UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): **March 7, 2006**

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

Maryland	**1-13274**	**22-3305147**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS 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)

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

Delaware	**333-57103**	**22-3315804**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS 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)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry Into A Material Definitive Agreement.

On February 16, 2006, Mack-Cali Realty Corporation (the "General Partner"), the general partner of Mack-Cali Realty, L.P. (the "Operating Partnership"), announced that the Operating Partnership had reached agreements in principle with each of SL Green Realty Corp. ("SL Green") and The Gale Company ("Gale") pursuant to which the Operating Partnership planned to acquire interests in certain assets and operations of SL Green and Gale.

In furtherance of these acquisitions, on March 7, 2006, the Operating Partnership entered into definitive agreements to effectuate such agreements in principle as follows. On such date, the Operating Partnership entered into a Membership Interest Purchase and Contribution Agreement (the "Gale Contribution Agreement") by and among the Operating Partnership, Mack-Cali Realty Acquisition Corp., a wholly-owned subsidiary of the Operating Partnership, and Mr. Stanley C. Gale and SCG Holding Corp., a corporation owned and controlled by Mr. Gale (collectively, the "Gale Sellers"), to acquire all of the Gale Sellers' ownership interests (the "Gale Transferred Interests") in The Gale Services Company, L.L.C. and the Gale Construction Services Company, L.L.C., which entities engage in real property management, construction management, facilities management, and leasing and real estate brokerage services, and to acquire certain other interests of the Gale Sellers in other development-stage joint ventures.

The Gale Transferred Interests will be acquired by the Operating Partnership for aggregate consideration of up to approximately $40 million, as follows:

1. 224,719 common units of limited partnership interest of the Operating Partnership (the "Common Units") valued at $44.50 per Common Unit to be issued by the Operating Partnership to the Gale Sellers, each of whom is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended);

2. Approximately $12 million in cash; and

3. Earn-out provisions based upon the achievement of Gross Income and NOI (as such terms are defined in the Gale Contribution Agreement) targets for the three years following the closing date pursuant to which up to an additional $18 million in cash may be paid by the Operating Partnership to the Gale Sellers.

The Gale Contribution Agreement is subject to numerous other customary undertakings, covenants, obligations and conditions. A copy of the Gale Contribution Agreement is filed herewith as Exhibit 10.1.

Concurrent with the execution of the Gale Contribution Agreement, Mack-Cali Ventures, L.L.C., a wholly-owned subsidiary of the Operating Partnership (the "OP Subsidiary"), entered into a Contribution and Sale Agreement (the "SLG Contribution

Agreement") by and among the OP Subsidiary and Gale SLG NJ LLC, Gale SLG NJ MEZZ LLC and Gale SLG RIDGEFIELD MEZZ LLC (each an affiliate of SL Green and Stanley C. Gale and collectively, the "SLG Sellers"), to acquire certain direct and indirect ownership interests in entities which own or control a portfolio of properties as described herein below.

Under the SLG Contribution Agreement, the Operating Partnership will acquire 100% of the ownership interests in three Class A office properties located in Northern New Jersey with an aggregate of 516,162 square feet (the "Wholly-Owned Properties"). The Wholly-Owned Properties will be acquired for consideration of approximately $106 million, consisting of the assumption of approximately $39.9 million of existing mortgage debt on the properties and the payment of approximately $66.1 million in cash.

In addition, the OP Subsidiary and the SLG Sellers will own all of the membership interests in Mack-Green-Gale LLC (the "Joint Venture"), which will own substantially all of and control certain entities that own:

1. ten Class A office properties located in Northern and Central New Jersey with an aggregate of approximately 1.4 million square feet (the "Class A Properties"); and

2. seven Class A office properties located in Northern and Central New Jersey with an aggregate of approximately 900,000 square feet (the "Class B Properties").

In accordance with the OP Subsidiary's membership interests in the Joint Venture, the OP Subsidiary's economic interest will represent approximately 95% of the Class A Properties and approximately 48% of the Class B Properties. It is anticipated that at the time of closing, five Class A Properties will be encumbered by mortgages aggregating approximately $99.4 million and all seven Class B Properties will be encumbered by mortgages aggregating approximately $102.5 million, including $90.3 million in mortgages to be obtained from an affiliate of the SLG Sellers. The Operating Partnership anticipates that it will fund approximately $185 million in cash at closing to acquire its membership interests in the Joint Venture. The Operating Partnership expects to fund its aggregate cash contributions of approximately $250 million in the property transactions primarily by drawing funds from its $600 million unsecured revolving credit facility.

The SLG Contribution Agreement is subject to numerous other customary undertakings, covenants, obligations and conditions. A copy of the SLG Contribution Agreement is filed herewith as Exhibit 10.2 and a copy of the Form of Amended and Restated Limited Liability Company Agreement of Mack-Green-Gale LLC is filed herewith as Exhibit 10.3.

In connection with the foregoing, the General Partner and the Operating Partnership hereby file the following documents:

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit No.	Description
10.1	Membership Interest Purchase and Contribution Agreement by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of March 7, 2006.
10.2	Contribution and Sale Agreement by and among Gale SLG NJ LLC, a Delaware limited liability company, Gale SLG NJ MEZZ LLC, a Delaware limited liability company, and Gale SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company and Mack-Cali Ventures L.L.C. dated as of March 7, 2006.
10.3	Form of Amended and Restated Limited Liability Company Agreement of Mack-Green-Gale LLC dated , 2006.
99.1	Press Release of Mack-Cali Realty Corporation dated March 13, 2006.

SIGNATURES

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

MACK-CALI REALTY CORPORATION

Dated: March 13, 2006

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

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation,
its general partner

Dated: March 13, 2006

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

EXHIBIT INDEX

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10.3	Form of Amended and Restated Limited Liability Company Agreement of Mack-Green-Gale LLC dated , 2006.
99.1	Press Release of Mack-Cali Realty Corporation dated March 13, 2006.

Exhibit 10.1

EXECUTION COPY

MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT

By and Among

MR. STANLEY C. GALE,

SCG HOLDING CORP.,

MACK-CALI REALTY ACQUISITION CORP.,

and

MACK-CALI REALTY L.P.

Dated as of March 7, 2006

TABLE OF CONTENTS

MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT (this "Agreement"), dated as of March 7, 2006, by and among Mr. Stanley C. Gale ("SG"), SCG Holding Corp., a Delaware corporation ("SCG" and together with SG, the "Sellers"), Mack-Cali Realty Acquisition Corp., a Delaware corporation, or its designee (the "Purchaser"), and Mack-Cali Realty, L.P., a Delaware limited partnership ("MCRLP").

WHEREAS, the Sellers own (i) all of the issued and outstanding membership interests or other ownership or beneficial interests (the "Gale Services Membership Interests") of The Gale Services Company, L.L.C., a Delaware limited liability company ("Gale Services") and (ii) all of the issued and outstanding membership interests or other ownership or beneficial interests (the "Gale Construction Membership Interests," and together with the Gale Services Membership Interests, the "Membership Interests") of The Gale Construction Services Company, L.L.C., a Delaware limited liability company ("Gale Construction," and together with Gale Services, the "Companies");

WHEREAS, the Companies are engaged in the Business; and

WHEREAS, the Sellers wish to dispose of the Membership Interests, and the Purchaser wishes to acquire Membership Interests in part as a contribution to the capital of MCRLP in consideration of the common units of limited partnership (the "O.P. Units") in MCRLP, and in part by purchase in consideration for cash.

NOW, THEREFORE, in consideration of the promises and the mutual agreements and covenants hereinafter set forth, and intending to be legally bound, the parties hereby agree as follows:

Article I

DEFINITIONS

Section 1.01. Certain Defined Terms. For purposes of this Agreement:

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

"Ancillary Agreements" means the agreements that are set forth on Schedule 1.01(a) attached hereto.

"AT&T Agreement" means that certain agreement attached hereto as Exhibit A.

"Assets" means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible and wherever situated), including the goodwill related thereto, operated, owned or leased by the Companies and the Subsidiaries, other than the Excluded Assets.

"Business" means real property management, construction management, facilities management, leasing and real estate brokerage services and any other service businesses currently conducted by the Companies and the Subsidiaries related thereto.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in The City of New York.

"Code" means the Internal Revenue Code of 1986, as amended through the date hereof.

"Control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

"Conveyance Taxes" means sales, use, excise, bulk sales, registration, documentary, value added, transfer, stamp, stock transfer, real property transfer, lease or gains and similar Taxes.

"Disclosure Schedule" means the Disclosure Schedule attached hereto, dated as of the date hereof, delivered by the Sellers to the Purchaser in connection with this Agreement.

"Due Diligence Expiration Date" means March 31, 2006.

"Encumbrance" means any security interest, pledge, charge, option, right, hypothecation, mortgage, lien, claim or other encumbrance, other than any licenses of Intellectual Property.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order, consent decree or judgment, in each case in effect as of the date hereof, relating to pollution or protection of the environment (including natural resources), or the protection of human health.

"Environmental Liability" means any claim, demand, order, suit, obligation, liability, cost (including the cost of any investigation, testing, compliance or remedial action), consequential damages, loss or expense (including reasonable and incurred attorney's and consultant's fees and expenses) arising out of, relating to or resulting from any Environmental Law or environmental, health or safety matter or condition, including natural resources, and related in any way to the Business, the Assets, the Membership Interests, the Companies or to this Agreement or its subject matter, in each case whether arising or incurred before, at or after the Closing.

"Environmental Permits" means any permit, approval, identification number, license and other authorization required under or issued pursuant to any applicable Environmental Law.

"Excluded Assets" means (i) Gale International and its subsidiaries (and their assets and properties), (ii) those assets and properties set forth in Section 1.01(b) of the Disclosure Schedule and (iii) those assets and properties identified as Excluded Assets pursuant to Section 5.11.

"Financial Statements Date" means December 31, 2005.

"GAAP" means United States generally accepted accounting principles and practices in effect for the year ended and as of December 31, 2005.

"Gale International" means Gale International L.L.C., a New York limited liability company.

"Governmental Authority" means any foreign, federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency, board, bureau, agency, instrumentality or commission or any court, tribunal, or judicial or arbitral body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Indemnified Party" means a Purchaser Indemnified Party or a Seller Indemnified Party, as the case may be.

"Indemnifying Party" means the Sellers pursuant to Section 8.02 and MCRLP and the Purchaser pursuant to Section 8.03, as the case may be.

"Intellectual Property" means all (a) patents and patent applications, (b) registered and unregistered trademarks, service marks, trade names, trade dress and registered domain names and domain name applications, together with the goodwill associated exclusively therewith, (c) copyrights, including, without limitation, copyrights in computer software, databases and websites, and (d) confidential and proprietary information, including trade secrets, formulae, inventions and know-how.

"IRS" means the Internal Revenue Service of the United States.

"Law" means any foreign, federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law) in effect as of the date hereof.

"Leased Real Property" means the Real Property leased or subleased by any of the Companies or the Subsidiaries, as tenant, together with, to the extent leased or subleased by the Companies or the Subsidiaries, and all fixtures, systems, equipment and items of personal property of the Companies or the Subsidiaries attached or appurtenant thereto used in connection with the operation of the Business.

"Liabilities" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including

those arising under any Law, Action or Governmental Order and those arising under any contract, agreement, arrangement, commitment or other undertaking.

"Material Adverse Effect" means any circumstance, change in or effect on the Companies or the Subsidiaries that is materially adverse to the results of operations or the financial condition of the Companies and the Subsidiaries, taken as a whole; provided, however, that none of the following, either alone or in combination, shall be considered in determining whether there has been a "Material Adverse Effect": (a) events, circumstances, changes or effects that generally affect the industries in which the Companies and the Subsidiaries operate (including legal and regulatory changes), (b) general economic or political conditions or events, circumstances, changes or effects affecting the securities markets generally, (c) changes arising from the consummation of the transactions contemplated by, or the announcement of the execution of, this Agreement or the transactions contemplated thereby, including (i) any actions of competitors; or (ii) any delays or cancellations of orders for services, (d) any reduction in the price of services offered by the Companies or the Subsidiaries in response to the reduction in price of comparable services offered by a competitor, (e) any circumstance, change or effect that results from any action taken pursuant to or in accordance with this Agreement or at the request of MCRLP or the Purchaser, and (f) changes caused by a material worsening of current conditions caused by acts of terrorism or war (whether or not declared) occurring after the date hereof.

