Section 8.3 Survival of Representations, Warranties and Covenants. The representations and warranties of Seller set forth in **Section 8.1** and/or expressly stated elsewhere in this Agreement will survive the Closing for a period of three hundred sixty-five (365) days. Seller shall have no liability with respect to any of Seller’s representations, warranties and covenants herein if, prior to the Closing, Purchaser has knowledge of any breach of a covenant of Seller herein, or Purchaser obtains knowledge (from whatever source, as a result of Purchaser’s due diligence tests, investigations and inspections of the Property, or written disclosure by Seller or Seller’s agents and employees) that contradicts any of Seller’s representations, warranties and covenants herein, and Purchaser nevertheless consummates the transaction contemplated by this

Agreement. In the event the Seller’s representations and warranties herein are not materially true, accurate and complete as of the Closing Date, Purchaser may, as Purchaser’s sole and exclusive remedy, elect by written notice to Seller within fifteen (15) Business Days after Purchaser obtains knowledge of any breach to terminate this Agreement, in which event Purchaser will receive from the Escrow Agent the Earnest Money Deposit together with all interest accrued thereon and Seller shall pay to Purchaser an amount equal to its reasonable out-of-pocket expenses incurred by Purchaser such amount not to exceed Five Hundred Thousand Dollars (\$500,000.00), whereupon Seller and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations. The Closing Surviving Obligations and the Termination Surviving Obligations will survive Closing without limitation. All other covenants and agreements made or undertaken by Seller under this Agreement, unless otherwise specifically provided herein, will not survive the Closing Date but will be merged into the Deed and other Closing documents delivered at the Closing.

ARTICLE IX CONDITIONS PRECEDENT TO CLOSING

Section 9.1 Conditions Precedent to Obligation of Purchaser. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in **Section 10.3**.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement or not materially adverse to Purchaser in Purchaser’s reasonable judgment).

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date.

Section 9.2 Conditions Precedent to Obligation to Seller. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

(a) Seller shall have received the Purchase Price as adjusted pursuant to, and payable in the manner provided for, in this Agreement.

(b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in **Section 10.2**.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement or not materially adverse to Seller in Seller’s reasonable judgment).

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Closing Date.

**ARTICLE X
CLOSING**

Section 10.1 Closing. The consummation of the transaction contemplated by this Agreement by delivery of documents and payments of money shall take place at 10:00 a.m. Eastern Time on the Scheduled Closing Date at the offices of the Seller's counsel: Pitney, Hardin, Kipp & Szuch LLP, 200 Campus Drive, Florham Park, New Jersey 07932. Seller and Purchaser shall attend a pre-closing at the office of the Seller's counsel on May 24, 2004 ("Initial Scheduled Closing Date"). In the event the Closing does not occur on June 1, 2004, either party may schedule a time of the essence closing upon ten (10) days written notice to the other party.

At Closing, the events set forth in this Article X will occur, it being understood that the performance or tender of performance of all matters set forth in this Article X are mutually concurrent conditions which may be waived by the party for whose benefit they are intended. The acceptance of the Deed by Purchaser shall be deemed to be full performance and discharge of each and every agreement and obligation on the part of the Seller to be performed hereunder unless otherwise specifically provided herein.

Notwithstanding anything to the contrary contained in this Agreement, in the event that the Closing does not occur on or before the time of the essence closing date for any reason other than a Purchaser default, Purchaser shall have the right to terminate this Agreement by written notice to Seller, in which event, the Earnest Money Deposit and any interest thereon will be returned to Purchaser and neither Seller nor Purchaser will have any further obligation under this Agreement or with respect to the Section 2.2(b) Transactions, except for the Termination Surviving Obligations or pursuant to Article 13, if applicable.

Section 10.2 Purchaser's Closing Obligations. On the Closing Date, Purchaser, at its sole cost and expense, will deliver the following items to Seller at Closing as provided herein:

- (a) The Purchase Price, after all adjustments are made as herein provided, by Federal Reserve wire transfer of immediately available funds, in accordance with the timing and other requirements of Section 3.3
- (b) The Lease, duly executed by Purchaser;
- (c) A counterpart original of the Assignment of AT&T Wireless License, duly executed by Purchaser;

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- (d) Evidence reasonably satisfactory to Seller that the person executing the Lease on behalf of Purchaser has full right, power and authority to do so;
- (e) A counterpart original of the Closing Statement, duly executed by Purchaser;
- (f) A certificate, dated as of the date of Closing, stating that the representations and warranties of Purchaser contained in Section 8.2 are true and correct in all material respects as of the Closing Date (with appropriate modifications to reflect any changes therein) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Purchaser be liable to Seller for, or be deemed to be in default hereunder if any representation or warranty is not true and correct in all material respects; provided, however, that such event shall constitute the non-fulfillment of the condition set forth in Section 9.2(c). If, despite changes or other matters described in such certificate, the Closing occurs, Purchaser's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;
- (g) A counterpart original of the Assignment of Licenses, Permits and Plans in the form attached hereto as Exhibit K; and
- (h) Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transaction with is the subject of this Agreement.

Section 10.3 Seller's Closing Obligations. At the Closing, Seller will deliver to Purchaser the following documents:

- (a) A bargain and sale deed with covenants against grantor's acts attached hereto as Exhibit D (the "Deed"), duly executed and acknowledged by Seller, conveying to the Purchaser the Real Property and the Improvements subject only to the Permitted Exceptions;
- (b) The Lease, duly executed by Seller;
- (c) A counterpart original of the Assignment of AT&T Wireless License, duly executed by Seller;
- (d) The original AT&T Wireless License;
- (e) Evidence reasonably satisfactory to the Title Company that the person executing the documents delivered by Seller pursuant to this Section 10.3 on behalf of Seller has full right, power, and authority to do so;
- (f) A certificate in the form attached hereto as Exhibit E ("Certificate as to Foreign Status") certifying that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, as well as any form or other document required under applicable laws to be executed by Seller in connection with any transfer tax applicable to the transaction contemplated by this Agreement;

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- (g) A certificate, dated as of the date of Closing, stating that the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of the Closing Date (with appropriate modifications to reflect any changes therein) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. Except as otherwise provided in Section 8.3, in no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder if any representation or warranty is not true and correct in all material respects; provided, however, that such event shall constitute the non-fulfillment of the condition set forth in Section 9.1(b). If, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;
- (h) Counterparts of the transfer tax declaration, duly executed by Seller;
- (i) All other Documents not previously delivered to Purchaser which are in Seller's possession;
- (j) The original tax bills for the Property;
- (i) An affidavit of title in form reasonably required by the Title Company;

(j) A counterpart original of the Assignment of Licenses, Permits and Plans in the form attached hereto as Exhibit K (“Assignment of Licenses, Permits and Plans”);

(k) A Bill of Sale for the Furniture in the form attached hereto as Exhibit L (“Bill of Sale”); and

(l) Certificate of Occupancy or Certificate of Continuing Occupancy, if required by the municipality.

Section 10.4 Prorations.

(a) Seller and Purchaser agree to adjust, as of 11:59 p.m. on the day preceding the Closing Date (the “**Proration Time**”), the following (collectively, the “**Proration Items**”):

(i) Utility charges payable by Seller, if any, including, without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Seller will cause readings of all said meters to be performed not more than five (5) days prior to the Closing Date, and a per diem adjustment shall be made for the days between the meter reading date and the Closing Date based on the most recent meter reading.

(ii) License Fees and any other amounts payable under the AT&T Wireless License.

(iii) Real estate taxes due and payable for the calendar year. 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.

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(iv) Any unconfirmed assessments will be satisfied in full by Seller at Closing.

Seller will be charged and credited for the amounts of all of the Proration Items relating to the period up to and including the Proration Time, and Purchaser will be charged and credited for all of the Proration Items relating to the period after the Proration Time. The estimated Closing prorations shall be set forth on a preliminary closing statement to be prepared by Seller and submitted to Purchaser prior to the Closing Date (the “**Closing Statement**”). The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller. The prorations shall be paid at Closing by Purchaser to Seller (if the prorations result in a net credit to Seller) or by Seller to Purchaser (if the prorations result in a net credit to Purchaser) by increasing or reducing the cash to be delivered by Purchaser in payment of the Purchase Price at the Closing. If the actual amounts of the Proration Items are not known as of the Closing Date, the prorations will be made at Closing on the basis of the best evidence then available; thereafter, when actual figures are received, re-prorations will be made on the basis of the actual figures, and a final cash settlement will be made between Seller and Purchaser. No prorations will be made in relation to insurance premiums, and Seller’s insurance policies will not be assigned to Purchaser. Final readings and final billings for utilities will be made if possible as of the Closing Date, in which event no proration will be made at the Closing with respect to utility bills. Seller will be entitled to all deposits presently in effect with the utility providers, and Purchaser will be obligated to make its own arrangements for any deposits with the utility providers. The provisions of this Section 10.4(a) will survive the Closing for twelve (12) months.

Section 10.5 Costs of Title Company and Closing Costs Costs of the Title Company and other Closing costs incurred in connection with the Closing will be allocated as follows:

(a) Seller shall pay (i) Seller’s attorney’s fees, (ii) all transfer and conveyance taxes and (iii) one-half (1/2) of escrow fees, if any.

(b) Purchaser shall pay (i) the costs of recording the Deed to the Property and all other documents; (ii) the cost of the premium for the Title Policy and all title searches; (iii) all costs of any additional coverage under the Title Policy or endorsements or deletions to the Title Policy that are desired by Purchaser, and not required to be provided by Seller to address title defects as may be imposed pursuant to Sections 6.1 or 6.4; (iv) all premiums and other costs for any mortgagee policy of title insurance, if any, including but not limited to any endorsements or deletions; (v) Purchaser’s attorney’s fees; (vi) one-half (1/2) of escrow fees, if any and (vii) the costs of the Survey as provided for in Section 6.2.

(c) Any other costs and expenses of Closing not provided for in this Section 10.5 shall be allocated between Purchaser and Seller in accordance with the custom in the area in which the Property is located.

ARTICLE XI CONDEMNATION AND CASUALTY

Section 11.1 Casualty. If, prior to the Closing Date, the Real Property and Improvements are destroyed or damaged by fire or other casualty in whole or in part, Seller will

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notify Purchaser of such casualty and Seller shall have the option to either: (i) restore the damage prior to Closing, or (ii) proceed to Closing and provide Purchaser with an assignment of all money received or receivable under any insurance policies and, to the extent the loss or damage is not covered by insurance, or to the extent of any deductibles, Seller shall pay or credit at Closing Purchaser an amount equal to the reasonable costs of repairing or restoring the damage.

Section 11.2 Condemnation of Property.