"MCRC" means Mack-Cali Realty Corporation, a Maryland corporation and the general partner of MCRLP.

"Permitted Encumbrances" means (a) statutory liens for current Taxes not yet due or delinquent (or which may be paid without interest or penalties) or the validity or amount of which is being contested in good faith by appropriate proceedings, (b) mechanics', carriers', workers', repairers' and other similar liens arising or incurred in the ordinary course of business relating to obligations as to which there is no default on the part of the Companies or any Subsidiary or the validity or amount of which is being contested in good faith by appropriate proceedings, or pledges, deposits or other liens securing the performance of bids, trade contracts, leases or statutory obligations (including workers' compensation, unemployment insurance or other social security legislation), and (c) all Encumbrances that would not, in the aggregate, be material.

"Person" means any individual, partnership, firm, corporation, limited liability company, joint venture, limited public company, limited liability partnership, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act.

"Purchase Price Bank Account" means a bank account in the United States to be designated by the Sellers, in a written notice to the Purchaser at least five (5) Business Days before the Closing.

"Real Property" means all land, buildings, improvements and fixtures erected thereon and all appurtenances related thereto.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Sellers' Knowledge" or "Knowledge of the Sellers" (or similar terms used in this Agreement) means the knowledge of SG, Mark Yeager, Ronald Gentile, Steven Cusma, Ian Marlow and Thomas Walsh as of the date of this Agreement (or, with respect to a certificate delivered pursuant to this Agreement, as of the date of delivery of such certificate) without any implication of verification or investigation concerning such knowledge.

"Subsidiaries" means the subsidiaries of the Companies listed in Section 1.01(c) of the Disclosure Schedule, which Subsidiaries are not Excluded Assets.

"Tax" or "Taxes" mean all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment, unemployment compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

"Tax Returns" means any and all statements, returns, reports and forms (including elections, declarations, claims for refund, amendments, schedules, information returns or attachments thereto) filed or required to be filed with a Governmental Authority with respect to Taxes.

"Working Capital" means (a) cash, cash equivalents, accounts receivable (other than receivables due from the Sellers or any of their 90% or more owned Affiliates), vendor rebate receivables, inventory, prepaid expenses, and other tangible current assets less (b) all liabilities related to accrued but unused vacation daysand all other liabilities (other than accrued but unused sick days) which would be reflected on a consolidating balance sheet of the Reference Companies prepared in accordance with GAAP, in each case computed in accordance with GAAP applied in a manner consistent with the accounting principles, practices, policies and methodologies as the line items comprising Working Capital on the 2005 Balance Sheets; provided that such principles, practices, policies and methodologies are in accordance with GAAP.

"Working Capital Target" means $0.0.

Section 1.02. Definitions. The following terms have the meanings set forth in the Sections set forth below:

Definition	Location
"2004 Financial Statements"	3.06
"2004 Pro Forma Financial Statements"	5.20
"2005 Balance Sheets"	2.06(a)
"2005 Financial Statements"	3.06
"2006 Interim Financial Statements"	2.04(f)
"Agreement"	Preamble
"Allocation"	5.24(e)
"Alternative Proposal"	5.12
"Anti-Terrorism Laws"	3.26(b)
"Benefit Plans"	6.01
"Business"	Recitals
"Closing"	2.03
"Closing Date"	2.03
"Closing Cash Payment"	2.02(a)
"Closing Net Working Capital"	2.06(b)
"Closing O.P. Units"	2.02(a)
"Closing Statement of Working Capital"	2.06(b)
"COBRA"	3.14(h)
"Companies"	Recitals
"Company Employees"	6.01
"Company Permits"	3.10(b)
"Confidential Information"	5.03
"Confidentiality Agreement"	5.03
"Cut Off Date"	5.08(a)
"Designated Person"	3.26(b)
"Development Territory"	5.05(b)
"Earnout"	2.02(c)
"Effectiveness Time"	5.12(a)
"ERISA"	3.14(a)
"Executive Orders"	3.26(a)
"Filing Date"	5.12(a)
"Former AT&T Employees"	6.02
"Gale Construction"	Recitals
"Gale Construction Membership Interests"	Recitals
"Gale Intellectual Property"	3.12
"Gale Services"	Recitals
"Gale Services Membership Interests"	Recitals
"MCRLP Preferred Units"	4.03(b)
"Indemnification Threshold"	8.04(b)
"Independent Accounting Firm"	2.06(c)
"IP Licensee"	3.12
"IP Owner"	3.12
"Licensed Intellectual Property"	3.12

Definition	Location
"Loss" or "Losses"	8.02
"LP Agreement"	2.04(l)
"Material Contracts"	3.16(a)

"MCRC Common Stock"	4.03(a)
"MCRC Preferred Stock"	4.03(a)
"MCRLP"	Preamble
"Membership Interests"	Recitals
"Non-Portfolio Interest"	5.22
"Non-Portfolio Real Property Interest Purchase Agreements"	5.22
"OFAC"	3.26(b)
"OFAC Laws and Regulations"	3.26(b)
"O.P. Units"	Recitals
"Other Lists"	3.26(b)
"Patriot Act"	3.26(a)
"Plans"	3.14(a)
"Post-Closing Period"	5.24(c)
"Post-Closing Straddle Period"	5.24(a)
"Pre-Closing Period"	5.24(c)
"Pre-Closing Straddle Period"	5.24(a)
"Pre-Closing Tax Return"	5.24(a)
"Preliminary Statement of Working Capital"	2.06(a)
"Pro Rata Portion"	2.02(b)
"Proceeding"	5.24(b)
"Prohibited Person"	3.26(b)
"Purchase Price"	2.02(a)
"Purchaser"	Preamble
"Purchaser Indemnified Party"	8.02
"Purchaser Representatives"	5.02(a)
"Real Estate Agreement"	2.03
"Reference Companies"	2.04(f)
"Registrable Securities"	5.12(a)
"Registration Losses"	5.12(c)
"Registration Rights Agreement"	5.12
"REIT"	5.23
"Representatives"	5.03
"Restricted Period"	5.05(a)
"ROFO Notice"	5.08(b)
"ROFO Properties"	5.08(a)
"Sanofi Receivable"	5.11(b)
"SCG"	Preamble
"SDN List"	3.26(b)
"SEC Reports"	4.06(a)

Definition	Location
"SG"	Preamble
"Seller" or "Sellers"	Preamble
"Sellers' Representatives"	5.24(b)
"Seller Indemnified Party"	8.03
"Straddle Period"	5.24(a)
"Straddle Returns"	5.24(a)
"Tax Claim"	5.24(b)
"Territory"	5.05(a)
"Terrorism Executive Order"	3.26(a)
"Third Party Claim"	8.05(b)
"Transfer"	3.17(b)
"Transferred Leases"	5.07
"WARN"	3.14(g)

Section 1.03. Interpretation and Rules of Construction. In this Agreement, except to the extent otherwise provided or that the context otherwise requires:

(a) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated;

(b) the table of contents and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;

(c) whenever the words "include," "includes" or "including" are used in this Agreement, they are deemed to be followed by the words "without limitation" whether or not they are in fact followed by such word or words of similar import;

(d) the words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;

(e) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein;

(f) the definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms;

(g) references to a Person are also to its successors and permitted assigns;

(h) the use of "or" is not intended to be exclusive unless expressly indicated otherwise;

(i) references to "day" or "days" are to calendar days;

(j) whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders; and

(k) any reference in this Agreement to "writing" or comparable expressions includes a reference to facsimile transmission or comparable electronic (including e-mail) means of communication.

Article II

PURCHASE AND SALE

Section 2.01. Contribution, Purchase and Sale of the Membership Interests. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Sellers shall contribute, sell, assign, transfer and deliver to the Purchaser all of the Membership Interests, and the Purchaser shall, and MCRLP shall cause the Purchaser to, accept as a capital contribution and purchase from the Sellers all of the Membership Interests free and clear of all Encumbrances (other than such Encumbrances as may be created by actions of MCRLP or the Purchaser).

Section 2.02. Purchase Price.

(a) Subject to adjustment as set forth in Section 2.06, the purchase price to be paid in consideration for all of the Membership Interests shall be (x) an aggregate amount equal to Twenty Two Million Dollars ($22,000,000) (the "Purchase Price"), which shall consist of (i) Ten Million Dollars ($10,000,000) in the form of 224,719 O.P. Units (the "Closing O.P. Units"), and (ii) Twelve Million Dollars ($12,000,000) in cash (the "Closing Cash Payment") and (y) the additional purchase consideration contemplated by Section 2.02(c) below. The Closing O.P. Units shall be issued in consideration of the contribution of a portion of the Membership Interests to the capital of MCRLP, and the cash portion of the Purchase Price shall be paid in consideration of the sale of a portion of the Membership Interests to Purchaser.

(b) The Purchase Price will be payable ratably to the Sellers in accordance with their direct or indirect ownership percentage of Gale Services and Gale Construction immediately prior to the Closing, with each percentage amount being such Seller's "Pro Rata Portion", in each case as specified in Exhibit B. The Closing Cash Payment shall be made by wire transfer to the Purchase Price Bank Account. O.P. Unit Certificates in the form of Exhibit C representing the Closing O.P. Units shall be issued by MCRLP to Sellers on the Closing Date. The Sellers will subsequently allocate to the accounts of each of the Sellers their respective Pro Rata Portion of the Closing Cash Payment, if any, and distribute the O.P. Unit Certificates representing the Closing O.P. Units to the Sellers as specified in Exhibit B.

(c) As additional consideration for the Membership Interests, the Purchaser agrees to pay, and MCRLP agrees to cause the Purchaser to pay, an aggregate amount of up to Eighteen Million Dollars in cash ($18,000,000) (the "Earnout"), if any, determined in the manner set forth in Exhibit D hereto and payable at the times set forth therein. The Purchase Price shall be deemed to include and be increased by any amounts payable to Sellers pursuant to Exhibit D.

Section 2.03. Closing. Upon the terms of this Agreement and subject to the satisfaction or waiver of the conditions of this Agreement, the sale and purchase of the

Membership Interests contemplated by this Agreement shall take place at a Closing to be held at the offices of Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166, not earlier than 10:00 a.m. (New York City time) on the fifth (5^{th}) Business Day after the satisfaction or waiver of the conditions to the obligations of the parties hereto set forth in Section 7.01(b) and Section 7.02(b) or at such other place or at such other time or on such other date as the Sellers and the Purchaser may mutually agree upon in writing (the "Closing"). The date upon which the Closing occurs is referred to as the "Closing Date." Notwithstanding the foregoing, the parties shall cause the Closing to occur prior to or simultaneously with the consummation of the transactions contemplated by that certain Contribution and Sale Agreement by and among Gale SLG NJ LLC, a Delaware limited liability company, Gale SLG Ridgefield Mezz LLC, a Delaware limited liability company, Gale SLG NJ Mezz LLC, a Delaware limited liability company, and Mack-Cali Ventures L.L.C. (or its Affiliates) (the "Real Estate Agreement"), unless the Real Estate Agreement shall have been terminated prior to the Closing. In addition, notwithstanding anything to the contrary contained in this Agreement, if the parties to the Real Estate Agreement shall consummate the transactions contemplated by the Real Estate Agreement, unless this Agreement shall have been terminated prior to such consummation pursuant to the provisions of Article IX, MCRLP and the Purchaser shall automatically be deemed to have waived any and all conditions specified in Article VII and any and all rights to termination specified in Article IX and shall be required to consummate the transactions contemplated hereby as expeditiously as possible on the day of consummation of the transactions contemplated by the Real Estate Agreement; provided, however, the Purchaser shall retain any and all rights it shall otherwise have under this Agreement, including without limitation the Purchaser's rights and remedies under Article VIII.

Section 2.04. Closing Deliveries by the Sellers At or prior to the Closing, the Sellers shall deliver or cause to be delivered to the Purchaser:

(a) a duly executed Assignment of Membership Interests to Purchaser in the form attached hereto as Exhibit E, and such other instruments or documents reasonably satisfactory to the Purchaser and executed by the Sellers evidencing the transfer of the Membership Interests to the Purchaser and admission of the Purchaser as a member of each of the Companies;

(b) executed counterparts of any Ancillary Agreements as executed by the Sellers or any of the appropriate Companies, Subsidiaries or subsidiaries of the Sellers;

(c) a receipt to the Purchaser for the Purchase Price;

(d) a written resignation of each of the managers of the Companies and each of the Subsidiaries;

(e) a written release and waiver from SG;

(f) preliminary unaudited consolidating pro forma balance sheets and income statements for each of The Gale Company L.L.C., Gale Global Facility Services, L.L.C., Gale Services, Gale Construction and The Gale Construction Company, L.L.C. (collectively, the "Reference Companies") as of and for the period from January 1, 2006 to February 28, 2006 (the

"2006 Interim Financial Statements") (it being understood that any reference in this Agreement to the Reference Companies shall mean such entities without the Excluded Assets and after giving effect to the provisions of Section 5.11);

(g) a true and complete copy, certified by a duly authorized officer, of SCG, of the resolutions duly and validly adopted by the members of the board of directors of SCG evidencing its authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby;

(h) a certificate of a duly authorized officer of SCG certifying the names and signatures of the officer of SCG authorized to sign this Agreement and any Ancillary Agreements;

(i) a certificate of the Sellers certifying as to the matters set forth in Section 7.02(a) as of the Closing Date;

(j) a certificate signed by each Seller, or, if applicable, an officer or partner of such Seller in the form prescribed by Treasury Regulation Section 1445-2(b)(2) and annexed hereto as Exhibit G, to the effect that such Seller is not a "foreign person" as that term is defined in Section 1445(f)(3) of Code, in order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code;

(k) control over all organizational documents of the Companies and Subsidiaries, including, without limitation, limited liability company agreements, operating agreements, partnership agreements, and management agreements;

(l) counterpart signature pages to the Second Amended and Restated Agreement of Limited Partnership of MCRLP (the "LP Agreement"), executed by each of the Sellers;

(m) control over all books, records, financial statements, general ledgers, employee benefits plan documents, leases, real property management agreements, construction management agreements, leasing and real estate brokerage services agreements, files, statements, Tax Returns, market studies, plans, specifications, reports, tests and other materials of any kind owned by or in the possession of any Seller or any of the Companies which are used by any of the Companies in the conduct or operation of the Business;

(n) good standing certificates from each jurisdiction in which the Companies and each of the Subsidiaries are organized and such other jurisdictions in which the Companies and each of the Subsidiaries are qualified to conduct business and for which Sellers have received good standing certificates; and

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

Section 2.05. Closing Deliveries by the Purchaser. At the Closing, the Purchaser shall, and MCRLP shall cause the Purchaser to, deliver or cause to be delivered to the Sellers:

(a) certificates in the form attached hereto as Exhibit C representing the Closing O.P. Units allocated among the Sellers as set forth on Exhibit B hereto;

(b) the Closing Cash Payment by wire transfer in immediately available funds to the Purchase Price Bank Account by wire transfer in immediately available funds;

(c) executed counterparts of any Ancillary Agreements as executed by the Purchaser;

(d) a true and complete copy, certified by a duly authorized officer of each of MCRLP and the Purchaser, of the resolutions duly and validly adopted by the board of directors of each of MCRC, as the general partner of MCRLP, and the Purchaser evidencing its authorization of the execution and delivery of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby;

(e) a certificate of a duly authorized officer of each of MCRC, as the general partner of MCRLP, and the Purchaser certifying the names and signatures of the officer of each of MCRLP and the Purchaser authorized to sign this Agreement and the Ancillary Agreements and the other documents to be delivered hereunder and thereunder; and

(f) a certificate of a duly authorized officer of each of MCRC, as the general partner of MCRLP, and the Purchaser certifying as to the matters set forth in Section 7.01(a) as of the Closing Date.

Section 2.06. Post-Closing Adjustment of Purchase Price. The Purchase Price shall be subject to adjustment after the Closing as specified in this Section 2.06:

(a) Preliminary Statement of Working Capital. The Sellers shall deliver to the Purchaser, five (5) Business Days prior to Closing, an estimated consolidating statement of Working Capital of the Reference Companies as of the Closing Date (the "Preliminary Statement of Working Capital"), which shall be prepared in accordance with the accounting principles, practices, policies and methodologies of the balance sheets of the Reference Companies included in the 2005 Financial Statements, provided that such principles, practices, policies and methodologies are in accordance with GAAP (the "2005 Balance Sheets"). The Preliminary Closing Statement of Working Capital shall set forth the estimated Working Capital of the Reference Companies as of the Closing Date, provided, that the Preliminary Statement of Working Capital and the Closing Statement of Working Capital shall include a reserve of 1.5% against all receivables included therein.

(b) Closing Statement of Working Capital. Within ninety (90) days following the Closing Date, Purchaser shall deliver to the Sellers an unaudited consolidating statement of Working Capital of the Reference Companies as of the Closing Date (the "Closing Statement of Working Capital") prepared in accordance with the accounting principles, practices, policies and methodologies of the 2005 Balance Sheets, provided that such principles, practices, policies and methodologies are in accordance with GAAP. The Closing Statement of Working Capital shall set forth the Net Working Capital of the Reference Companies as of the Closing Date (the "Closing Net Working Capital"), provided, that the Preliminary Statement of Working Capital

and the Closing Statement of Working Capital shall include a reserve of 1.5% against all receivables included therein.

(c) Disputes. (i) Subject to clause (ii) of this Section 2.06(c), the Closing Statement of Working Capital delivered by the Purchaser to the Sellers shall be final, binding and conclusive on the parties hereto.

(ii) The Sellers shall have the right to dispute any amounts reflected on the Closing Statement of Working Capital, but only on the basis that the amounts reflected on the Closing Statement of Working Capital were not calculated in accordance with the accounting principles, practices, policies and methodologies of the 2005 Balance Sheets or were arrived at based on mathematical or clerical error; provided, however, that the Sellers shall have notified Purchaser in writing of each disputed item, specifying the estimated amount thereof in dispute and setting forth, in reasonable detail, the basis for such dispute, within fifteen (15) Business Days of the delivery of the Closing Statement of Working Capital to the Sellers. The Purchaser shall provide to the Sellers and their designated independent public accountants access to such of the Company's records that were delivered to Purchaser prior to or at the Closing, as well as any other records as may reasonably be required for the review of the Closing Statement of Working Capital. In the event of such a dispute, the Sellers and the Purchaser and their respective independent public accountants shall attempt to reconcile their differences, and any resolution by them as to any disputed amounts shall be final, binding and conclusive on the parties hereto. If the Sellers and the Purchaser are unable to reach a resolution with such effect within thirty (30) days after the receipt of the Sellers' written notice of dispute, the Sellers and the Purchaser shall submit the items remaining in dispute for resolution to KPMG, LLP or another independent public accounting firm of national reputation mutually acceptable to Purchaser and Sellers, provided, that neither Purchaser, MCRLP or Sellers have had a prior relationship with such firm (such accounting firm being referred to herein as the "Independent Accounting Firm"), which Independent Accounting Firm shall, within sixty (60) days after such submission, determine and report (in a written, reasoned manner) to the Sellers and the Purchaser upon such remaining disputed items, and such report shall be final, binding and conclusive on the Sellers and the Purchaser. The fees and disbursements of the Independent Accounting Firm shall be shared equally between the Sellers, on the one hand, and the Purchaser, on the other hand.

In acting under this Agreement, the Independent Accounting Firm shall be entitled to the privileges and immunities of arbitrators.

(d) Purchase Price Adjustment. The Closing Statement of Working Capital shall be deemed final and binding for the purposes of this Section 2.06 upon the earliest of (i) the failure of the Sellers to notify the Purchaser of a dispute within fifteen (15) Business Days of the Purchaser's delivery of the Closing Statement of Working Capital to the Sellers, (ii) the resolution of all disputes, pursuant to Section 2.06(c)(ii), by the Sellers and the Purchaser, and (iii) the resolution of all disputes, pursuant to Section 2.06(c)(ii), by the Independent Accounting Firm. Within five (5) Business Days of the Closing Statement of Working Capital being deemed final and binding, a Purchase Price adjustment shall be made as follows:

(A) In the event that the Working Capital Target exceeds the Closing Net Working Capital reflected on the final Closing Statement of Working Capital,

then the Purchase Price shall be adjusted downward in an amount equal to such excess and the Sellers, jointly and severally, shall pay the amount of such excess to the Purchaser by wire transfer in immediately available funds; or

(B) In the event that the Closing Net Working Capital reflected on the final Closing Statement of Working Capital exceeds the Working Capital Target, then the Purchase Price shall be adjusted upward in an amount equal to such excess and the Purchaser shall pay the amount of such excess to the Sellers by wire transfer in immediately available funds.

(e) Interest on Payments. Any payments required to be made pursuant to Section 2.06(c) shall bear interest from the date of the Closing through the date of payment at the prime rate of interest published by Citibank, N.A. (or any successor thereto) from time to time as its reference prime rate from the date of the Closing to the date of each payment.

Article III
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each of the Sellers hereby, jointly and severally, represents and warrants to the Purchaser, as of the date hereof or, if a representation or warranty is made as of a specified date, as of such date, as follows (it being expressly understood and agreed that the Sellers' representations and warranties, individually and in their entirety, exclude any representations and warranties whatsoever relating to the Excluded Assets):

Section 3.01. Organization, Authority and Qualification of the Sellers; Companies.

(a) SCG (i) is duly organized and validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and (ii) has all necessary power and authority to enter into this Agreement and the Ancillary Agreements to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Agreements to which it is a party by SCG, the performance of its obligations hereunder and thereunder and the consummation by SCG of the transactions contemplated hereby and thereby, have been duly authorized by all requisite action on the part of SCG and no other action by SCG is necessary to authorize the transactions contemplated hereby or thereby or to consummate such transactions.

(b) Each of the Companies (i) is duly organized and validly existing as a limited liability company and is in good standing under the laws of its jurisdiction of organization, (ii) has all necessary power and authority to own, operate or lease the properties and assets owned, operated or leased by such company and to carry on its business as it has been and is currently conducted by such company and (iii) is duly licensed or qualified to do business and is in good standing in each jurisdiction set forth in Section 3.01(b) of the Disclosure Schedule. In addition, none of the Companies owes any franchise, property or other similar entity level taxes in any jurisdiction in which such Company conducts any business.

(c) This Agreement has been, and upon its execution and the execution of the applicable Ancillary Agreements shall be, duly executed and delivered by each Seller, and (assuming due authorization, execution and delivery by the other parties thereto) this Agreement constitutes, and upon its execution each of the applicable Ancillary Agreements shall constitute, a legal, valid and binding obligation of each Seller, enforceable against such Seller in accordance with its respective terms.

Section 3.02. Subsidiaries.