In the event of any actual or threatened condemnation of all or any Significant Portion of the Real Property and Improvements prior to the Closing, Purchaser shall have the option to terminate this Agreement by serving written notice to Seller within thirty (30) days after receipt of notice of such condemnation. If this Agreement is terminated by Purchaser pursuant to this Section 11.2, the Earnest Money Deposit and all interest accrued thereon will be returned to Purchaser and thereafter neither Seller nor Purchaser will have any further rights or obligations to the other hereunder or with respect to the Section 2.2(b) Transactions except with respect to the Termination Surviving Obligations. If Purchaser elects not to terminate this Agreement in accordance with this Section 11.2, Seller will assign to Purchaser any and all claims for the proceeds of such condemnation or sale to the extent the same are applicable to the Property, and Purchaser will take title to the Property with the assignment of such proceeds and subject to such condemnation and without reduction of the Purchase Price. Notwithstanding anything to the contrary herein, if any eminent domain or condemnation proceeding is instituted (or notice of same is given) solely for the taking of any subsurface rights for utility easements or for any right-of-way easement, and the surface may, after such taking, be used in substantially the same manner as though such rights have not been taken, Purchaser will not be entitled to terminate this Agreement as to any part of the Property, but any award resulting therefrom will be assigned to Purchaser at Closing and will be the exclusive property of Purchaser upon Closing.

ARTICLE XII CONFIDENTIALITY

Section 12.1 Confidentiality. Seller and Purchaser each expressly acknowledge and agree that the transactions contemplated by this Agreement and the terms, conditions, and negotiations concerning the same will be held in the strictest confidence by each of them until Closing and will not be disclosed by either of them except to

their respective legal counsel, accountants, consultants, officers, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder. Purchaser further acknowledges and agrees that, unless and until the Closing occurs, all information obtained by Purchaser in connection with the Property will not be disclosed by Purchaser to any third persons without the prior written consent of Seller, except as otherwise provided in this Agreement. Nothing contained in this Article XII will preclude or limit either party to this Agreement from disclosing or accessing any information otherwise deemed confidential under this Article XII response to lawful process or subpoena or other valid or enforceable order of a court of competent jurisdiction or any filings with governmental authorities required by reason of the transactions provided for herein pursuant to an opinion of counsel. Nothing in this Article XII will negate, supersede or otherwise affect the obligations of the parties under the Right of Access and Confidentiality Agreement. In addition, prior to or as a part of the Closing, any press release with respect to the sale contemplated herein or any matters

set forth in this Agreement will be made only in the form approved by both parties and their respective counsel, which approval shall not be unreasonably withheld or delayed. The parties and their respective counsel hereby approve the post-closing issuance of a press release substantially in the form attached hereto as **Exhibit M** attached hereto and made a part hereof. The provisions of this Article XII will survive any termination of this Agreement.

ARTICLE XIII REMEDIES

Section 13.1 Default by Seller. In the event the Closing and the transactions contemplated hereby do not occur as herein provided by reason of any default of Seller, Purchaser may, as Purchaser's sole and exclusive remedy, elect by written notice to Seller within fifteen (15) Business Days following the Scheduled Closing Date, either of the following: (a) terminate this Agreement, in which event Purchaser will receive from the Escrow Agent the Earnest Money Deposit together with all interest accrued thereon and Seller pay to Purchaser an amount equal to its reasonable out-of-pocket expenses incurred by Purchaser such amount not to exceed Five Hundred Thousand Dollars (\$500,000.00), whereupon Seller and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations; or (b) seek to enforce specific performance of Seller's obligations hereunder. Notwithstanding the foregoing, in the event the Closing and the transactions contemplated hereby do not occur as herein provided by reason of any willful material default of Seller, Purchaser and Seller agree that Purchaser may, as Purchaser's sole and exclusive remedy, elect by written notice to Seller within thirty (30) Business Days following the Scheduled Closing Date, either of the following: (a) terminate this Agreement, in which event Purchaser will receive from the Escrow Agent the Earnest Money Deposit together with all interest accrued thereon and Seller shall pay to Purchaser an amount equal to Five Hundred Thousand Dollars (\$500,000.00) as the full, agreed and liquidated damages for Seller's default and failure to complete the sale of the Property, whereupon this Agreement will terminate and Seller and Purchaser will have no further rights or obligations hereunder, except with respect to the Termination Surviving Obligations; or (b) seek to enforce specific performance of Seller's obligations hereunder. Except as provided in this Section with regard to out-of-pocket expenses and the liquidated damages in the event of a willful material default by Seller, Purchaser expressly waives its rights to seek damages in the event of Seller's default hereunder. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money Deposit if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the county and state in which the Property is located or provide Seller with notice of a willful material default, on or before ninety (90) days following the Scheduled Closing Date.

Section 13.2 Default by Purchaser. In the event the Closing and the consummation of the transactions contemplated herein do not occur as provided herein by reason of any default of Purchaser, Purchaser and Seller agree it would be impractical and extremely difficult to fix the damages which Seller may suffer. Purchaser and Seller hereby agree that (a) an amount equal to the Earnest Money Deposit, together with all interest accrued thereon, is a reasonable estimate of the total net detriment Seller would suffer in the event Purchaser defaults and fails to complete the purchase of the Property, and (b) such amount will be the full, agreed and liquidated damages for Purchaser's default and failure to complete the purchase of the Property, and will be Seller's sole and exclusive remedy (whether at law or in equity) for any default of Purchaser resulting in

the failure of consummation of the Closing, whereupon this Agreement will terminate and Seller and Purchaser will have no further rights or obligations hereunder, except with respect to the Termination Surviving Obligations. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to Seller. Notwithstanding the foregoing, nothing contained herein will limit Seller's remedies at law, in equity or as herein provided in the event of a breach by Purchaser of any of the Termination Surviving Obligations.

ARTICLE XIV NOTICES

Section 14.1 Notices.

(a) All notices or other communications required or permitted hereunder shall be in writing, and shall be given by any nationally recognized overnight delivery service with proof of delivery, or by facsimile transmission (provided that such facsimile is confirmed by the sender by expedited delivery service in the manner previously described), sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee will have designated by written notice sent in accordance herewith. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement will be as follows:

If to Seller:	AT&T Corp. 55 Corporate Drive Room 32A03 Bridgewater, NJ 08807-1265 Attn: Jack Colasurdo (908) 658-7747 (tele.) (908) 658-2191 (fax)
with a copy to:	Lawrence F. Reilly, Esq. Pitney, Hardin, Kipp & Szuch LLP 200 Campus Drive Florham Park, New Jersey 07932 (973) 966-6300 (tele.) (973) 966-1550 (fax)

If to Purchaser:	c/o Mack-Cali Realty Corporation 11 Commerce Drive
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Cranford, New Jersey 07016
with separate notices to the attention of:
Mr. Mitchell E. Hersh
(908) 497-2009 (tele.)
(908) 272-0214 (fax)
and
Roger W. Thomas, Esq.
(908) 272-2612 (tele.)
(908) 497-0485 (fax)

with a copy to: Martin E. Dollinger, Esq.
Greenbaum, Rowe, Smith, Ravin, Davis & Himmel, LLP
99 Wood Avenue South
Iselin, New Jersey 08830
732-549-5600 (tele.)
732-549-1881 (fax)

If to Escrow Agent: Attn: Pete Doyle
Lawyers Title Insurance Corp.
655 Third Avenue, 11th Floor
New York, NY 10017
212-949-0100 (tele)
212-697-0286 (fax)

(b) Notices given by overnight delivery service as aforesaid shall be deemed received and effective on receipt or refusal to accept delivery. 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.

ARTICLE XV ASSIGNMENT AND BINDING EFFECT

Section 15.1 Assignment; Binding Effect. The provisions hereof shall inure to the benefit of, and shall be binding upon, the heirs, executors, administrators, successors and assigns of the respective parties; provided, however, Purchaser may not assign this Agreement or any of Purchaser's rights hereunder to any person or entity other than to a Permitted Assignee (as hereinafter defined). No permitted assignment of this Agreement shall relieve Purchaser from any of its obligations hereunder. As used herein, a "Permitted Assignee" shall mean an Affiliate of Purchaser. As used herein, an "Affiliate" shall refer to an entity that is controlled by the same entity that controls Purchaser, is controlled by Purchaser or Mack-Cali Realty L.P., or controls Purchaser. The terms "control", "controlled by," or "in common control with" shall mean ownership of (i) more than fifty percent (50%) of the outstanding voting stock of a corporation (or other equity and control interest if not a corporation), or (ii) the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether

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through the ownership of voting securities, by statute, or according to the provisions of a contract.

ARTICLE XVI BROKERAGE

Section 16.1 Brokers. Purchaser and Seller represent that they have not dealt with any brokers, finders or salesmen, in connection with this transaction and 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 either party may sustain, incur or be exposed to by reason of any claim for fees or commissions made through the other party. The provisions of this Article XVI will survive any Closing or termination of this Agreement.

ARTICLE XVII ESCROW AGENT

Section 17.1 Escrow.

(a) Escrow Agent will hold the Earnest Money Deposit in escrow in an interest bearing account of the type generally used by Escrow Agent for the holding of escrow funds until the earlier of (i) the Closing, or (ii) the termination of this Agreement in accordance with any right hereunder. In the event Purchaser has not terminated this Agreement by the end of the Evaluation Period, the Earnest Money Deposit shall be non-refundable to Purchaser, but shall be credited against the Purchase Price at the Closing. All interest earned on the Earnest Money Deposit shall be paid to the party entitled to the Earnest Money Deposit. In the event this Agreement is terminated prior to the expiration of the Evaluation Period or as otherwise provided for in accordance with the terms and provisions of this Agreement, the Earnest Money Deposit and all interest accrued thereon will be returned by the Escrow Agent to the Purchaser. In the event the Closing occurs, the Earnest Money Deposit and all interest accrued thereon will be released to Seller, and Purchaser shall receive a credit against the Purchase Price in the amount of the Earnest Money Deposit, without the interest. In all other instances, Escrow Agent shall not release the Earnest Money Deposit to either party until Escrow Agent has been requested by Seller or Purchaser to release the Earnest Money Deposit and has given the other party five (5) Business Days to dispute, or consent to, the release of the Earnest Money Deposit. Seller represents that its tax identification number, for purposes of reporting the interest earnings, is 13-4924710. Purchaser represents that its tax identification number, for purposes of reporting the interest earnings, is 22-3305147.