(a) Section 1.01(c) of the Disclosure Schedule sets forth a true and complete list of all Subsidiaries of the Companies (other than the Excluded Assets), the authorized capital stock or other ownership interests of each Subsidiary and the holders thereof. Other than the Subsidiaries and the Excluded Assets, there are no other corporations, partnerships, limited liability companies, joint ventures, associations or other entities in which the Companies or any of their Subsidiaries own, of record or beneficially, any direct or indirect equity or other interest or any right (contingent or otherwise) to acquire the same. Other than the Subsidiaries, neither Gale Services, Gale Construction nor any of their Subsidiaries is a member of (nor is any part of the Business conducted through) any partnership, joint venture or similar arrangement nor is Gale Services, Gale Construction nor any of their Subsidiaries a participant in any partnership, joint venture or similar arrangement.

(b) Each Subsidiary that is a corporation (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has all necessary power and authority to own, operate or lease the properties and assets owned, operated or leased by such Subsidiary and to carry on its business as it has been and is currently conducted by such Subsidiary and (iii) is duly licensed or qualified to do business and is in good standing in each jurisdiction set forth in Section 3.02(b) of the Disclosure Schedule, except as otherwise indicated thereon. In addition, no Subsidiary that is a corporation owes any franchise, property or other similar corporate

level taxes in any jurisdiction in which such Subsidiary conducts any business.

(c) Each Subsidiary that is a partnership or limited liability company (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has all necessary power and authority to own, operate or lease the properties and assets owned, operated or leased by such Subsidiary and to carry on its business as it has been and is currently conducted by such Subsidiary and (iii) is duly licensed or qualified to do business and is in good standing in each jurisdiction set forth in Section 3.02(c) of the Disclosure Schedule, except as otherwise indicated thereon. In addition, no Subsidiary that is a partnership or limited liability company owes any franchise, property or other similar entity level taxes in any jurisdiction in which such Subsidiary conducts any business.

Section 3.03. Ownership of the Membership Interests and Subsidiaries.

(a) As of the date hereof, the Sellers have good and marketable title to, and are the lawful record and beneficial owners of, 100% of the Membership Interests, free and clear of all Encumbrances, and the Membership Interests represent all of the beneficial, voting, management, contingent, economic interest and other right, title and interest in and to the Companies.

(b) With respect to the Membership Interests, there are no (i) outstanding ownership interests in Gale Services and Gale Construction other than the Membership Interests owned and held by the Sellers, (ii) securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which the Sellers or their respective affiliates is a party or by which any of the foregoing is bound, which obligate the Sellers or their respective affiliates to issue, create, deliver and/or provide additional ownership interests in Gale Services and Gale Construction or (iii) arrangements or undertakings which obligate the Sellers or their respective affiliates to issue, grant, extend or enter into any security, option, warrant, call, right, commitment, agreement, arrangement or other undertaking with respect to the Companies or the Membership Interests. No person or entity has any voting or management rights with respect to the Companies other than the Sellers as set forth in and subject to the Companies' organizational documents.

(c) Other than as set forth on Section 3.03(c) of the Disclosure Schedule, the Companies own 100%, free and clear of all Encumbrances, directly or indirectly, of, and have sole voting and dispositive power with respect to, all of the ownership interests of each of the Subsidiaries, and there are no (i) outstanding ownership interests in any Subsidiary other than the ownership interests owned and held by the Companies, (ii) securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which the Companies are a party or by which any of the foregoing is bound, which obligate the Companies to issue, create, deliver and/or provide additional ownership interests in any Subsidiary or (iii) arrangements or undertakings which obligate the Companies to issue, grant, extend or enter into any security, option, warrant, call, right, commitment, agreement, arrangement or other undertaking with respect to any Subsidiary. No person or entity has any voting or management rights with respect to the Subsidiaries other than the Companies as set forth in and subject to the Subsidiaries' organizational documents.

Section 3.04. No Conflict. Assuming that all consents, approvals, authorizations and other actions described in Section 3.05 have been obtained, all filings and notifications listed in Section 3.05 of the Disclosure Schedule have been made and except as may result from any facts or circumstances relating solely to MCRLP or the Purchaser, the execution, delivery and performance of this Agreement and the Ancillary Agreements by the Sellers do not and will not (a) violate, conflict with or result in the breach of the certificate of incorporation, bylaws, trust or certificate of organization, operating agreement, shareholder agreement, partnership agreement, or management agreement (or similar organizational documents) of the Sellers, Gale Services, Gale Construction or the Subsidiaries, (b) conflict with or violate, in any material respect, any Law or Governmental Order applicable to the Sellers, Gale Services, Gale Construction or the Subsidiaries, and (c) except as set forth in Section 3.04 of the Disclosure Schedule, violate, conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give others rights of termination, modification, acceleration or cancellation of, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which any of the Sellers, the Companies or any Subsidiary is a party, except, in the case of clause (c), other than with respect to the Material Contracts, for violations, failures to file, obtain or notify or breaches, conflicts, defaults, or liens which would not have a Material Adverse Effect.

Section 3.05. Governmental Consents and Approvals. Except as set forth in Section 3.05 of the Disclosure Schedule, the execution, delivery and performance of this Agreement and the Ancillary Agreements by the Sellers and the consummation of the transactions contemplated hereby and thereby do not and will not require any material consent, approval, permit, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except as may be necessary as a result of any facts or circumstances relating solely to MCRLP, the Purchaser or any of their Affiliates.

Section 3.06. Financial Information. The Sellers have heretofore furnished the Purchaser with true and complete copies of the audited consolidating financial statements as of and for the fiscal year ended December 31, 2004 for The Gale Company L.L.C. (the "2004 Financial Statements"). Section 3.06 of the Disclosure Schedules sets forth preliminary unaudited consolidating pro forma balance sheets and income statements for each of the Reference Companies as of and for the fiscal year ended as of December 31, 2005 (the "2005 Financial Statements"). The 2004 Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby and present fairly, in all material respects, the financial condition of The Gale Company L.L.C. as of such dates and the results of operations for The Gale Company L.L.C. as of the dates thereof or the periods covered thereby. The 2006 Interim Financial Statements when delivered shall be prepared in accordance with the books and records of the Reference Companies, but lack footnotes and other presentation items required under GAAP and are subject to further review and adjustment. The 2005 Financial Statements have been prepared in accordance with GAAP (except that they lack footnotes and other presentation items required under GAAP) applied on a consistent basis throughout the periods covered thereby and present fairly, in all material respects, the financial condition of the Reference Companies as of such dates and the results of operations for the Reference Companies as of the dates thereof or the periods covered thereby.

Section 3.07. Absence of Undisclosed Liabilities. There are no Liabilities of the Companies and the Subsidiaries of any nature required to be reflected on a balance sheet prepared in accordance with GAAP or disclosed in a footnote thereto, other than Liabilities (a) reflected on or reserved against on the 2005 Financial Statements, (b) set forth in the Disclosure Schedules, (c) incurred since the Financial Statements Date in the ordinary course of business consistent with past practices and which would not have a Material Adverse Effect.

Section 3.08. Conduct in the Ordinary Course. Since the Financial Statements Date, except as set forth in Section 3.08 of the Disclosure Schedule, the Business has been conducted in the ordinary course and there has not occurred any Material Adverse Effect and none of the Companies or the Subsidiaries has taken any action (or failed to take any action) that, if taken after the date hereof, would constitute a violation of Section 5.01.

Section 3.09. Litigation. Except as set forth in Section 3.09 of the Disclosure Schedule, as of February 15, 2006 (such Section 3.09 of the Disclosure Schedule to be updated five (5) Business Days prior to the Closing Date), there is no Action by or against Gale Services, Gale Construction or the Subsidiaries or the Business pending before any Governmental Authority, or, to the Sellers' Knowledge, threatened.

Section 3.10. Compliance with Laws. Except as set forth in Section 3.10 of the Disclosure Schedule and as would not (i) adversely affect the ability of the Sellers to carry out their obligations under, and to consummate the transactions contemplated by, this Agreement or (ii) otherwise have a Material Adverse Effect, each of Gale Services, Gale Construction and the Subsidiaries has conducted the Business in accordance with all applicable Laws and Governmental Orders and none of Gale Services, Gale Construction or the Subsidiaries are in violation of any such Law or Governmental Order.

Section 3.11. Environmental Matters.

(a) Except as disclosed in Section 3.11(a) of the Disclosure Schedule or as would not have a Material Adverse Effect, (i) each of Gale Services, Gale Construction and the Subsidiaries are in material compliance with all applicable Environmental Laws and has obtained and is in material compliance with all Environmental Permits, (ii) there are no written claims pursuant to any Environmental Law pending or, to the Sellers' Knowledge, threatened, against Gale Services, Gale Construction or the Subsidiaries, and (iii) the Sellers have provided the Purchaser with copies of any and all (A) environmental reports submitted to any Governmental Authority, (B) any orders, directives or no further action letters received from any Governmental Authority relating to any Environmental Laws, and (C) any environmental assessment or audit reports or other similar studies or analyses generated within the last three (3) years and in the possession or control of the Sellers, Gale Services or Gale Construction, that relate to the Business.

(b) Each of MCRLP and the Purchaser acknowledges that other than the representations and warranties contained in Section 3.09, (i) the representations and warranties contained in this Section 3.11 are the only representations and warranties being made with respect to compliance with or liability under Environmental Laws or with respect to any environmental, health or safety matter, including natural resources, related in any way to the Business, or to this Agreement or its subject matter and (ii) no other representation contained in this Agreement shall apply to any such matters and no other representation or warranty, express or implied, is being made with respect thereto.

Section 3.12. Intellectual Property. Except as would not have a Material Adverse Effect or as set forth on Section 3.12 of the Disclosure Schedule (a) the conduct of the Business as currently conducted does not infringe upon or misappropriate the Intellectual Property rights of any third party, and no claim has been asserted to the Sellers, the Companies or the Subsidiaries that the conduct of the Business as currently conducted infringes upon or may infringe upon or misappropriates the Intellectual Property rights of any third party; (b) with respect to each item of Intellectual Property owned by the Companies or the Subsidiaries (each, an "IP Owner") which is material to the Business as currently conducted and is identified in Section 3.12 of the Disclosure Schedule ("Gale Intellectual Property"), the IP Owner is the owner of the entire right, title and interest in and to such Gale Intellectual Property and is entitled to use such Gale Intellectual Property in the continued operation of the Business; (c) with respect to each item of Intellectual Property licensed to Gale Services, Gale Construction or the Subsidiaries (each, an "IP Licensee") that is material to the Business as currently conducted ("Licensed Intellectual Property"), and is identified in Section 3.12 of the Disclosure Schedule, the IP Licensee has the right to use such Licensed Intellectual Property in the continued

operation of the Business in accordance with the terms of the license agreement governing such Licensed Intellectual Property; (d) the Gale Intellectual Property is valid and enforceable, and has not been adjudged invalid or unenforceable in whole or in part; (e) to the Sellers' Knowledge, no person is engaging in any activity that infringes upon the Gale Intellectual Property; (f) to the Sellers' Knowledge, each license of the Licensed Intellectual Property is valid and enforceable, is binding on all parties to such license, and is in full force and effect; (g) Sellers are not in breach of, or default under, any license of the Licensed Intellectual Property and have not received written notice of any breach or default thereof; (h) to the Sellers' Knowledge, no licensor of any license of the Licensed Intellectual Property is in breach thereof or default thereunder; and (i) neither the execution of this Agreement nor the consummation of any transaction shall adversely affect any of Gale Services, Gale Construction or any Subsidiary's material rights with respect to the Gale Intellectual Property or the Licensed Intellectual Property.

Section 3.13. Owned and Leased Real Property.

(a) None of the Companies nor any of the Subsidiaries owns any Real Property.

(b) Section 3.13(b) of the Disclosure Schedule lists the street address of each parcel of Leased Real Property and the identity of the lessor, lessee and current occupant (if different from lessee) of each such parcel of Leased Real Property. Except as described in Section 3.13(b) of the Disclosure Schedule, (i) the Sellers have delivered to the Purchaser true and complete copies of the leases in effect at the date hereof relating to the Leased Real Property, (ii) Sellers have received no written notice of a breach or default of any such lease (which have not been cured), and (iii) there has not been any sublease or assignment entered into by the Companies or any Subsidiary in respect of the leases relating to the Leased Real Property. Other than as set forth on Section 3.13(b) of the Disclosure Schedule, there has been no breach or default of any lease identified in Section 3.13(b) of the Disclosure Schedule, except for such breaches or defaults that would not have a Material Adverse Effect.

Section 3.14. Employee Benefit Matters.

(a) Section 3.14(a) of the Disclosure Schedule lists (i) all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance or other benefit plans, programs or arrangements, and all employment, termination, severance or other contracts or agreements, to which the Companies or the Subsidiaries are a party, have any liability, contingent or otherwise, have any obligation or which are maintained, contributed to or sponsored by the Companies or any of the Subsidiaries for the benefit of any current or former employee, officer or director of Gale Services, Gale Construction or any of the Subsidiaries, (ii) each employee benefit plan for which the Companies or any of the Subsidiaries could incur liability under Section 4069 of ERISA in the event such plan has been or were to be terminated, (iii) any plan in respect of which the Companies or any of the Subsidiaries could incur liability under Section 4212(c) of ERISA and (iv) any contracts, arrangements or understandings between the Companies, any of the Subsidiaries and any of their employees (collectively, the "Plans").

The Sellers have made available to the Purchaser a true and complete copy of each Plan and all amendments, summary plan descriptions, and each summary of material modifications and the most recent IRS determination letter relating thereto. Neither the Companies nor the Subsidiaries have taken action, or have any express or implied commitment to take action (i) to create, or incur any material liability with respect to or cause to exist any other material employee benefit plan, program or arrangements (ii) to enter into any material contract or agreement to provide compensation or benefits to any officer or director, or (iii) to modify, change or terminate any Plan in any material respect, other than with respect to a modification, change or termination required by ERISA or the Code.

(b) Each Plan has been operated in all material respects in accordance with its terms and the requirements of all applicable Laws. Each of the Companies and the Subsidiaries has performed all material obligations required to be performed by it under, is not in any material respect in default under or in material violation of, and the Sellers have no Knowledge of any material default or violation by any party to, any Plan. No Action is pending or, to the Sellers' Knowledge, threatened with respect to any Plan (other than claims for benefits in the ordinary course) and, to the Sellers' Knowledge, no fact or event exists that could give rise to any such Action.

(c) Except as set forth on Section 3.14 of the Disclosure Schedule, neither Gale Services, Gale Construction nor the Subsidiaries have ever maintained or contributed to a defined benefit pension plan subject to the provisions of Title IV of ERISA. Neither Gale Services, Gale Construction or any of the Subsidiaries has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than liability for premiums of the Pension Benefit Guaranty Corporation arising in the ordinary course), including, without limitation, any liability in connection with (i) the termination or reorganization of any employee benefit plan subject to Title IV of ERISA

or (ii) the withdrawal from any multiemployer plan within the meaning of Section 3 (37) or 4001 (a)(3) of ERISA, or from any single employer plan (within the meaning of Section 4001 (a)(15) of ERISA) for which any of such entities could incur liability under section 4063 or 4064 of ERISA. None of the transactions contemplated by this Agreement shall give rise to a complete or partial withdrawal within the meaning of Section 4203 and 4205 of ERISA, respectively.

(d) Each Plan that is intended to be qualified under Section 401(a) of the Code or Section 401(k) of the Code has timely received a favorable determination letter from the IRS covering all of the provisions applicable to the Plan for which determination letters are currently available that the Plan is so qualified and each trust established in connection with any Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code has received a determination letter from the IRS that it is so exempt, and no fact or event has occurred since the date of such determination letter or letters from the IRS to adversely affect the qualified status of any such Plan or the exempt status of any such trust.

(e) Neither Gale Services, Gale Construction nor the Subsidiaries has ever maintained a retiree medical program for their employees or former employees.

(f) No Plan provides that any director or officer or other employee of Gale Services, Gale Construction or the Subsidiaries will become entitled to any retirement, severance

or similar benefit or enhanced or accelerated benefit solely as a result of the transactions contemplated hereby or as the result of any termination of employment in connection with such transactions; and such transactions will not result in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code.

(g) Gale Services, Gale Construction and the Subsidiaries are each in compliance with the requirements of the Workers Adjustment and Retraining Notification Act ("WARN") and have no liabilities pursuant to WARN.

(h) Each Plan that is an employee welfare benefit plan complies and has complied with the continuation coverage ("COBRA") requirements of Section 4980B of the Code to the extent such Section is applicable to such Plan.

(i) Section 6.02 of the Disclosure Schedule is a true, correct and complete list of all of the employees which are subject to the AT&T Agreement.

Section 3.15. Taxes. Except as set forth on Section 3.15 of the Disclosure Schedule:

(a) Each of the Companies and each of the Subsidiaries has timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it, and all such Tax Returns are true, complete and accurate in all material respects. All Taxes shown to be due on such Tax Returns, or otherwise owed, have been timely paid. Each of the Companies and each of the Subsidiaries has withheld or collected and has paid over to the appropriate taxing authority (or is properly holding for payment to such taxing authority) all Taxes required by law to be withheld or collected.

(b) No Tax Return of the Companies or any Subsidiary has been examined or audited by any taxing authority or is currently being examined or audited by any taxing authority or is the subject of a pending examination. All assessments for Taxes due with respect to any completed or settled examinations or any concluded litigation relating to such Tax Returns have been fully paid. None of the Companies or the Subsidiaries have entered into or has been the subject of a closing agreement with any taxing authority with respect to Taxes.

(c) There are no liens for Taxes (other than for current Taxes not yet due and payable) on the assets of the Companies or the Subsidiaries. None of the Companies or any Subsidiaries are bound by or subject to any tax sharing, allocation or similar agreement or any indemnification or reimbursement agreement with respect to Taxes.

(d) Each of the Companies and the Subsidiaries have at all times been classified and treated as a partnership or disregarded entity and not as an association taxable as a corporation for federal income tax purposes in each state and local jurisdiction in which it files Tax Returns.

(e) None of the Companies nor the Subsidiaries are subject to any private letter ruling of the IRS or comparable rulings of another taxing authority.

(f) None of the Sellers is a foreign person within the meaning of Section 1445 of the Code or any other laws requiring withholding of amounts paid to foreign persons.

(g) No agreement or waiver extending any statute of limitations on or extending the period for the assessment or collection of any Tax has been executed or filed on behalf of or with respect to the Companies or any Subsidiaries. No power of attorney on behalf of the Companies or the Subsidiaries with respect to any Tax matter is currently in place.

(h) None of the Companies or the Subsidiaries (i) has "participated" in a "reportable transaction" or "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4 or (ii) has taken any reporting position on a Tax Return, which reporting position (1) if not sustained, would be reasonably likely, absent disclosure, to give rise to a penalty for substantial understatement of U.S. federal income Tax under Section 6662 of the Code (or any predecessor statute or any corresponding provision of any such statute or state, local or foreign Tax law), and (2) has not adequately been disclosed on such Tax Return in accordance with Section 6662(d)(2)(B) of the Code (or corresponding provision of any such predecessor statute or state, local or foreign Tax law).

(i) None of the Companies or the Subsidiaries or any other Person on behalf of and with respect to any Company or any Subsidiary has (i) agreed to or is required to make any adjustments pursuant to Section 481(a) of the Code or any similar provision of state, local or foreign law by reason of a change in accounting method initiated by the Companies or the Subsidiaries, and, to the Sellers' Knowledge, the IRS has not proposed any such adjustment or change in accounting method, or (ii) any application pending with any taxing authority requesting permission for any change in accounting method that relates to the business or operations of the Companies or the Subsidiaries or (iii) executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to the Companies or the Subsidiaries; and

(j) None of the Companies or the Subsidiaries is or has been a member of a consolidated, combined or unitary group for which any Company or any Subsidiary for which such Company or Subsidiary is or may be liable pursuant to Treasury Regulations Section 1.1502-6(a) or any analogous or similar state, local or foreign law or regulation.

Section 3.16. Contracts.

(a) Section 3.16(a) of the Disclosure Schedule contains a true and complete list of each of the following contracts and agreements of the Companies and the Subsidiaries (such contracts and agreements being "Material Contracts"):

(i) all property management contracts, facility management contracts and construction management contracts with owners of properties where the Companies and the Subsidiaries conduct the Business;

(ii) all contracts and agreements relating to indebtedness for borrowed money, including all capital leases;

(iii) all contracts and agreements that limit or purport to limit the ability of Gale Services, Gale Construction or any of the Subsidiaries to compete in any line of business or with any Person or in any geographic area or during any period of time;

(iv) all other contracts and agreements which are material to the Business; and

(v) all contracts, agreements and obligations between or among any of SG, Mark Yeager, Ronald Gentile, Steven Cusma, Ian Marlow, Thomas Walsh, the Sellers, the Companies, the Subsidiaries and any of their respective Affiliates.

(b) Except as disclosed in Section 3.16(b) of the Disclosure Schedule, each Material Contract (i) was entered into in the ordinary course of business and (ii) is valid and binding on the Companies or the Subsidiaries, as the case may be, and, to the Sellers' Knowledge, the counterparties thereto, is in full force and effect and (iii) upon consummation of the transactions contemplated by this Agreement, except to the extent that any consents set forth in Section 3.04 of the Disclosure Schedule are not obtained, shall continue in full force and effect without penalty or other adverse consequence. Except as disclosed in Section 3.16(b) of the Disclosure Schedule, none of the Companies or the Subsidiaries or, to Seller's Knowledge, by any other party thereto, are in breach of, or default under, any Material Contract, except for such breaches or defaults that would not have a Material Adverse Effect. The Companies and Subsidiaries are not restricted by any agreement from carrying on the Business in any geographic location. There are no negotiations pending or in progress to revise any Material Contract in any material respect, other than change orders, changes in scope, or other changes in the ordinary course of business with respect to construction management agreements.

(c) The Sellers have provided the Purchaser with true, accurate and complete copies of all Material Contracts.

Section 3.17. Securities Matters. Each Seller:

(a) acknowledges that its representations and warranties contained herein are being relied upon by the Purchaser and MCRLP as a basis for the exemption of the issuance of the O.P. Units hereunder from the registration requirements of the Securities Act and any applicable state securities laws;

(b) is acquiring the O.P. Units solely for its/his own account for the purpose of investment and not as a nominee or agent for any other person and not with a view to, or for offer or sale in connection with, any distribution of any thereof that would require registration under the Securities Act or applicable state securities laws or would otherwise violate the Securities Act or state securities laws. Each such Seller further agrees and acknowledges that it is not permitted to offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of ("Transfer") any of the O.P. Units except as provided in this Agreement, the LP Agreement and Section 5.12;

(c) is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on transfer described in this Agreement and the LP

Agreement, and is able to bear the economic risk of holding the O.P. Units for an indefinite period and is able to afford the complete loss of its investment in the O.P. Units;

(d) has received and reviewed the LP Agreement and had the opportunity to review the documents filed by MCRLP under the Securities Exchange Act, and all registration statements and related prospectuses and supplements filed by MCRLP and declared effective under the Securities Act and has been given the opportunity to obtain any additional information or documents and to ask questions and receive answers about such documents, as well as MCRLP and the business and prospects of MCRLP which such Seller deems necessary to evaluate the merits and risks related to its investment in the O.P. Units;

(e) acknowledges that it has been advised that (i) the Closing O.P. Units must be held indefinitely, and such Seller will continue to bear the economic risk of the investment in the O.P. Units, unless the Contributor Units are redeemed pursuant to the LP Agreement, this Agreement or are subsequently Transferred or registered under the Securities Act or an exemption from such registration is available, (ii) it is not anticipated that there will be any public market for the O.P. Units at anytime, (iii) Rule 144 promulgated under the Securities Act may not be available with respect to the sale of any securities of MCRLP (and that upon redemption of the O.P. Units in MCRLP for shares of MCRC Common Stock a new holding period under Rule 144 may commence), and MCRLP has made no covenant, and makes no covenant, to make Rule 144 available with respect to the sale of any securities of MCRLP, (iv) a restrictive legend as set forth in paragraph (h) below shall be placed on the certificates representing the O.P. Units, and (v) a notation shall be made in the appropriate records of MCRLP indicating that the O.P. Units are subject to restrictions on Transfer;