(b) Escrow Agent shall not be liable to any party for any act or omission, except for bad faith, gross negligence or willful misconduct, and the parties agree to indemnify Escrow Agent and hold Escrow Agent harmless from any and all claims, damages, losses or expenses arising in connection herewith. The parties acknowledge that Escrow Agent is acting solely as stakeholder for their mutual convenience. In the event Escrow Agent receives written notice of a dispute between the parties with respect to the Earnest Money Deposit and the interest earned thereon (the "**Escrowed Funds**"), Escrow Agent shall not be bound to release and deliver the Escrowed Funds to either party but may either (i) continue to hold the Escrowed Funds until otherwise directed in a writing signed by all parties hereto or (ii) deposit the Escrowed Funds

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with the clerk of any court of competent jurisdiction. Upon such deposit, Escrow Agent will be released from all duties and responsibilities hereunder. Escrow Agent shall have the right to consult with separate counsel of its own choosing (if it deems such consultation advisable) and shall not be liable for any action taken, suffered or omitted by it in accordance with the advice of such counsel.

I Escrow Agent shall not be required to defend any legal proceeding which may be instituted against it with respect to the Escrowed Funds, the

Property or the subject matter of this Agreement unless requested to do so by Purchaser or Seller and is indemnified to its satisfaction against the cost and expense of such defense. Escrow Agent shall not be required to institute legal proceedings of any kind and shall have no responsibility for the genuineness or validity of any document or other item deposited with it or the collectibility of any check delivered in connection with this Agreement. Escrow Agent shall be fully protected in acting in accordance with any written instructions given to it hereunder and believed by it to have been signed by the proper parties.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 **Waivers.** No waiver of any breach of any covenant or provisions contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

Section 18.2 **Recovery of Certain Fees.** In the event a party hereto files any action or Suit against another party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, then in that event the substantially prevailing party will be entitled to have and recover certain fees from the other party including all reasonable attorneys' fees and costs resulting therefrom. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photocopying, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 18.2 shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment.

Section 18.3 **Construction.** Headings at the beginning of each article and section are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular will include the plural and the masculine will include the feminine and vice versa. This Agreement will not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. All exhibits and schedules referred to in this Agreement are attached and incorporated by this reference, and any capitalized term used in any exhibit or schedule which is not defined in such exhibit or schedule will have the meaning attributable to such term in the body of this Agreement. In the

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event the date on which Purchaser or Seller is required to take any action under the terms of this Agreement is not a Business Day, the action will be taken on the next succeeding Business Day.

Section 18.4 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

Section 18.5 **Severability.** If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other conditions and provisions of this Agreement will nevertheless remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to reflect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 18.6 **Entire Agreement.** This Agreement is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof, and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument, signed by the party to be charged, or by its agent duly authorized in writing, or as otherwise expressly permitted herein or in the Right of Access and Confidentiality Agreement.

Section 18.7 **Governing Law.** THIS AGREEMENT WILL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS RULES. SELLER AND PURCHASER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED.

Section 18.8 **No Recording.** The parties hereto agree that neither this Agreement nor any affidavit or memorandum concerning it will be recorded and any recording of this Agreement or any such affidavit or memorandum by Purchaser will be deemed a default by Purchaser hereunder; provided, however, that Purchaser may record a Notice of Settlement or file a lis pendens in the event it institutes a suit for specific performance.

Section 18.9 **Further Actions.** The parties agree to execute such instructions to the Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

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Section 18.10 **Exhibits.** The following sets forth a list of Exhibits to the Agreement:

Exhibit A	Legal Description of Real Property
Exhibit B	Lease
Exhibit C	Permitted Exceptions
Exhibit D	Form of Deed
Exhibit E	Suits and Proceedings
Exhibit F	Certificate as to Foreign Status
Exhibit G	List of Environmental Reports
Exhibit H	AT&T Wireless License
Exhibit I	Assignment of AT&T Wireless License
Exhibit J	Violations
Exhibit K	Assignment of Plans, Permits and Licenses
Exhibit L	Bill of Sale
Exhibit M	Press Release

Section 18.11 **No Partnership.** Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

Section 18.12 Limitations on Benefits. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser and Seller and their permitted successors and assigns is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, Purchaser and Seller or their respective successors and assigns as permitted hereunder. Nothing contained in this Agreement shall under any circumstances whatsoever be deemed or construed, or be interpreted, as making any third party a beneficiary of any term or provision of this Agreement or any instrument or document delivered pursuant hereto, and Purchaser and Seller expressly reject any such intent, construction or interpretation of this Agreement.

Section 18.13 Discharge of Obligations. The acceptance of the Deed by Purchaser shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, except those which are herein specifically stated to survive the Closing.

Section 18.14 Non-Liability.

(a) Notwithstanding anything to the contrary contained in this Agreement, no director, officer, employee, shareholder, member, manager, partner or agent of Seller nor any of the directors, officers, employees, shareholders, members, managers, partners or agents of any of the directors, officers, employees, shareholders, members, managers, partners or agents of Seller nor any other person, partnership, corporation or trust, as principal of Seller,

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whether disclosed or undisclosed (collectively, the "Seller Exculpated Parties") shall have any personal obligation or liability hereunder, and Purchaser shall not seek to assert any claim or enforce any of its rights hereunder against any Seller Exculpated Party.

(b) Notwithstanding anything to the contrary contained in this Agreement, no director, officer, employee, shareholder, member, manager, partner or agent of Purchaser nor any of the directors, officers, employees, shareholders, members, managers, partners or agents of any of the directors, officers, employees, shareholders, members, managers, partners or agents of Purchaser nor any other person, partnership, corporation or trust, as principal of Purchaser, whether disclosed or undisclosed (collectively, the "Purchaser Exculpated Parties") shall have any personal obligation or liability hereunder, and Purchaser shall not seek to assert any claim or enforce any of its rights hereunder against any Purchaser Exculpated Party.

Section 18.15 Waiver of Jury Trial. PURCHASER AND SELLER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY PURCHASER AND SELLER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. SELLER OR PURCHASER, AS APPLICABLE, IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY PURCHASER OR SELLER, AS APPLICABLE.

[SIGNATURE BLOCKS ON NEXT PAGE]

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IN WITNESS WHEREOF, Seller and Purchaser have respectively executed this Agreement as of the Effective Date.

Date Executed:

April 2, 2004

SELLER:

AT&T CORP., a New York corporation

By: /s/ Jack Colasurdo

Name: Jack Colasurdo
Title: Global Real Estate Director

PURCHASER:

April 2, 2004

Mack-Cali Realty Corporation, a Maryland corporation

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh
Title: Chief Executive Officer

ESCROW AGENT:

April 5, 2004

Lawyers Title Insurance Corporation

By: /s/ Craig S. Feder

Name: Craig S. Feder
Title: Vice President

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**FIRST AMENDMENT TO
AGREEMENT OF SALE AND PURCHASE**

[KEMBLE PLAZA II- 412 MT. KEMBLE AVENUE, MORRIS TOWNSHIP, NJ]

THIS FIRST AMENDMENT TO AGREEMENT OF SALE AND PURCHASE (this "**First Amendment**") made and entered into this 1st day of June, 2004, by and between **KEMBLE PLAZA II REALTY L.L.C.**, a limited liability company organized under the laws of the State of New Jersey, having an address at 11 Commerce Drive, Cranford, New Jersey 07016 ("**Purchaser**") and **AT&T CORP.**, a corporation organized under the laws of the State of New York, having an address at 55 Corporate Drive, Bridgewater, New Jersey 08807 ("**Seller**"). (Purchaser and Seller are hereinafter referred to collectively as the "**Parties**".)

RECITALS:

A. Mack-Cali Realty Corporation, a Maryland corporation ("**MC**") and Seller entered into that certain Agreement of Sale and Purchase Real Estate dated April 2, 2004 (hereinafter referred to as the "**Contract**"), wherein Seller agreed to sell and MC agreed to purchase that certain parcel or parcels of real property located at Kemble Plaza II, 412 Mt. Kemble Avenue, Morris Township, New Jersey and that certain parcel containing approximately 25 acres commonly known as Lot 15, Block 23.02, as more particularly described in Exhibit A to the Contract ("**Property**").

B. MC assigned its interest in the Contract to Purchaser by Assignment and Assumption of Contract of Sale dated May 28, 2004.

C. Purchaser and Seller are desirous of modifying and amending the terms and conditions of the Contract only as set forth in this First Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, the parties, each intending to be legally bound hereby, agree as follows:

1. Previously Defined Terms: Conflict.

(a) All of the capitalized terms not expressly defined in this First Amendment shall have the meanings ascribed to such terms in the Contract.

(b) All references to "This Agreement" in the Contract shall be deemed to mean the Contract as supplemented and amended by this First Amendment. The Contract and this First Amendment shall be collectively referred to as the "**Agreement**". In the event of any conflict or inconsistency between the Contract and this First Amendment, this First Amendment shall control.

2. Section 2.1 Agreement. Section 2.1(a)(vi) of the Contract is amended by adding the words, "(including, but not limited to cafeteria furniture, fixtures and equipment)" immediately after the word "furniture" in the third line of the subsection. Section 2.1 (a)(vi) is

further amended by adding the following: "Seller represents and warrants that it has sole title to the Furniture free of security interests, liens and encumbrances. Seller agrees to indemnify and hold Purchaser harmless against any claims of title to or liens or security interests against the Furniture. The foregoing representation and indemnity shall be reaffirmed in the bill of sale and shall survive Closing of title.

3. Section 2.4 Licenses. Section 2.4 of the Contract is amended by adding a new subsection (d) as follows:

(d) Seller agrees to deliver at Closing to the Purchaser's title company an affidavit and indemnification agreement, which agreement shall, among other things provide that (i) the Skyline Credit Union License will continue after closing solely as obligations of Seller and affecting only premises leased by Seller; (ii) the Seller will cause the Skyline Credit Union License to terminate at or before the expiration of the Seller's lease; and (iv) the Seller will indemnify and hold the title company harmless from and against any loss, damage, claim, liability, loss, cost or expense (including, but not limited to, reasonable attorneys' fees) resulting from the Skyline Credit Union License.

4. Section 3.1. Purchase Price.- Section 3.1 of the Contract is hereby amended and restated as follows: "The purchase price for the Property (the "**Purchase Price**") shall be Six Million Four Hundred Thirty Two Thousand Five Hundred Dollars (\$6,432,500.00) in lawful currency of the United States of America, payable as provided in Section 3.2."

5. Section 5.5. Environmental Indemnification. Section 5.5 of the Agreement is amended to include the following additional subsection:

(c) The provisions of this Section 5.5 shall survive Closing of Title.

6. Section 7.2 Violations. Section 7.2 of the Contract is amended by adding the following to the end of the Section: "Nothing in this Agreement is intended to in any way relieve Seller from or otherwise affect Seller's obligation to cure existing and future Violations as provided in the Lease."

7. No Other Revisions to Agreement. Except as specifically modified and amended by this First Amendment, all other provisions of the Contract shall remain the same and in full force and effect.

8. Counterparts. This First Amendment may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this First Amendment, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

[Remainder of page is intentionally left blank.]

IN WITNESS WHEREOF, Seller and Purchaser have respectively executed this Agreement on the date specified below.

Date Executed:

June 1, 2004

SELLER:

AT&T CORP., a New York corporation

By: /s/ Jack Colasurdo
Name: Jack Colasurdo

Title: Global Real Estate Director

PURCHASER:

KEMBLE PLAZA II REALTY L.L.C.,
a New Jersey limited liability company

By: CDECRE, Inc., an Illinois corporation,
its sole member

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh

Title: Authorized Signatory

June 1, 2004

MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT (“**Agreement**”) made this 2d day of April, 2004 by and between and AT&T Corp., a corporation organized under the laws of the State of New York, having an address at 55 Corporate Drive, Bridgewater, New Jersey 08807 (“**Assignor**”), and MACK-CALI REALTY CORPORATION, a Maryland corporation, having an address at 11 Commerce Drive, Cranford, New Jersey 07016 (“**Assignee**”).

In consideration of the mutual promises, covenants, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

Section 1. Agreement.

(a) Leases. Assignor is the tenant under each of the following leases except for the Teleport Lease in which case Assignor’s wholly owned subsidiary is the tenant (collectively, the “**Leases**”):

(i) Net Lease Agreement dated January 18, 1996 by and between Connecticut General Life Insurance Company (predecessor to Glenborough Properties LP), as landlord and Assignor, as tenant, as said Net Lease Agreement has been amended by a First Amendment to Lease dated January 18, 1996 (collectively, the “**15 Vreeland Lease**”) for premises located at 15 Vreeland Road, Florham Park, New Jersey (the “**15 Vreeland Property**”);

(ii) Lease Agreement dated May 31, 1988 originally between The Rechler Partnership as subsequently assigned to 290 Davidson, L.L.C. and AT&T Resource Management Corporation as subsequently assigned to AT&T Credit Holdings Inc. as further subsequently assigned to Assignor, as amended by the First Amendment to Lease Agreement dated April 17, 1998 and Consent to Assignment dated July 10, 1998 (collectively, the “**290 Davidson Lease**”) for premises commonly known as 290 Davidson Avenue, Somerset, New Jersey (the “**290 Davidson Property**”);

(iii) Office Lease dated December 23, 1998 with Assignor, as tenant and TR Koll Florham Park Corp., as subsequently assigned to Thirty Vreeland Associates, L.L.C., as landlord, as amended by that certain Confirmation of Commencement Agreement dated July 8, 1998, that certain First Amendment to Office Lease dated October 15, 1999, that certain Confirmation of Commencement Agreement dated October 25, 1999, that certain Amendment to Office Lease and Settlement Agreement dated August 8, 2002 and that certain Partial Recapture Agreement dated October 28, 2003 (collectively, the “**30A Vreeland Lease**”) for a portion of the premises located at 30A Vreeland Road, Florham Park, New Jersey (the “**30A Vreeland Property**”);

(iv) Office Lease dated June 9, 1997 by and between Thirty Vreeland Associates, L.L.C., successor in interest to TR Koll Florham Park Corp., as landlord and Assignor, as tenant, as said Office Lease has been amended by an Amendment to Office Leases and Settlement Agreement dated August 8, 2002 (collectively, the “**30B Vreeland Lease**”) for premises located at 30 B Vreeland Road, Florham Park, New Jersey (the “**30B Vreeland Property**”);

(v) Agreement of Lease dated August 19, 1996 by and between South Brunswick Investors, L.P., as landlord, and Assignor, as successor in interest to Teleport Communications Group, Inc., as tenant, as said Agreement of Lease has been amended by a First Amendment to Agreement of Lease dated September 25, 2002 and a Second Amendment to Agreement of Lease dated January 7, 2004 (collectively, the “**437 Ridge Lease**”) for premises located at 437 Ridge Road, Dayton, New Jersey (the “**437 Ridge Property**”); and

(vi) Agreement of Lease dated November 10, 1987 with Teleport Associates, as landlord and Teleport Communications Group, Inc. (f/k/a Teleport Communications Group), as tenant, as amended by an Agreement dated September 26, 1989, as amended by a Second Amendment to Lease dated September 4, 1992, as amended by a Third Amendment to Lease dated September 14, 1992, as amended by a Fourth Amendment to Lease dated January 5, 1994, as modified by a Consent Agreement dated January 5, 1994, as amended by a Commencement Date Agreement dated November 4, 1994, as amended by a Fifth Amendment to Lease dated May 5, 1995, as a modified by a Consent Agreement dated May 5, 1995, as amended by a Sixth Amendment to Lease dated May 28, 1998 and as amended by a Seventh Amendment to Lease dated June 29, 1998 (collectively, the “**Teleport Lease**”) for premises commonly referred to as Teleport I and Teleport II, Staten Island, New York (the “**Teleport Property**”). The Teleport Property, the 437 Ridge Property, the 30B Vreeland Property, the 30A Vreeland Property, the 290 Davidson Property and the 15 Vreeland Property are referred to collectively as the “**Properties**”.

(b) Assignment. Assignor hereby agrees to assign its entire right, title and interest in the Leases to Assignee as of the Closing Date (as hereinafter defined) subject to the terms and conditions of this Agreement, including, without limitation, Assignor’s rights with respect to an unused allowance for tenant improvements under the 30A Vreeland Lease and the 30B Vreeland Lease (the “**Unused TI Allowance**”). With respect to Teleport Lease, Assignor agrees to cause Teleport Communications Group, Inc. (“**TCG**”), Assignor’s wholly owned subsidiary, to assign its entire right, title and interest in the Teleport Lease to Assignee as of the Closing Date subject to the terms and conditions of this Agreement. Assignor hereby agrees to be personally liable to Assignee for the performance of the indemnity obligations of TCG contained in its assignment to Assignee, which agreement shall survive the Closing.

(c) Assumption. Assignee hereby agrees to assume the performance of all rental obligations accruing under the Leases after the Closing Date, and all of the other terms, covenants and conditions of the Leases as of the Closing Date (as hereinafter defined) to the extent arising after the Closing Date, all with full force and effect as to obligations arising after the Closing Date as if the Assignee had signed the lease originally as tenant named therein, subject to the terms and conditions of this Agreement. Assignee hereby agrees that the obligations herein assumed by the Assignee shall inure jointly and severally to the landlord

named in the Lease (the “**Prime Landlord**”), and to the Assignor herein. This assumption by Assignee includes any obligation to remove any alterations and restore the leased premises in connection with such removal, pursuant to the provisions of any of the Leases. Assignor represents and warrants to Assignee that Jack Colasurdo, Global Real Estate Manager, has no knowledge of any restoration obligation under any of the Leases, except as may be expressly required by the terms thereof, and to his knowledge, Assignor has received no notice from a Prime Landlord of any restoration obligation. Assignor represents that Jack Colasurdo is the most likely employee or agent of Assignor to have such knowledge. As to all rental obligations accruing under the Leases prior to the Closing Date, and all other obligations arising under the Leases prior to the Closing Date, Assignor shall remain solely liable. This Paragraph shall survive Closing.

(d) Closing Date. For purposes of this Agreement, the term “**Closing Date**” shall have the same meaning ascribed to such term in Article X of the 30 Knightsbridge Contract and Kemble Plaza II Contract which are defined in Section 2(c) of this Agreement.

(e) Assignment and Assumption Agreement. On the Closing Date and subject to the satisfaction of each of the conditions set forth in Section 2 of this Agreement, the parties shall execute and deliver the following documents (collectively, the “**Assignment and Assumption Agreements**”):

- (i) Assignment and Assumption of Lease with respect to the 15 Vreeland Property which shall be in the form attached hereto as Exhibit A;
- (ii) Assignment and Assumption of Lease with respect to the 290 Davidson Property which shall be in the form attached hereto as Exhibit B;

(iii) Assignment and Assumption of Lease, Sublease and Consent Agreement with respect to the 30A Vreeland Property which shall be in the form attached hereto as Exhibit C;

(iv) Assignment and Assumption of Lease with respect to the 30B Vreeland Property which shall be in the form attached hereto as Exhibit D;

(v) Assignment and Assumption of Lease with respect to the 437 Ridge Property which shall be in the form attached hereto as Exhibit E;

(vi) Assignment and Assumption of Lease with respect to the Teleport Property, which shall be executed by Assignor's wholly owned subsidiary, Teleport Communications Group, Inc. as assignor, and which shall be in the form attached hereto as Exhibit F;

(vii) Assignment and Assumption of any sublease with respect to any of the Properties executed by Assignor between the date hereof and the Closing Date, in substantially the form attached hereto as Exhibit C, with appropriate modifications, as necessary;

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(viii) A duly executed certificate of an Assistant Secretary of Assignor, certifying that the signatory to the documents being executed and delivered by Assignor is authorized to sign said documents on behalf of Assignor;

(ix) A duly executed certificate of corporate resolution of Assignee, authorizing the subject transaction;

(x) Certificate confirming the continued accuracy of Assignor's representations hereunder;

(xi) Certificate confirming the continued accuracy of Assignee's representations hereunder; and

(xii) A closing statement with pro-rations of income and expense with respect to the Properties.

(xiii) the parties shall execute a sublease pursuant to which Assignee subleases to Assignor a portion of the 290 Davidson Property for a term of one year and which sublease shall be in the form of sublease approved by the parties and attached hereto as Exhibit I; and

(xiv) the parties shall execute a sublease pursuant to which Assignee subleases to Assignor the 15 Vreeland Property for a term of ninety (90) days, and which sublease shall be in the form of sublease approved by the parties and attached hereto as Exhibit J.

(f) Security Deposit for 30A Vreeland Property. On the Closing Date and upon execution of the Assignment and Assumption of Lease, Sublease and Consent Agreement with respect to the 30A Vreeland Property, Assignor shall transfer to Assignee the security deposit posted by The Louis Berger Group, Inc. in connection with that certain Sublease dated September 23, 2003 between Assignor, as sublandlord and The Louis Berger Group, Inc., as subtenant, as supplemented by that certain Sublease Consent and Nondisturbance Agreement dated October 17, 2003 by and among Landlord, Assignor and Subtenant (collectively, the "**Louis Berger Sublease**") for a portion of the 30A Vreeland Property. Assignor agrees, promptly upon execution and delivery of this Agreement by both parties, to send to The Louis Berger Group, Inc. the estoppel certificate attached hereto as Exhibit K and to diligently seek and make commercially reasonable efforts to obtain the execution of such certificate by The Louis Berger Group, Inc; provided, however, that the obtaining of such estoppel certificate from The Louis Berger Group, Inc. shall not be a precondition to the Closing.

(g) Subleases Prior to Closing Date.