(f) acknowledges that: (i) the redemption of O.P. Units for, at the option of MCRLP acting through MCRC, shares of MCRC Common Stock is subject to certain restrictions contained in the LP Agreement; and (ii) the shares of said common stock which may be received upon such a redemption may, under certain circumstances, be restricted securities and be subject to limitations as to Transfer, and therefore subject to the risks referred to in subsection (b) above. Notwithstanding anything herein or in the LP Agreement to the contrary, each Seller hereby acknowledges and agrees that it may not exercise the Redemption Rights (as defined in the LP Agreement) until after the date which is three (3) years from the Closing Date;

(g) is an "accredited investor" pursuant to Rule 501(a) of Regulation D under the Securities Act by reason of the fact that it is an entity in which all of the equity owners are "accredited investors"; and

(h) understands that the O.P. Units will bear the following legend (or a substantially similar legend):

"THE UNITS REPRESENTED BY THIS CERTIFICATE OR INSTRUMENT MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF THE SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP DATED AS OF DECEMBER 11, 1997 (A COPY OF WHICH IS

ON FILE WITH MCRLP), AS AMENDED, AND THAT CERTAIN MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT BY AND AMONG MR. STANLEY C. GALE, SCG HOLDING CORP., MACK-CALI ACQUISITION CORP. AND MCRLP DATED AS OF MARCH 7, 2006 (A COPY OF WHICH IS ON

FILE WITH MCRLP; THE "PURCHASE AGREEMENT"). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENTS, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR (B) IF MCRLP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER. IN ADDITION, THE UNITS ARE SUBJECT TO THE PROVISIONS OF SECTION 5.17 OF THE PURCHASE AGREEMENT."

Section 3.18. Brokers. Except as set forth on Section 3.18 of the Disclosure Schedule, no agent, broker, Person, firm, finder or investment banker acting on behalf of the Sellers, the Companies or the Subsidiaries is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Sellers.

Section 3.19. Labor Matters. Except as set forth on Section 3.19 of the Disclosure Schedule, neither Gale Services, Gale Construction nor any of the Subsidiaries are subject to any collective bargaining or other labor agreement, and to Sellers' Knowledge, there are no union organization efforts underway among the employees of such entities. There are no strikes, slowdowns or work stoppages pending, or, to the Sellers' Knowledge, threatened between any of them and any of their respective employees, and none of such entities has experienced any such strike, slowdown or work stoppage within the past three years. None of Gale Services, Gale Construction or any of the Subsidiaries has breached in any material respect or otherwise failed to comply with the provisions of any collective bargaining or union contract and there are no written grievances outstanding against any of such entities under any such agreement or contract. The Companies and each of the Subsidiaries are in material compliance with all applicable federal, state and local laws (including common law) respecting employment practices, labor, terms and conditions of employment and wages and hours and the payment and withholding of taxes, and to the knowledge of each of the same, there are no suits, actions, disputes, claims (other than routine claims for benefits), investigations, charges or audits pending or threatened relating to discrimination in employment or employment practices.

Section 3.20. Organization Documents. Sellers have heretofore provided Purchaser with full access to true, complete and correct copies of the organizational documents of each SCG, the Companies and the Subsidiaries, including, without limitation, certificates of incorporation, by-laws, operating agreements, limited liability company agreements and management agreements, and all such documents are in full force and effect, except where such failure to be in full force and effect would not have a Material Adverse Effect (except with respect to PW/MS OP Sub III, LLC where all such documents are in full force and effect). None

of SCG, the Companies or the Subsidiaries are in violation, in any material respect, of any provision of its respective organizational documents.

Section 3.21. Insurance.

(a) Section 3.21(a) of the Disclosure Schedule sets forth all insurance policies maintained by the Companies and the Subsidiaries with respect to the Business. To Sellers' Knowledge, all material assets, properties and risks of the Business are covered by valid and, except for policies that have expired under their terms in the ordinary course, currently effective insurance policies or binders of insurance (including, without limitation, general liability insurance, property insurance and workers compensation insurance) issued in favor of the Companies or the Subsidiaries.

(b) Except as would not have a Material Adverse Effect or set forth on Section 3.21(b) of the Disclosure Schedules, with respect to each insurance policy of the Companies and Subsidiaries: (i) the policy is legal, valid, binding and enforceable in accordance with its terms and, except for policies that have expired under their terms in the ordinary course, is in full force and effect; (ii) none of the Companies or Subsidiaries is in breach or default (including any breach or default with respect to the payment of premiums or the giving of notice), and no event has occurred which, with notice or the lapse of time, would constitute such a breach or default or permit termination or modification, under the policy; (iii) no party to the policy has repudiated, or given notice of an intent to repudiate, any provision thereof; and (iv) there is no claim pending under any policy as to which coverage has been denied or disputed by the insurer.

(c) All insurance policies listed in Section 3.21(a) of the Disclosure Schedule are outstanding and duly in force as of the date hereof.

Section 3.22. Accounts Receivable. Section 3.22 of the Disclosure Schedule contains a true, correct and complete list of all accounts receivables of the Companies and the Subsidiaries as of January 31, 2006. All accounts receivable of the Companies and the Subsidiaries are bona fide and have arisen in the ordinary course of business in arms length transactions for goods actually sold and services actually performed or to be performed. The Sellers have available in records copies of invoices (or other appropriate evidence of such accounts receivable) with respect to all such accounts receivable.

Section 3.23. Disclosure. The representations and warranties and the statements and information contained in this Agreement, the Ancillary Documents, each other document (including the financial statements, exhibits and schedules), certificates or other writings furnished or to be furnished by the Sellers to the Purchaser and/or MCRLP pursuant to the provisions hereof and in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact and, when taken together, do not omit to state a material fact required to be stated therein or necessary in order to make such statements not misleading in light of the circumstances under which they were made.

Section 3.24. Bank Accounts. Section 3.24 of the Disclosure Schedule attached hereto contains a true, correct and complete list of all bank accounts maintained in the name of,

or for the benefit for any of the Sellers, the Companies or the Subsidiaries relating to the Business.

Section 3.25. Assets. The Assets constitute all of the assets and properties that are necessary for the conduct of the Business as currently conducted by the Companies and the Subsidiaries and immediately after the Closing, the Purchaser shall continue to be able to conduct the Business in the same manner as conducted by the Companies and the Subsidiaries prior to the Closing Date. The Assets, other than the Excluded Assets of the Companies and the Subsidiaries, are all the Assets utilized in obtaining the financial results set forth in the 2005 Financial Statements.

Section 3.26. OFAC.

(a) No Seller, or any Affiliate of any of the Sellers, the Companies or the Subsidiaries, is subject to sanctions of the United States government or in violation of any Laws relating to terrorism or money laundering, including, without limitation, Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) (the "Terrorism Executive Order") or a Person similarly designated under any related enabling legislation or any other similar Executive Orders (collectively with the Terrorism Executive Order, the "Executive Orders"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "Patriot Act"), any sanctions and regulations promulgated under authority granted by the Trading with the Enemy Act, 50 U.S.C. App. 1-44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101-513; United Nations Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa-9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001-10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, as amended from time to time, and The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106-120, as amended from time to time.

(b) No Seller, or any Affiliate of any of the Sellers, the Companies or the Subsidiaries, is (i) listed on the Specially Designated Nationals and Blocked Persons List (the "SDN List") maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or on any other similar list ("Other Lists" and, collectively with the SDN List, the "Lists") maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (ii) a Person (a "Designated Person") either (A) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (B) designated under Sections 1(a), 1(b), 1(c) or 1(d) of the Terrorism Executive Order or a Person similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "Executive Orders"), including a "Prohibited Person". The OFAC Laws and Regulations and the Executive Orders are collectively referred to as the "Anti-Terrorism Laws". "Prohibited Person" is defined as follows:

(i) a person or entity that is listed in the Annex to the Terrorism Executive Order, or is otherwise subject to the provisions of the Terrorism Executive Order or any other Executive Order;

(ii) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to the Terrorism Executive Order, or is otherwise subject to the provisions of the Terrorism Executive Order or any other Executive Order;

(iii) a person or entity with whom any Property Owner is prohibited from dealing or otherwise engaging in any transaction by any terrorism or anti-money laundering Law, including the Terrorism Executive Order, any other Executive Order and the Patriot Act;

(iv) a person or entity who commits, threatens or conspires to commit or supports "terrorism" as defined in the Terrorism Executive Order or any other Executive Order; or

(v) (a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website, http://www.treas.gov/ofac/tllsdn.pdf or any replacement website or other replacement official publication of such list.

(c) Sellers have required, and have taken all reasonable measures to ensure compliance with the requirement that no Affiliate of any of the Companies or Subsidiaries is on any Lists, be a Designated Person, or be in violation of any Laws, including any OFAC Laws and Regulations.

(d) No Seller, or any Affiliate of any of the Sellers, the Companies or the Subsidiaries, has (i) conducted any business or engaged in making or receiving any contribution of funds, goods or services to or for the benefit of any Designated Person, (ii) dealt in, or otherwise engaged in, any transaction relating to any property or interest in property blocked pursuant to any Executive Order or the Patriot Act, or (iii) engaged in or conspired to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Executive Order or the Patriot Act.

Article IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER AND MCRLP

The Purchaser and MCRLP hereby represent and warrant to the Sellers as follows:

Section 4.01. Organization and Authority of MCRLP and the Purchaser.

(a) The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. MCRLP is a limited partnership, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Each of the Purchaser and MCRLP has all necessary power and authority to enter into this Agreement and the Ancillary Agreements to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The Purchaser and MCRLP are each duly licensed or

qualified to do business and in good standing in each jurisdiction which the properties owned or leased by it or the operation of its business make such licensing or qualification necessary, except to the extent that the failure to be so licensed, qualified or in good standing would not adversely affect the ability of the Purchaser or MCRLP to carry out their obligations under, and to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements. MCRC is the sole general partner of MCRLP.

(b) The execution and delivery by each of the Purchaser and MCRLP of this Agreement and the Ancillary Agreements to which it is a party, the performance of their obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby by the Purchaser and MCRLP have been duly authorized by all requisite corporate or partnership action on the part of the Purchaser and MCRLP, as applicable.

(c) This Agreement has been, and upon its execution by each of Purchaser and MCRLP of the applicable Ancillary Agreements shall be, duly executed and delivered by the Purchaser and MCRLP, and (assuming due authorization, execution and delivery by the other parties thereto) this Agreement constitutes, and upon its execution and the execution of the applicable Ancillary Agreements shall constitute, the legal, valid and binding obligations of the Purchaser and MCRLP, enforceable against each of them in accordance with its terms.

Section 4.02. Certificate of Incorporation and By-Laws. (a) Purchaser has heretofore furnished to the Sellers a complete and correct copy of the certificate of incorporation and the by-laws of Purchaser, as amended to date. Such certificate of incorporation and by-laws are in full force and effect and Purchaser is not in violation of any material provision of its certificate of incorporation or by-laws.

(a) MCRLP has heretofore furnished to the Sellers a complete and correct copy of its Certificate of Limited Partnership and the LP Agreement as amended to date. Such Certificate of Limited Partnership and LP Agreement are in full force and effect and MCRLP is not in violation of any material provision of its Certificate of Limited Partnership or the LP Agreement.

Section 4.03. Capitalization.