(i) In the event Assignor subleases any of the properties which are the subject of the Leases after the Effective Date and prior to the Closing Date, not including the Louis Berger Sublease, Assignor and Assignee shall share any Net Revenues (as hereinafter defined) if, as and when received by Assignor (or after Closing, if, as and when received by Assignee) in connection with any subletting in a ratio of fifty percent (50%) to Assignor and fifty percent (50%) to Assignee. Assignor agrees not to enter into any subleases prior to the Closing Date without the prior written consent of Assignee, which shall not be unreasonably withheld.

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(ii) "**Net Revenues**" shall mean in the aggregate of all rents, additional charges, or other consideration payable under a sublease to Assignee by the subtenant less (1) any tenant improvement allowances; (2) leasing commissions due and owing to a real estate brokerage firm; (3) other customary and reasonable concessions, costs and fees incurred by Tenant in connection with the subleasing. Assignee shall be solely responsible for any fee splitting obligations to a Prime Landlord for any subleases under any of the Leases, but any such obligation shall be a deductible cost in computing Net Revenues.

(h) Subleases After Closing Date. In the event Assignee subleases any of the Teleport Property after the Closing Date, Assignor and Assignee shall share any Net Revenues if, as and when received by Assignee in connection with any subletting through December 31, 2008 in a ratio of forty percent (40%) to Assignor and sixty percent (60%) to Assignee which shall be payable by Assignee immediately upon receipt thereof. All other revenues from subleases entered into by Assignee after Closing shall be for the sole benefit of Assignee.

(i) Pro-Rations. At Closing, items of income and expense, such as rents, shall be adjusted between the parties as of the Closing Date, including the rent under the Louis Berger Group, Inc Sublease.

(j) Lack of Landlord Approval. (i) If, as of the Closing Date, Assignor has not received the consent of a particular Prime Landlord to the assignment of its lease, or if such Prime Landlord refuses to consent to the assignment, the Closing shall proceed as to the remaining Properties, and, on and after the Closing Date until such landlord consent is received, Assignee agrees that it shall reimburse Assignor, within thirty (30) days after receipt of an invoice, for all reasonable out-of-pocket expenses incurred by Assignor with respect to the particular lease to the extent arising and attributable to the period after Closing, including all rental payments and other expenses with respect to such lease to the extent accruing after the Closing Date, and Assignee agrees to indemnify, defend and hold harmless Assignor against any other liability under such lease arising after the Closing Date, including a claim by the Prime Landlord that this agreement constitutes a default under the particular lease, provided (x) Assignor, within fifteen (15) days after its receipt of same, pays to Assignee any sublease rents or other income derived from such leasehold with respect to the period after the Closing Date, (y) Assignor does not commit any other default under the particular lease, and (z) Assignor follows Assignee's lawful written directions with respect to the use and operation of the leased premises, including, without limitation, a request to the Prime Landlord for consent to an assignment or sublease desired by Assignee and the execution of the appropriate documentation to effectuate such transaction. Assignee shall also reimburse Assignor for Assignor's reasonable out-of-pocket expenses in complying with the directions of Assignee, and Assignee's indemnity obligations shall apply to any such assignment or sublease into which Assignor enters. If the Prime Landlord ultimately consents to the assignment from Assignor to Assignee, the parties shall execute and deliver the appropriate assignment document.

(ii) Notwithstanding the foregoing, if a Prime Landlord recaptures a Property pursuant to its Lease, such property shall be removed from this Agreement and the Purchase Prices under the 30 Knightsbridge Contract and the Kemble Plaza II Contract (as hereafter defined), shall each be increased by fifty percent (50%) of the present value of the base or fixed rent which will no longer be payable under the recaptured Lease for the balance of its

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existing term. The present value of such future rent payments shall be calculated by using a discount figure of nine percent (9%).

(k) Contracts. Assignor agrees that all written service contracts and agreements with respect to the Properties (collectively, "Contracts"), other than the agreements covered by the Assignment and Assumption Agreements, shall be terminated as of the Closing and Assignee shall have no liability thereunder. Assignor agrees to indemnify, defend and hold Assignee harmless from any claim or liability arising out of the Contracts. This obligations shall survive Closing.

(l) Obligations: Assignor agrees that, between the date hereof and the Closing, it will comply with all of its obligations under the agreements covered by the Assignment and Assumption Agreements.

(m) Assignor agrees, promptly upon execution and delivery of this Agreement by both parties, to send to each of the Prime Landlords an estoppel certificate substantially in all of the forms attached hereto as Exhibit L and to diligently seek and make commercially reasonable efforts to obtain the execution of such certificate by each Prime Landlord; provided, however, that the obtaining of such estoppel certificates from the Prime Landlords shall not be a precondition to the Closing.

(n) At Closing, Assignor shall deliver possession of the Properties to Assignee, vacant (except for such furniture as Assignee has elected to keep) and broom clean, subject only to (i) the Subleases, and (ii) the subleases from Assignee to Assignor pursuant to this Agreement.

(o) Assignee shall not have, and there is excluded from the Assignment of the Leases, the right to renew any of the Leases beyond their existing terms, unless Assignee secures from the particular Prime Landlord a full and complete release of Assignor from all liability under such Lease with respect to the renewal term or terms. The foregoing shall not affect the right of Assignee to enter into a new lease on its own of any Property.

Section 2. Indivisible Economic Package and Contingencies

(a) Indivisible Economic Package. Except as provided above, Assignee has no right to assume, and Assignor has no obligation to assign, less than all of the Leases, it being the express agreement and understanding of Assignee and Assignor that, as a material inducement to Assignor and Assignee to enter into this Agreement, Assignee has agreed to assume, and Assignor has agreed to assign, all of the Leases, subject to and in accordance with the terms and conditions hereof.

(b) Prime Landlord Consent Contingency. Except as provided in Section 1, above, this Agreement and the obligations of the parties hereunder are expressly conditioned upon Assignor's obtaining the prior written consent of the Prime Landlord of each of the Leases, if such written consent is required under the Leases, which consent requests shall be in the form attached hereto as Exhibit G, as well as the failure of any Prime Landlord to exercise any recapture rights contained in the Leases. Assignor agrees to diligently seek and make commercially reasonable efforts to obtain such consents. Upon request by Assignor, Assignee shall use commercially reasonable efforts to assist Assignor in obtaining the required consents

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from the Prime Landlords. Assignee shall promptly deliver to Assignor any information requested by each Prime Landlord (in connection with the Prime Landlord's approval of the applicable assignment and assumption agreement) with respect to the nature and operation of Assignee's business and/or the financial condition of Assignee and shall promptly execute any consent documents or amendments reasonably requested by the Prime Landlord provided same shall not require Assignee to pay any consideration to the Prime Landlord.

(c) Additional Contingencies. This Agreement and the obligations of the parties hereunder are further expressly contingent upon the satisfaction of the following conditions which must occur contemporaneously on the Closing Date:

(i) the parties shall close title to real property located at 30 Knightsbridge, Piscataway, New Jersey (the "**30 Knightsbridge Property**") whereby Assignor shall sell and Assignee shall purchase said real property, and Assignee shall lease-back a portion of the property to Assignor, in accordance with the terms and conditions of that certain Agreement of Purchase and Sale (the "**30 Knightsbridge Contract**") agreed to by the parties and executed contemporaneously with this Agreement;

(ii) the parties shall close title to real property located at Kemble Plaza II, 412 Mt. Kemble Avenue, Morris Township, New Jersey and that certain parcel containing approximately 25 acres commonly known as Lot 15, Block 23.02 (collectively, the "**Kemble Plaza II Property**") whereby Assignor shall sell and Assignee shall purchase said real property, and Assignee shall lease-back the property to Assignor, in accordance with the terms and conditions of that certain Agreement of Purchase and Sale (the "**Kemble Plaza II Contract**") agreed to by the parties and executed contemporaneously with this Agreement;

(iii) the parties shall execute a lease amendment pursuant to which Assignor shall extend its lease for a ten year term with respect to real property located at Kemble Plaza I, 340 Mt. Kemble Avenue, Morris Township, New Jersey (the "**Kemble Plaza I Property**") which lease amendment shall be in the form of lease amendment approved by the parties and attached hereto as Exhibit H;

(iv) Assignee's obligation to close this transaction shall be subject to its evaluation of the Properties and the Leases. Assignee's rights and obligations with respect to this evaluation shall be identical to those contained in Article V of the 30 Knightsbridge Contract and the Kemble Plaza II Contract, which article is incorporated herein by reference. Assignee shall have the right to terminate this Agreement to the same extent as provided in said Article V and will lose such right if it is not exercised within the Evaluation Period, as defined therein; and

(v) All of the Leases must remain in full force and effect as of the Closing, and nothing shall have occurred, such as casualty or condemnation, which, upon notice or the passage of time, or both, would result in the termination of a Lease.; provided, however, that Assignee shall have the right to keep the agreement in force with respect to the other Properties by agreeing to make to Assignor the payment described in Section 1(j)(ii) with respect to the terminated Lease.

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(d) Termination. Except as provided in Section 1, above, in the event any of the contingencies set forth in Section 2(b) and Section 2(c) (the "**Section 2 Contingencies**") are not satisfied as of the Closing Date, either party shall have the right to terminate this Agreement.

Section 3. Assignor Representations and Warranties. Assignor represents and warrants to Assignee the following, all of which shall be reaffirmed by Assignor as true, accurate and complete on the Closing Date:

(a) Status. Assignor is a corporation, duly organized and validly existing and in good standing under the laws of the State of New York and authorized to do business in the State of New Jersey.

(b) Authority. The execution and delivery of this Agreement and all other documents now or hereafter to be executed and delivered by Assignor pursuant to this Agreement (collectively, the "**Assignor Documents**") and the performance of Assignor's obligations hereunder and under the Assignor Documents have been duly authorized by all necessary action on the part of Assignor, and this Agreement constitutes, and the Assignor Documents will constitute, the legal, valid and binding

obligation of Assignor, enforceable in accordance with their terms, subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally and except as may be limited by general equitable principles. The person signing this Agreement on behalf of Assignor has been duly authorized to sign and deliver this Agreement on behalf thereof.

(c) **Non-Contravention**. The execution and delivery of this Agreement and the Assignor Documents by Assignor and the consummation by Assignor of the transactions contemplated hereby will not (i) violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority having jurisdiction over Assignor, (ii) conflict with, result in a breach of, or constitute a default under the organizational documents of Assignor, (iii) violate any note or other evidence of indebtedness, any mortgage, deed of trust or indenture to which Assignor is a party or by which it is bound, or (iv) provided the consents of the Prime Landlords are obtained, violate any lease or other material agreement or instrument to which Assignor is a party or by which it is bound.

(d) **Consents**. Other than the consents of the Prime Landlords, no consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement and the Assignor Documents by Assignor or the performance by Assignor of the transactions contemplated hereby.

(e) **Assignor's Interest**. Assignor has good title to the leasehold estates created by the Leases, other than the Teleport Lease (the "**Assignor Leasehold Estates**") and the subleases affecting the Assignor Leasehold Estates (the "**Assignor Subleases**") and has not transferred, assigned, sold, conveyed, pledged, mortgaged, granted a security interest in, or otherwise disposed of the Assignor Leasehold Estates or the Assignor Subleases any portion thereof or interest therein or granted any option to any person or entity to acquire the Assignor Leasehold Estates. The Assignor Leasehold Estates and the Assignor Subleases are free and clear of all liens, encumbrances, liabilities, claims, exceptions, covenants and restrictions of any

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kind or character, including but not limited to, any security interests or, any restriction on sale or assignment or granting of any option, right or agreement for the purchase or acquisition of the same or any interest in the same.

(f) **Teleport Status**. Teleport is a corporation, duly organized and validly existing and in good standing under the laws of the State of Delaware, and authorized to transact business in the State of New York.

(g) **Teleport Authority**. The execution and delivery of all other documents now or hereafter to be executed and delivered by Teleport pursuant to this Agreement (collectively, the "**Teleport Documents**") and the performance of Teleport's obligations hereunder and under the Teleport Documents have been duly authorized by all necessary action on the part of Teleport, and this Agreement constitutes, and the Teleport Documents will constitute, the legal, valid and binding obligation of Teleport, enforceable in accordance with their terms, subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally and except as may be limited by general equitable principles.

(h) **Non-Contravention Regarding Teleport**. The execution and delivery of this Agreement and the Teleport Documents by Teleport and the consummation by Teleport of the transactions contemplated hereby will not (i) violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority having jurisdiction over Teleport, (ii) conflict with, result in a breach of, or constitute a default under the organizational documents of Teleport, (iii) violate any note or other evidence of indebtedness, any mortgage, deed of trust or indenture to which Teleport is a party or by which it is bound, or (iv) provided the Approvals are obtained, violate any lease or other material agreement or instrument to which Teleport is a party or by which it is bound.

(i) **Teleport Consents**. Subject to receipt of the Landlord Consents, no consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of the Teleport Documents by Teleport or the performance by Teleport of the transactions contemplated hereby

(j) **Teleport Leasehold Estate**. Teleport has good title to the leasehold estate created by the Teleport Lease (the "**Teleport Leasehold Estate**"; and collectively with the Assignor Leasehold Estates, the "**Leasehold Estates**") and any sublease affecting the Teleport Leasehold Estate, if any (a "**Teleport Sublease**") and has not transferred, assigned, sold, conveyed, pledged, mortgaged, granted a security interest in, or otherwise disposed of the Teleport Leasehold Estate or any Teleport Sublease, or any portion thereof or interest therein or granted any option to any person or entity to acquire such Leasehold Estate or Teleport Sublease. The Teleport Leasehold Estate and any Teleport Sublease is free and clear of all liens, encumbrances, liabilities, claims, exceptions, covenants and restrictions of any kind or character, including but not limited to, any security interests or, any restriction on sale or assignment or granting of any option, right or agreement for the purchase or acquisition of the same or any interest in the same.

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(k) **Non-Contravention**. The consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or governmental authority having jurisdiction over the Properties, the Leasehold Estates, the Teleport Subleases or the Assignor Subleases (collectively, the "**Subleases**").

(l) **Suits and Proceedings**. Except as listed in **Schedule 1.1(r)(i)**, there are no legal actions, suits, arbitrations, administrative proceedings or similar proceedings pending and served, or, to Assignor's knowledge, threatened in writing against or affecting the Leasehold Estates, the Subleases or the Properties which if adversely determined, would materially and adversely affect the value of the Leasehold Estates (or the continued operations thereof).

(m) **Leases/Tenants**.

(i) The documents evidencing the Leases and the Louis Berger Sublease previously provided to Assignee are, in all material respects, true, accurate and complete copies of the Leases and the Louis Berger Sublease, including all amendments thereto, and represent all such documents in Seller's possession. There are no material omissions of relevant documents.

(ii) Neither Assignor nor Teleport (the "**Assignor Parties**") is in monetary default under any Lease or Sublease, nor have they received a notice of default under any of the Leases or the Subleases. To Assignor's knowledge, the landlords under the Leases are not in default under the Leases, the subtenants under the Subleases are not in default under the Subleases, and no event has occurred which with the passage of time, or the giving of notice, or both, would constitute a default by any of such parties under the applicable Leases or Subleases.

(n) **Financial Matters**. Attached hereto as Schedule 3(n) is a schedule of operating costs for each Property for the prior calendar year (i.e., rent, additional rent, taxes, utilities, property maintenance and operating cost), which, to the knowledge of Assignor, is true, accurate and complete in all material respects.

(o) **Licenses, Permits and Violations**. Neither of the Assignor Parties has received written notice that any license, certificate or permit with respect to the Properties has been or is threatened to be revoked, nor have they received written notice of any violation of law or code with respect to any of the Properties, including, without limitation, a notice of violation for failure to possess a legally required license, certificate or permit.

(p) **Leasing Commission Agreements**. There are no commissions owing with respect to any of the Subleases (or by the tenant under any of the

Leases) and there are no existing leasing commission or brokerage agreements affecting the Leasehold Estates or the Subleases, which would be binding upon Assignee as a result of the Closing of the assignments contemplated by this Agreement, or as a result of any future assignments or subleases effected by Assignee.

(q) **Condemnation.** None of the Assignor Parties has received notice of any pending or contemplated condemnation or eminent domain proceedings affecting the Leasehold Estates or the Properties, and to Assignor's knowledge, there is no: (i) pending or contemplated

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annexation or condemnation proceeding affecting, or which may affect, all or any portion of the Leasehold Estates or the Properties; or (ii) proposed change in road patterns or grades which may adversely affect access to any roads providing a means of ingress to or egress from the Leasehold Estates or the Properties.

(r) **Real Property Taxes.** To the knowledge of the Assignor Parties, none of the Properties is presently subject to a tax abatement or other agreement reducing the real property taxes payable. Neither of the Assignor Parties has filed a tax appeal which is presently pending with respect to any of the Properties.

(s) **Assessments.** Assignor has no knowledge of any assessments, confirmed or unconfirmed, affecting any of the Properties.

(t) **ISRA.** Assignor's SIC Code is 4813, which presently excludes the Properties from the definition of an "industrial establishment" as defined in the Industrial Site Recovery Act, N.J.S.A. 13:1k-6 *et seq.*

(u) **Parking Lease.** The parking lease with respect to the 290 Davidson Property, between Assignor and the Prime Landlord, has expired by its terms.

(v) **Unused TI Allowance.** Assignor has not drawn down any part of the Unused TI Allowance under paragraph 2(b) of the Amendment to Office Lease and Settlement Agreement dated August 8, 2002, comprising a part of the 30A Vreeland Lease and the 30B Vreeland Lease.

The representations and warranties made by Assignor in this Section 3 and elsewhere in this Agreement are true and correct as of the date of this Agreement, shall be true and correct and deemed repeated as of the Closing, and shall survive the Closing for a period of one year, except for the representation in Paragraph 1(c) with regard to restoration obligations which shall survive as to any Lease until one hundred eighty (180) days after the expiration of such Lease, unless specifically declared in this Agreements as not surviving Closing.

Section 4. Assignee Representations and Warranties. Assignee represents and warrants to Assignor the following, all of which shall be reaffirmed by Assignee as true, accurate and complete on the Closing Date:

(a) **Status.** Assignee is a corporation, duly organized and validly existing and in good standing under the laws of the State of Maryland and authorized to do business in the State of New Jersey.

(b) **Authority.** As of the Closing Date, the execution and delivery of this Agreement and all other documents now or hereafter to be executed and delivered by Assignee pursuant to this Agreement (collectively, the "Assignee Documents") and the performance of Assignee's obligations hereunder and under the Assignee Documents will have been duly authorized by all necessary action on the part of Assignee, and this Agreement will constitute, and the Assignee Documents will constitute, the legal, valid and binding obligation of Assignee, enforceable in accordance with their terms, subject to bankruptcy, reorganization and other

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similar laws affecting the enforcement of creditors' rights generally and except as may be limited by general equitable principles. The person signing this Agreement on behalf of Assignee will have been duly authorized to sign and deliver this Agreement on behalf thereof.

(c) **Non-Contravention.** The execution and delivery of this Agreement and the Assignee Documents by Assignee and the consummation by Assignee of the transactions contemplated hereby will not (i) violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority having jurisdiction over Assignee, (ii) conflict with, result in a breach of, or constitute a default under the organizational documents of Assignee, (iii) violate any note or other evidence of indebtedness, any mortgage, deed of trust or indenture to which Assignee is a party or by which it is bound, or (iv) provided the consents of the Prime Landlords are obtained, violate any lease or other material agreement or instrument to which Assignee is a party or by which it is bound.

(d) **Consents.** Other than the consents of the Prime Landlords, no consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement and the Assignee Documents by Assignee or the performance by Assignee of the transactions contemplated hereby.

(e) **Suits and Proceedings.** Except as listed in **Schedule 4(e)**, there are no legal actions, suits, arbitrations, administrative proceedings or similar proceedings pending and served, or, to Assignee's knowledge, threatened in writing against or affecting Assignee which if adversely determined, would materially and adversely affect the performance by Assignee of its obligations hereunder.

The representations and warranties made by Assignee in this Section 4 and elsewhere in this Agreement are true and correct as of the date of this Agreement, shall be true and correct and deemed repeated as of the Closing, and shall survive the Closing for a period of one years, unless specifically declared in this Agreements as not surviving Closing.

Section 5. Guaranty and Indemnification.

(a) In the event any of the Leases are assigned to a Permitted Assignee (as defined in Section 7(b) of this Agreement), Assignee unconditionally guarantees to Assignor the full and punctual performance and observance of all of the terms, covenants and conditions in the Leases on the part of the Permitted Assignee to be kept, performed or observed.

(b) The liability of Assignee hereunder shall in no way be affected by (i) the release or discharge of the Permitted Assignee in any creditors receivership, bankruptcy or other proceeding, (ii) the impairment, limitation or modification of the liability of the Permitted Assignee or its estate in bankruptcy, or of any remedy for the enforcement of the Permitted Assignee's said liability under each of the Leases resulting from the operation of any present or future provision of the Federal Bankruptcy Code or other statute or from the decision of any court, (iii) the rejection or disaffirmance of any of the Leases in any such proceedings, (iv) the assignment, sublease or transfer of any of the Leases by Permitted Assignee, (v) any disability or

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other defense of the Permitted Assignee, or (vi) the cessation from any cause whatsoever of the liability of the Permitted Assignee.

(c) Notwithstanding any assignment of any of the Leases to a Permitted Assignee, Assignee agrees to indemnify, defend and hold Assignor harmless from and against any claim, demand, cause of action, charge, judgment, damage, liability, cost or expense (including, without limitation, reasonable attorneys' fees and legal costs) arising out of any of the Leases in connection with events occurring on or after the Closing Date.