(a) The authorized capital stock of MCRC consists of (i) 190,000,000 shares of common stock, par value $.01 per share ("MCRC Common Stock") and (ii) 5,000,000 shares of preferred stock, par value $.01 per share ("MCRC Preferred Stock"). As of February 28, 2006, (i) 62,151,122 shares of MCRC Common Stock were issued and outstanding, all of which were validly issued, fully paid and non-assessable, (ii) no shares of MCRC Common Stock were held in the treasury of MCRC, (iii) no shares of MCRC Common Stock were held by subsidiaries of MCRC and (iv) 27,315,628 shares of MCRC Common Stock were reserved for future issuance pursuant to equity compensation awards or pursuant to the redemption provisions of the LP Agreement. As of February 28, 2006, 10,000 shares of MCRC Preferred Stock were issued

and outstanding.

(b) As of February 28, 2006, (i) 10,000 series C preferred units of limited partnership interest of MCRLP were issued and outstanding, all of which were validly issued,

fully paid and non-assessable, and (ii) 15,592,773 O.P. Units were issued and outstanding, all of which were validly issued, fully paid and non-assessable. As of February 28, 2006, MCRC owned 79.9% of the outstanding units of limited partnership of MCRLP.

(c) The O.P. Units to be issued pursuant to and in accordance with Section 2.02 hereof shall be duly authorized, validly issued, fully paid and non-assessable, and shall be issued free and clear of all Encumbrances (other than restrictions of any kind set forth in the LP Agreement and in this Agreement). Upon execution and delivery of counterpart signature pages to the LP Agreement, each of the Sellers shall be entitled to all of the rights, privileges and preferences of a limited partner in MCRLP with respect to the O.P. Units issued to such Seller.

Section 4.04. No Conflict. The execution, delivery and performance by each of the Purchaser and MCRLP of this Agreement and the execution, delivery and performance by each of the Purchaser and MCRLP of the Ancillary Agreements to which it is a party do not and will not (i) violate, conflict with or result in the breach of any provision of the certificate of incorporation or bylaws, partnership agreement, certificate of limited partnership (or similar organizational documents) of the Purchaser and MCRLP, (ii) conflict with or violate any Law or Governmental Order applicable to the Purchaser or MCRLP or any of their respective assets, properties or businesses, or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which the Purchaser or MCRLP is a party or by which any property or asset of the Purchaser or MCRLP is bound or affected, except, in the case of clauses (b) and (c), as would not materially and adversely affect the ability of the Purchaser or MCRLP to carry out their obligations under, and to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements.

Section 4.05. Governmental Consents and Approvals. The execution, delivery and performance by the Purchaser, MCRLP of this Agreement and the Ancillary Agreements do not and will not require any consent, approval, authorization or other order of, action by, filing with, or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser or MCRLP of the transactions contemplated by this Agreement.

Section 4.06. SEC Filings. MCRLP has filed all forms, reports and documents required to be filed with the SEC since December 31, 2003 (collectively, the "SEC Reports"). The SEC Reports (i) were prepared in accordance with either the requirements of the Securities Act or the Securities Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, and (ii) did not, at the time they were filed, or, if amended, as of the date of such amendment, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Section 4.07. Form S-3 Eligibility. MCRLP, through MCRC, is currently eligible to register the Registrable Securities on a registration statement on Form S-3 under the Securities Act. There exist no facts or circumstances that would prohibit or delay the preparation and filing of a registration statement on Form S-3 with respect to the Registrable Securities within the time periods referred to herein.

Section 4.08. Litigation. No action by or against MCRLP or the Purchaser is pending or, to the knowledge of MCRLP or the Purchaser, threatened, which could affect the legality, validity or enforceability of this Agreement, any Ancillary Agreement or the consummation of the transactions contemplated hereby or thereby.

Section 4.09. Brokers. No agent, broker, Person, firm, finder or investment banker acting on behalf of the Purchaser or MCRLP is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser.

Section 4.10. Independent Investigation; Representations. Each of MCRLP and the Purchaser has conducted or shall conduct its own independent investigation, review and analysis of the operations, the Assets, Liabilities, results of operations, financial condition, software, technology and prospects of the Business, which investigation, review and analysis was done by each of MCRLP and the Purchaser and its Affiliates and representatives. In entering into this Agreement, each of MCRLP and the Purchaser acknowledges that it has relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of the Sellers or its representatives, except the specific representations and warranties of the Sellers set forth in Article III and the Disclosure Schedule hereto. Each of the Purchaser and MCRLP hereby acknowledge and agree that (a) other than the representations and warranties made in Article III, none of the Sellers, the Companies, the Subsidiaries, their Affiliates, or any of their respective officers, directors, employees or representatives make or have made any representation or warranty, express or implied, at law or in equity, with respect to the Companies, the Subsidiaries, the Membership Interests or the Business, including as to (i) merchantability or fitness for any particular use or purpose, (ii) the operation of the Business by the Purchaser after the Closing, or (iii) the probable success or profitability of the Business after the Closing and (b) other than the indemnification obligations of the Sellers set forth in Article VIII, none of the Sellers, the Companies, the Subsidiaries, their Affiliates, or any of their respective officers, directors, employees or representatives will have or be subject to any Liability or indemnification obligation to the Purchaser, MCRLP or to any other Person resulting from the distribution to MCRLP or the Purchaser, its Affiliates or representatives of, or the their use of, any information relating to the Business, including any information, documents or material made available to MCRLP or the Purchaser, whether orally or in writing, in data rooms, management presentations, break-out discussions, responses to questions submitted on behalf of MCRLP or the Purchaser or in any other form in expectation of the transactions contemplated by this Agreement.

Article V

ADDITIONAL AGREEMENTS

Section 5.01. Conduct of Business Prior to the Closing. The Sellers covenant and agree that, except as described in Section 5.01 of the Disclosure Schedule or as provided by Sections 5.07 and 5.11 below, between the date hereof and the Closing, the Sellers shall cause each of Gale Services, Gale Construction and the Subsidiaries to (A) conduct its operations and the Business in the ordinary course in all material respects (B) use its reasonable efforts to preserve intact in all material respects their respective business organizations and the business organization of Gale Services, Gale Construction and the Subsidiaries and (C) use its reasonable efforts to preserve for the Purchaser the relationships of Gale Services, Gale Construction and the Subsidiaries with their respective customers, suppliers, managers, employees, tenants and others having on-going relationships with any of Gale Services, Gale Construction and the Subsidiaries. Except as described in Section 5.01 of the Disclosure Schedule or as

provided by Sections 5.07 and 5.11 below, the Sellers covenant and agree that, between the date hereof and the Closing, without the prior written consent of the Purchaser, Gale Services, Gale Construction and the Subsidiaries will not:

(a) (i) issue or sell any equity interests (partnership, membership or otherwise), notes, bonds or other securities (or any option, warrant or other right to acquire the same), (ii) redeem any of its equity interests, or (iii) declare, make or pay any dividends or distributions to the holders of equity interests, other than cash dividends, distributions and redemptions declared, made or paid by the Companies or the Subsidiaries to the Sellers;

(b) incur or assume any liabilities, obligations or indebtedness for borrowed money or guarantee any such liabilities, obligations or indebtedness, other than in the ordinary course of business and consistent with past practice; provided that in no event shall any such indebtedness obligate the Purchaser at any time;

(c) amend or restate the certificate of formation or operating agreement (or similar organizational documents) of the Companies or any of the Subsidiaries;

(d) enter into any contract, or take any action to extend the term of any contract, that is not terminable on 30 days' or less notice, in each case if such contract survives Closing, other than in the ordinary course of business and consistent with past practice; provided that in no event shall any contract or agreement which would, if entered into prior to the date hereof, be a "Material Contract" be entered into or extended following the Due Diligence Expiration Date;

(e) permit, allow or suffer any Assets to become subjected to any Encumbrance, other than Permitted Encumbrances;

(f) cancel any indebtedness or waive any claims or rights of value;

(g) except for intercompany transactions in the ordinary course of business, pay, loan or advance any amount to, or sell, transfer or lease any of its assets to, or enter into any

agreement or arrangement with, any Seller or any of affiliates of Sellers, the Companies or the Subsidiaries, in each instance which survive Closing;

(h) grant or announce any increase in the salaries, bonuses or other benefits payable by the Companies or the Subsidiaries to any of the employees of the Companies or the Subsidiaries, other than as required by Law, pursuant to any Plans, programs or agreements existing on the date hereof or other ordinary increases consistent with the past practices of the Companies or the Subsidiaries;

(i) change any method of accounting or accounting practice or policy used by the Companies or the Subsidiaries, other than such changes required by GAAP;

(j) fail to exercise any rights of renewal with respect to any material Leased Real Property that by its terms would otherwise expire;

(k) settle or compromise any material claims of the Companies or the Subsidiaries, other than in the ordinary course of business;

(l) change any policies, practices or procedures with respect to credit, billing and/or collection with respect to customers or payments with respect to vendors/subcontractors; or

(m) agree to take any of the actions specified in Sections 5.01(a)-(l), except as contemplated by this Agreement.

Section 5.02. Access to Information.

(a) From the date hereof until the Closing, upon reasonable notice, the Sellers shall cause Gale Services, Gale Construction, the Subsidiaries and each of its officers, directors, employees, agents, representatives, accountants and counsel to (i) afford the Purchaser and its officers, directors, employees, agents, representatives, accountants and counsel (collectively, the "Purchaser Representatives") with reasonable access to all of the offices, properties and books and records of Gale Services, Gale Construction and the Subsidiaries and (ii) furnish to the Purchaser Representatives such additional financial and operating data and other information regarding Gale Services, Gale Construction, the Subsidiaries or the Business (or copies thereof) as the Purchaser may from time to time reasonably request; provided, however, that any such access or furnishing of information shall be conducted at the Purchaser's sole expense, during normal business hours, under the supervision of the Company's personnel and in such a manner as not to interfere with the normal operations of the Companies, the Subsidiaries or the Business.

(b) In order to facilitate the resolution of any claims made against or incurred by the Sellers relating to the Business, for a period of seven (7) years after the Closing or, if shorter, the applicable period specified in the Purchaser's document retention policy, the Purchaser shall (i) retain the books and records relating to the Business, Gale Services, Gale Construction and the Subsidiaries relating to periods prior to the Closing and (ii) upon reasonable notice, afford the officers, employees, agents and representatives of the Sellers reasonable access (including the right to make, at the Sellers expense, photocopies), during normal business hours, to such books and records; provided, however, that the Purchaser shall notify the Sellers at least thirty (30) days in advance of destroying any such books and records prior to the seventh

anniversary of the Closing in order to provide the Sellers the opportunity to access such books and records in accordance with this Section 5.02(b).

Section 5.03. Confidentiality.

(a) The parties hereto acknowledge and agree that all customer, prospect, and marketing lists, sales data, Intellectual Property, proprietary information, trade secrets, and other confidential information of Gale Services, Gale Construction or any Subsidiary (collectively, "Confidential Information") (i) are valuable, special and unique assets of the Companies and the Subsidiaries and (ii) are, and following the Closing, will continue to be owned exclusively by the Companies or the Subsidiaries, as the case may be. Each party hereto agrees to, and agrees to use reasonable best efforts to cause its directors, officers, employees, partners, Affiliates, advisors and other representatives ("Representatives") to, treat the Confidential Information, together with any other confidential information furnished to the Sellers, Gale Services, Gale Construction or the Subsidiaries by the Purchaser, on the one hand, or to Purchaser by the Sellers, Gale Services, Gale Construction or any of the Subsidiaries, on the other hand, as confidential and not to make use of such information for its own purposes other than in connection with the transactions contemplated hereby or for the benefit of any other Person (other than the Companies and the Subsidiaries and after the Closing, the Purchaser). Without limiting the generality of the foregoing and except as provided in Section 10.03 hereof, the parties expressly acknowledge and agree that the material terms of this Agreement (including, without limitation, the Purchase Price) constitute Confidential Information, and, in any event, unless otherwise publicly disclosed by the Purchaser, each party hereby agrees not to, and agrees to use reasonable best efforts to cause its Representatives not to, disclose such terms to any Person, except to the extent required by Law, in which case the non-disclosing parties will be given as much advance notice as reasonably possible with respect to the nature of such required disclosure. To the extent the terms in this Section 5.03 conflict with the confidentiality provisions of that certain confidentiality agreement dated as of February 17, 2006, by and between the Sellers and the Purchaser (the "Confidentiality Agreement"), the terms of this Section 5.03 shall supersede the conflicting terms in the Confidentiality Agreement. Notwithstanding anything to the contrary contained herein, the obligations of the

Purchaser pursuant to this Section 5.03 shall terminate upon the Closing and the term Confidential Information does not include information which (A) is or becomes generally available to the public other than as a result of a disclosure by any of the parties hereto or their respective Representatives, (B) was available on a non-confidential basis prior to its disclosure, or (C) becomes available on a non-confidential basis from a source, other than any of the parties hereto or their respective Representatives, not known to be bound by confidentiality obligations with respect to such information.