Section 6. Default and Right to Re-enter.

(a) Assignee agrees to give Assignor immediate notice of any default under the Leases and an opportunity to cure such default within the time period specified for such default in the applicable Lease. Assignor shall have the right, but not the obligation, to cure any default under the Leases. If Assignor cures such default and is not reimbursed by Assignee for the cost of such cure within five (5) days after written demand or Assignee fails to cure the default within the applicable cure period, Assignor shall be entitled to resume possession of the premises and the subject Lease shall continue as a direct lease between Landlord and Assignor. In such event, Assignor may, without notice, re-enter the leased premises and resume possession of the leased premises either by force or otherwise, and dispossess by summary proceedings or otherwise, Assignee or the Permitted Assignee, as the case may be, and remove their effects and hold the leased premises as if the assignment and assumption of lease with respect to such leased premises had not been made, and Assignee hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. In the event of re-entry by Assignor, Assignor may remove all persons and property from the leased premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Assignee, without notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby. In the event Assignee or the Permitted Assignee, as the case may be, shall not remove its property from the leased premises within ten (10) days after Assignee or Permitted Assignee has vacated the leased premises, then such property shall be deemed abandoned by Assignee or Permitted Assignee and Assignor may dispose of the same without liability to Assignee or Permitted Assignee.

Section 7. Miscellaneous.

(a) Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be given by any nationally recognized overnight delivery service with proof of delivery, or by facsimile transmission (provided that such facsimile is confirmed by the sender by expedited delivery service in the manner previously described), sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee will have designated by written notice sent in accordance herewith. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement will be as follows:

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If to Assignor:	AT&T Corp. 55 Corporate Drive Room 32A03 Bridgewater, NJ 08807-1265 Attn: Jack Colasurdo (908) 658-7747 (tele.) (908) 658-2191 (fax)
with a copy to:	Lawrence F. Reilly, Esq. Pitney, Hardin, Kipp & Szuch LLP 200 Campus Drive Florham Park, New Jersey 07932 (973) 966-6300 (tele.) (973) 966-1550 (fax)
If to Assignee:	c/o Mack-Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016 with separate notices to the attention of: Mr. Mitchell E. Hersh (908) 497-2009 (tele.) (908) 272-0214 (fax) and Roger W. Thomas, Esq. (908) 272-2612 (tele.) (908) 497-0485 (fax)
with a copy to:	Martin E. Dollinger, Esq. Greenbaum, Rowe, Smith, Ravin, Davis & Himmel, LLP 99 Wood Avenue South Iselin, New Jersey 08830 732-549-5600 (tele.) 732-549-1881 (fax)

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) facsimile transmission as aforesaid shall be deemed given at the time and on the date of machine transmittal provided same is sent and confirmation of receipt is received by the sender prior to 4:00 p.m. (EST) on a business day (if sent later, then notice shall be deemed given on the next Business Day). 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.

(b) Assignment; Binding Effect. The provisions hereof shall inure to the benefit of, and shall be binding upon, the heirs, executors, administrators, successors and assigns of the respective parties; provided, however, Assignee may not assign this Agreement or any of Assignee's rights hereunder to any person or entity other than to a Permitted Assignee (as hereinafter defined). No permitted assignment of this Agreement shall relieve Assignee from

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any of its obligations hereunder. As used herein, a "Permitted Assignee" shall mean an affiliate of Assignee. As used herein, an "affiliate" shall refer to an entity that is controlled by the same entity that controls Assignee, or is controlled by Assignee or Mack-Cali Realty L.P. The terms "control" or "controlled by" shall mean ownership of (i) more than fifty percent (50%) of the outstanding voting stock of a corporation (or other equity and control interest if not a corporation), or (ii) the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute, or according to the provisions of a contract.

(c) Waivers. No waiver of any breach of any covenant or provisions contained herein will be deemed a waiver of any preceding or succeeding breach

thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

(d) Recovery of Certain Fees. In the event a party hereto files any action or suit against another party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, then in that event the substantially prevailing party will be entitled to have and recover certain fees from the other party including all reasonable attorneys' fees and costs resulting therefrom. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photocopying, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 7(d) shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment.

(e) Counterparts. This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

(f) Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other conditions and provisions of this Agreement will nevertheless remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to reflect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

(g) Entire Agreement. This Agreement is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof, and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by

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written instrument, signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein.

(h) Governing Law. THIS AGREEMENT WILL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS RULES. ASSIGNOR AND ASSIGNEE HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED.

(i) Further Actions. The parties agree to execute such instructions to the Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

(j) Exhibits. The following sets forth a list of Exhibits to the Agreement:

Exhibit A	Assignment and Assumption of Lease for 15 Vreeland Property
Exhibit B	Assignment and Assumption of Lease for 290 Davidson Property
Exhibit C	Assignment and Assumption of Lease, Sublease and Consent Agreement for 30A Vreeland Property
Exhibit D	Assignment and Assumption of Lease for 30B Vreeland Property
Exhibit E	Assignment and Assumption of Lease for 437 Ridge Property
Exhibit F	Assignment and Assumption of Lease for Teleport Property
Exhibit G	Prime Landlord Request Forms
Exhibit H	Lease Amendment for Kemble Plaza I Property
Exhibit I	Sublease for 290 Davidson Property
Exhibit J	Sublease for 15 Vreeland Property
Exhibit K	Form of Estoppel Certificate for Louis Berger Sublease
Exhibit L	Forms of Estoppel Certificate for Leases

(k) No Partnership. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, it being the intention of the parties to merely create the relationship of Assignor and Assignee with respect to the Property to be conveyed as contemplated hereby.

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(l) Limitations on Benefits. It is the explicit intention of Assignee and Assignor that no person or entity other than Assignee and Assignor and their permitted successors and assigns is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, Assignee and Assignor or their respective successors and assigns as permitted hereunder. Nothing contained in this Agreement shall under any circumstances whatsoever be deemed or construed, or be interpreted, as making any third party a beneficiary of any term or provision of this Agreement or any instrument or document delivered pursuant hereto, and Assignee and Assignor expressly reject any such intent, construction or interpretation of this Agreement.

(m) Waiver of Jury Trial. ASSIGNEE AND ASSIGNOR EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY ASSIGNEE AND ASSIGNOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. ASSIGNOR OR ASSIGNEE, AS APPLICABLE, IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY ASSIGNEE OR ASSIGNOR, AS APPLICABLE.

(n) During the Evaluation Period (or, as to the 15 Vreeland Property and the portion of the 290 Davidson Property which is being subleased to Assignor at closing, forty-five (45) days prior to the expiration of the applicable sublease), Assignee shall determine what furniture in the Properties, if any, it desires to keep at Closing or upon the expiration of any of the subleases from Assignee to Assignor, as applicable. Any furniture which Assignee does not desire to keep shall be removed from the particular Property by Assignor, either prior to the Closing or upon expiration of any applicable sublease to Assignee. Any furniture which Assignee desires to keep shall be left in its Property by Assignor, either at Closing or upon the expiration of any applicable sublease to Assignor. Such furniture shall be transferred in its "as is" condition, by an appropriate bill of sale. This paragraph shall survive Closing.

IN WITNESS WHEREOF, Assignor and Assignee have respectively executed this Agreement as of the date indicated below.

Date Executed:

ASSIGNOR:

April 2, 2004

AT&T CORP., a New York corporation

By: /s/ Debra D. Bell

Name: Debra D. Bell

Title: Global Real Estate Vice President

ASSIGNEE:

April 2, 2004

MACK-CALI REALTY CORPORATION

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh

Title: Chief Executive Officer

FIRST AMENDMENT TO MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS FIRST AMENDMENT TO MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Agreement**") made this 1st day of June, 2004 by and between and AT&T Corp., a corporation organized under the laws of the State of New York, having an address at 55 Corporate Drive, Bridgewater, New Jersey 08807 ("**Assignor**"), and MACK-CALI REALTY CORPORATION, a Maryland corporation, having an address at 11 Commerce Drive, Cranford, New Jersey 07016 ("**Assignee**").

RECITALS:

A. Assignee and Assignor entered into that certain Master Assignment and Assumption Agreement dated April 2, 2004 (hereinafter referred to as the "**Contract**"), wherein Assignor agreed to assign and Assignee agreed to accept assignment of leasehold interests under certain Leases, as more particularly defined in the Contract.

B. Assignee and Assignor are desirous of modifying and amending the terms and conditions of the Contract only as set forth in this First Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, the parties, each intending to be legally bound hereby, agree as follows:

1. Previously Defined Terms: Conflict.

(a) All of the capitalized terms not expressly defined in this First Amendment shall have the meanings ascribed to such terms in the Contract.

(b) All references to "this Agreement" in the Contract shall be deemed to mean the Contract as supplemented and amended by this First Amendment. The Contract and this First Amendment shall be collectively referred to as the "**Agreement**". In the event of any conflict or inconsistency between the Contract and this First Amendment, this First Amendment shall control.

2. Section 1. Agreement.

(a) Section 1(g)(ii) of the Contract is amended by changing the period after the word "subleasing" in the fifth (5th) line of the section to a semicolon, and adding the words "and (4) all costs and expenses of any nature whatsoever expended by Assignee under the Teleport Lease (including, but not limited to, the rent, additional rent and other expenditures), whether before or after the date of the sublease."

(b) Section 1(i) of the Contract is amended to provide that the parties shall sign at Closing a post closing adjustment letter providing that the parties will cooperate to make such

further corrections and adjustments to the closing pro-rations after Closing as may be appropriate to correct errors and/or to make further adjustments as additional or revised information becomes available. Without limiting the foregoing, the parties acknowledge that the "settle-ups" for taxes and operating expenses in several of the Properties have not occurred for one or more years and that the settle-up for the current calendar year is not expected to occur until 2005. Assignor shall remain liable for any additional amounts that become due to, and shall have the benefit of any refunds that become due from, the various landlords for operating expenses and/or taxes attributable to the period prior to the Closing Date. This provision shall survive Closing.

(c) Section 1(j)(ii) of the Contract is amended by adding the words "in lieu of consenting to the assignment to Assignee," after the word "if" in the first line.

(d) Section 1 of the Contract is amended to add new subsections 1(p) through 1(r) as follows:

(p) With respect to the 437 Ridge Property, Assignor agrees that it shall be solely responsible, at its cost and expense, for any restoration or removal required with respect to communications cables or other equipment or facilities connecting the 437 Ridge Property to other buildings in the complex. The parties further acknowledge that the 437 Ridge Property is not separately metered for utilities from the other buildings in the complex, which are presently occupied by Assignor or its affiliates, and will not be separately metered until February 2005. Until such time as the 437 Ridge Property is separately metered, so long as the 437 Ridge Property remains vacant, Assignor shall pay all the utilities for the 437 Ridge Property. If the 437 Ridge Property is occupied at any time prior to the time when the 437 Ridge Property is separately metered, the parties shall seek to agree in good faith on a fair allocation of utility costs to the 437 Ridge Property, or failing such agreement shall allocate the utility charges based upon a survey of utility usage by a mutually acceptable company, the charges for which shall be split evenly between the parties. This provision shall survive Closing.

(q) With respect to the 290 Davidson Lease, to the extent that the Assignee is required to pay to the landlord and/or otherwise expend more than \$750,000 during the initial term of the 290 Davidson Lease for (i) repair and/or replacement of the HVAC system, (ii) capital expenditures for building systems; and (iii) other capital expenditures for major items (i.e., structural, ceilings, lights, parking areas, etc.), whether during or after the term of this Sublease, Assignor agrees to pay to Assignee an amount equal to fifty (50%) percent of the excess above \$750,000. This obligation shall survive the closing and the expiration or earlier termination of the Sublease.

(r) With respect to the 290 Davidson Property, Assignor does not believe that it has received written notice from the Landlord prior to June 1, 2004 that Assignor has failed to perform its obligations as tenant under the 290 Davidson Lease to maintain the recreational building roof. If Assignee obtains written evidence that such belief is incorrect, then Assignor shall be responsible for any claims of the Landlord related to or arising out of that failure. This obligation shall survive closing and the expiration or earlier termination of the 290 Davidson Sublease.

3. Section 2(o). Licenses, Permits and Violations. Section 2(o) of the Contract is amended by adding the words, "Except for those violations set forth on Schedule 2(o)," at the start of the first sentence.

4. Section 7. Miscellaneous. Section 7(n) of the Contract is amended by adding the following additional sentences immediately before the last sentence of the subsection: "Assignor represents and warrants that it has sole title to the furniture free of security interests, liens and encumbrances. Assignor agrees to indemnify and hold Assignee harmless against any claims of title to or liens or security interests against the furniture."

5. No Other Revisions to Agreement. Except as specifically modified and amended by this First Amendment, all other provisions of the Contract shall remain the same and in full force and effect.

6. Counterparts. This First Amendment may be executed in multiple counterparts, each of which, when assembled to include an original signature for each

party contemplated to sign this First Amendment, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

[Remainder of page is intentionally left blank.]

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IN WITNESS WHEREOF, Assignor and Assignee have respectively executed this Agreement on the date specified below.

Date Executed:

ASSIGNOR:

June 1, 2004

AT&T CORP., a New York corporation

By: /s/ Jack Colasurdo

Name: Jack Colasurdo

Title: Global Real Estate Director

ASSIGNEE:

June 1, 2004

Mack-Cali Realty Corporation, a Maryland corporation

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh

Title: President and Chief Executive Officer

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NOMINEE AGREEMENT

AGREEMENT made as of the 2nd day of April, 2004, between **MACK-CALI REALTY CORPORATION**, a Maryland corporation having its principal place of business at 11 Commerce Drive, Cranford, New Jersey 07016 (referred to herein as "**Agent**"), and **MACK-CALI REALTY, L.P.**, a Delaware limited partnership having its principal place of business at 11 Commerce Drive, Cranford, New Jersey 07016 (referred to herein as "**Principal**").

WITNESSETH:

WHEREAS, Principal has requested Agent to act as its nominee for the purposes of entering into and performing the obligations and duties of the assignee under that certain Master Assignment and Assumption Agreement (the "Assignment Agreement") dated April 2, 2004 between AT&T Corp., as assignor, and Agent, as assignee, for the assignment and assumption of certain leases set forth in the Assignment Agreement and related obligations. The Assignment Agreement is attached hereto as Exhibit A.

WHEREAS, Agent has willingly agreed to act as a nominee for Principal with respect to the obligations and duties of the assignee under the Assignment Agreement and all documents executed pursuant thereto.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Principal hereby appoints Agent to act as Principal's nominee, and Agent hereby accepts such appointment and agrees to perform such obligations and duties for and on behalf of Principal as are set forth in the Assignment Agreement.
2. Agent acknowledges that Agent will be acting as the leasehold assignee in connection with the performance of the Principal's obligations and duties under the Assignment Agreement, including but not limited to managing, maintaining and/or leasing the leaseholds described therein (the "Leaseholds") solely as nominee for and on behalf of Principal.
3. Principal shall have and shall at all times continue to have all obligations, liabilities, benefits, rights, privileges and indemnities accruing under or with respect to the Assignment Agreement, and shall be liable for all acts of the Agent in connection with the performance of its duties under the Assignment Agreement as if such actions were undertaken directly by the Principal.
4. Agent shall have no discretionary authority to act for or on behalf of Principal other than in its capacity as general partner of Principal. Agent shall not do or

suffer to be done any act or omission with respect to the Assignment Agreement, but shall perform only such acts as may be specifically requested by Principal from time to time, including, without limitation, the following:

- (a) Upon delivery of written instructions from Principal, Agent shall immediately cause the Assignment Agreement to be assigned to Principal or to such other person, persons or entities as Principal may, in Principal's sole discretion, designate.
 - (b) Any and all notices, statements and communications received by Agent as the assignee with respect to the Leaseholds shall be promptly given to Principal.
 - (c) If Agent shall receive any funds advanced pursuant to the Assignment Agreement and/or any contracts and documents executed in accordance therewith or herewith, Agent shall disburse such funds in accordance with the directions of Principal, either directly to Principal or to such persons, firms and/or entities as Principal may, in Principal's sole discretion, designate. Agent shall account to Principal for all funds so received by Agent on behalf of Principal in such reasonable manner as Principal may from time to time require.
5. Agent agrees that Agent shall not, without prior written consent of Principal, disclose the existence of the agency established hereby, or the fact that Agent is the assignee with respect to the Leaseholds as nominee for Principal, to any third party, except as required by law or to enforce any rights hereunder.
 6. The authority and duties of Agent hereunder shall not be delegated or assigned by Agent except at the written direction or with the prior written consent of Principal.
 7. This Agreement may be terminated by Principal or Agent at any time upon thirty (30) days' prior written notice to the other party. Upon termination, Agent shall execute and deliver to Principal or Principal's designee, all of Agent's rights and interests held by Agent as nominee pursuant hereto, as may reasonably be requested by Principal and as may be reasonably necessary to assign the Assignment Agreement to Principal or Principal's designees.
 8. Principal does hereby agree to well and truly indemnify and save harmless Agent from all manner of suits, actions, damages, charges, expenses, including reasonable attorneys' fees and disbursements, that Agent may sustain by reason of having entered into this Agreement and/or by reason of Agent acting as assignee and/or by reason of Agent having delivered and executed this Agreement.
 9. All notices, communications and directions hereunder shall be delivered personally or sent by certified or registered mail to the parties at their aforesaid addresses.

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

PRINCIPAL:

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation
Its general partner

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

AGENT:

MACK-CALI REALTY CORPORATION

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

MACK - CALI REALTY CORPORATION

NEWS RELEASE

For Immediate Release

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and Chief Financial Officer
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MACK-CALI ANNOUNCES STRATEGIC REAL ESTATE TRANSACTION
WITH LEADING TENANT

—Deal Covers 13 Buildings and Includes Acquisitions, Leases and
the Assumption of Lease Obligations—

Cranford, New Jersey—June 2, 2004—Mack-Cali Realty Corporation (NYSE: CLI) today announced a strategic real estate transaction with a leading Fortune 500 company and Mack-Cali tenant involving 13 office buildings and 2.5 million square feet of space. The transaction includes Mack-Cali's acquisition of five New Jersey office buildings and the seller's leaseback of a portion of these buildings, a lease extension at one of Mack-Cali's New Jersey office buildings, and Mack-Cali's assumption of a portion of lease obligations at seven office buildings in New Jersey and Staten Island.

Under the agreement, Mack-Cali will:

- Acquire 30 Knightsbridge Road in Piscataway, New Jersey, a four-building, 670,318 square-foot class A office complex occupied by the seller. The seller will lease back two buildings totaling 275,000 square feet for 10 years and seven months, and lease back the balance of the complex on a short term basis.
- Re-purchase Kemble Plaza II in Morris Township, New Jersey, a 475,100 square-foot class A office building Mack-Cali sold to the company in 2000. The seller will lease back the entire property for one year.
- Sign a lease extension with the company at Mack-Cali's Kemble Plaza I in Morris Township, New Jersey, extending the lease for the entire 387,000 square-foot building through August, 2014.
- Assume a portion of the company's lease obligations totaling approximately 927,300 square feet, with expirations ranging from May, 2006 to May, 2009, at five office buildings in New Jersey: 30A, 30B and 15 Vreeland Road, each in Florham Park; 290 Davidson Avenue in Somerset; and 437 Ridge Road in Dayton; and two in Staten Island, Teleport I and II. Portions of the space included in the lease obligations have been sublet by the company and other firms.

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- Pay \$12.9 million to the company.

Mitchell E. Hersh, president and chief executive officer of Mack-Cali, commented, "We have worked with this tenant and its various subsidiaries for over 25 years in meeting its real estate needs and are excited about this transaction, which addresses the tenant's strategic financial objectives." Hersh continued, "For Mack-Cali, this direct, relationship-driven transaction allows us to acquire outstanding office properties at favorable pricing levels. It's an excellent demonstration of the value we are able to create by building long term relationships with Corporate America."

Mack-Cali Realty Corporation is a fully-integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, construction and other tenant-related services for its class A real estate portfolio. Mack-Cali owns or has interests in 270 properties, primarily office and office/flex buildings located in the Northeast, totaling approximately 30 million square feet. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of approximately 2,100 tenants.

Additional information on Mack-Cali Realty Corporation is available on the Company's Web site at www.mack-cali.com.

Certain information discussed in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the federal securities laws, including Section 21E of the Securities Exchange Act of 1934. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements relate to, without limitation, the Company's future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as "may," "will," "should," "expect," "anticipate," "estimate," "continue" or comparable terminology. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, it can give no assurance that its expectations will be achieved. Forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. Among the risks, trends and uncertainties are changes in the general economic conditions, including those affecting industries in which the Company's principal tenants compete; any failure of the general economy to recover timely from the current economic downturn; the extent of any tenant bankruptcies; the Company's ability to lease or re-lease space at current or anticipated rents; changes in the supply of and demand for office, office/flex and industrial/warehouse properties; changes in interest rate levels; changes in operating costs; the Company's ability to obtain adequate insurance, including coverage for terrorist acts; the availability of financing; and other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated. For further information on factors which could impact the Company and the statements contained herein, reference should be made to the Company's filings with the

Securities and Exchange Commission including Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and Annual Reports on Form 10-K. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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