(b) Prior to the Closing, the Sellers shall not disclose to any third party any information that is not public information concerning the Purchaser and MCRLP or any transaction or potential transaction the Seller may become aware of involving the Purchaser and MCRLP without prior written consent of the Purchaser and MCRLP.

Section 5.04. Regulatory and Other Authorizations; Notices and Consents.

(a) Each of the parties to this Agreement shall use all reasonable efforts to promptly obtain all authorizations, consents, orders and approvals of all Governmental Authorities and other third parties that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement and will cooperate fully with one another in promptly seeking to obtain all such authorizations, consents, orders and approvals. None of the Sellers or the Companies shall be required to pay any fees or other payments in excess of $100,000 in the aggregate to any Governmental Authorities or other third parties in order to obtain any such authorization, consent, order or approval.

(b) Except as provided in Section 10.03, each party to this Agreement shall promptly notify the other party of any communication it or any of its Affiliates receives from, or sends to, any Governmental Authority relating to the matters that are the subject of this Agreement and permit, to the extent practicable, the other party to review in advance any proposed communication by such party to any Governmental Authority.

Section 5.05. Non-Competition; Non-Solicitation.

(a) For a period of four (4) years after the Closing (the "Restricted Period"), the Sellers shall not (and shall cause their respective Affiliates not to), in the Territory, engage, directly or indirectly, in the Business or, without prior written consent of the Purchaser, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any Person engaged in the Business in the Territory; provided, however, that for the purposes of this Section 5.05, ownership of securities having no more than 4.99% of the outstanding voting power of any competitor which are listed on any national securities exchange shall not be deemed to be in violation of this Section 5.05 as long as the Person owning such securities has no other connection or relationship with such competitor. For purposes of this Section 5.05, "Territory" means worldwide, other than Boston, Massachusetts, New York County, New York and the continent of Asia.

(b) During the Restricted Period, the Sellers shall not (and shall cause their respective Affiliates not to), in the Development Territory, engage, directly or indirectly, in the business of developing real property or, without prior written consent of the Purchaser, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any Person engaged in the business of developing real property in the Development Territory; provided, however, that for the purposes of this Section 5.05(b), ownership of securities having no more than 4.99% of the outstanding voting power of any competitor which are listed on any national securities exchange shall not be deemed to be in violation of this Section 5.05(b) as long as the Person owning such securities has no other connection or relationship with such competitor. For purposes of this Section 5.05, "Development Territory" means the State of New Jersey and the counties listed on Section 5.05(b) of the Disclosure Schedule.

(c) During the Restricted Period, Sellers shall not hire or attempt to hire any Person who is, or was at any time six (6) months prior to the Closing Date, employed by or associated with the Companies or the Subsidiaries as an executive, officer, employee, manager,

salesman, consultant, independent contractor, representative or other agent to engage in the Business in the Territory. Notwithstanding the foregoing, if, after the date hereof, a Person is terminated by the Companies or the Subsidiaries, then, the Sellers may freely employ such Person.

(d) If, at the time of the enforcement of this Section 5.05, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under the circumstances then existing, each of the Sellers and the Purchaser agree that it is the intention of the parties hereto that such provision should be enforceable to the maximum extent permissible under applicable Law.

(e) Each of the Sellers acknowledge that the covenant of the Sellers set forth in this Section 5.05 are an essential element of this Agreement and that, but for the agreement of the Sellers to comply with the covenant, the Purchaser would not have entered into this Agreement. Each of the Sellers acknowledge that this Section 5.05 constitutes an independent covenant that shall not be affected by the performance or nonperformance of any other provision of this Agreement by the Purchaser. Each of the Sellers has independently consulted with its counsel and after such consultation agrees that the covenants set forth in this Section 5.05 are reasonable and proper.

Section 5.06. Property Management Retention. For a period of four (4) years after the Closing, each of the Sellers shall, and shall cause its Affiliates and all joint ventures in which it or its Affiliates have a controlling interest, to retain, on customary and reasonable terms as agreed to by the Sellers and the Purchaser, the Purchaser and its successors to manage the commercial office properties in the State of New Jersey identified in Section 5.06 of the Disclosure Schedule attached hereto which are owned or controlled by the Sellers, their Affiliates or such joint ventures, unless existing written agreements with such a joint venture partner expressly provide for the retention of an alternate manager or otherwise prohibit such retention. In those instances in which either of the Sellers or its Affiliates do not have such controlling interest, each of the Sellers shall use its commercially reasonable efforts to have Purchaser retained, on customary and reasonable terms as agreed to by the Sellers and the Purchaser, as manager in the State of New Jersey.

Section 5.07. Office Leases. Prior to the Closing, the parties shall identify those office leases to which any of the Companies or any Subsidiary is a party, but the office space which is the subject of such lease is being used by an Affiliate of the Sellers which is not one of the Companies or the Subsidiaries (collectively, the "Transferred Leases"). The parties acknowledge and agree that the leases listed in Section 5.07 of the Disclosure Schedule shall be included in the Transferred Leases. Prior to the Closing, the parties shall use all reasonable efforts to make appropriate arrangements for the Affiliates of the Sellers currently using the office space which is the subject of the Transferred Leases to continue be able to use such office space in accordance with the terms of the Transferred Leases following the Closing. Such arrangement may consist of, among other things, an assignment of a Transferred Lease or, if the landlord under such a Transferred Lease refuses to consent to such an assignment, then a sublease of the office space on the same terms as the Transferred Lease.

Section 5.08. Right of First Offer.

(a) If, at any time prior to the fourth anniversary of the Closing (the "Cut Off Date"), an investment opportunity comes to the attention of the Sellers to acquire the real properties located at 500 and 600 Hills Drive, Bedminster, New Jersey (the "ROFO Properties"), the Sellers shall grant to the Purchaser or its designated Affiliate an irrevocable right of first offer to participate in such acquisition on an equal basis with the Sellers.

(b) In such instance, the Sellers shall give written notice (the "ROFO Notice") to the Purchaser regarding the acquisition opportunity for the ROFO Properties and shall describe all the material business terms of the opportunity. Within thirty (30) calendar days of its receipt of the ROFO Notice, the Purchaser may elect to exercise its right of first offer to participate in the acquisition of the ROFO Properties by delivering to the Sellers its written acceptance of the right of first offer, which acceptance shall set forth its intent to pursue a participation in the acquisition of the ROFO Properties. In the event such written acceptance shall not be received by the Sellers within such ten (10) Business Day acceptance period, to the extent the ROFO Properties remain available for purchase, the Sellers may solicit or offer the participation in the acquisition of the ROFO Properties to a third party, or may otherwise elect to pursue such acquisition without the participation of Purchaser.

(c) The Sellers hereby further agree to use their commercially reasonable efforts to grant to the Purchaser or its designated Affiliate at any time prior to the Cut Off Date, a right of first offer to participate on a pro rata basis with the Sellers or their Affiliates in an investment in such future office development or other purchase opportunities as the Sellers or their Affiliates shall identify from time to time, except in those instances when the Sellers reasonably believe that such an offer would interfere with the Sellers' institutional relationships.

The parties acknowledge that, notwithstanding the foregoing, the provisions of this Section 5.08 are not intended to, and shall not alter Sellers' obligations under Section 5.05.

Section 5.09. Use of the Gale Name. After the Closing, neither Sellers nor any of Sellers' subsidiaries or Affiliates shall use the names or marks "Gale," "Gale Service Companies," "Gale Real Estate Services" or any derivative thereof reasonably likely to be confused with the names of Gale Services, Gale Construction or any of the Subsidiaries for commercial purposes. Notwithstanding the foregoing, Sellers shall be permitted to use the names "Gale Investments", "Gale International", "The Gale Company" (but only to the extent and in the locations currently used by SG in Asia and without further promoting the use of such name), "Gale Holdings" (outside the Territory only), "Daniel Gale" and names derived from or including such names.

Section 5.10. Stanley C. Gale. For a period of three (3) years after the Closing, SG shall serve as an advisor for the Purchaser's real property service company on the terms set forth on Exhibit F hereto. Prior to the Closing, SG and the Purchaser hereby agree that they shall negotiate in good faith to enter into a consulting agreement containing the terms set forth on Exhibit F hereto.

Section 5.11. Excluded Assets.

(a) Prior to the Closing, the Sellers shall cause Gale Services to distribute to the Sellers (or an Affiliate of the Sellers other than the Companies and the Subsidiaries) all of the issued and outstanding membership interests of Gale International.

(b) The parties hereby agree that the receivable from Sanofi-Aventis in the amount of approximately $5,400,000 ("Sanofi Receivable") shall be an Excluded Asset. The Purchaser and MCRLP shall use their commercially reasonable efforts to collect the Sanofi Receivable on behalf of the Sellers and to promptly pay any amounts collected with respect to the Sanofi Receivable to the Sellers promptly following such collection. The Purchaser and MCRLP shall be entitled to deduct from any payment made to the Sellers any commissions payable to employees of the Companies or the Subsidiaries in connection with the Sanofi Receivable.

(c) The parties recognize that certain assets and properties of the Companies and the Subsidiaries, including those listed in Section 1.01(b) of the Disclosure Schedule, are not currently intended to be used in the Business, but, instead, are intended to be retained by the Sellers and their Affiliates following the Closing. The parties further agree that all of such assets and properties are included in the Excluded Assets. In that regard, prior to the Closing and for a period of one (1) year following the Closing, the parties agree to use all reasonable efforts (i) to identify all Excluded Assets held by the Companies and the Subsidiaries and (ii) to cause the Companies and the Subsidiaries to assign, transfer and convey to the Sellers (or Affiliates of the Sellers other than the Companies and the Subsidiaries), without consideration or other payment therefor, all Excluded Assets as they are so identified. To the extent any Excluded Assets were included in the determination of Working Capital on the Closing Statement of Working Capital, the Sellers shall pay to the Purchaser, or the Purchaser shall pay to the Sellers, as the case may be, in consideration therefor, the amount by which the Working Capital was increased or decreased, as the case may be, due to such inclusion of such Excluded Assets in the determination of Working Capital on the Closing Statement of Working Capital.

(d) Furthermore, the parties recognize that certain assets and properties of the Sellers which are intended to be used in the Business may be held by the Sellers or one of their Affiliates. The parties further agree that all of such assets and properties are included in the Assets. In that regard, prior to the Closing and for a period of one (1) year following the Closing, the parties agree (i) to use all reasonable efforts to identify all Assets held by the Sellers or any of their Affiliates and (ii) to cause the Sellers or any of their Affiliates to assign, transfer and convey to the Companies or the Subsidiaries (or Affiliates of the Companies and the Subsidiaries other than the Sellers), without consideration or other payment therefor, all Assets as they are so identified. To the extent any such Assets were excluded in the determination of Working Capital on the Closing Statement of Working Capital, the Sellers shall pay to the Purchaser, or the Purchaser shall pay to the Sellers, as the case may be, in consideration therefor, the amount by which the Working Capital was increased or decreased, as the case may be, due to such exclusion of such Assets in the determination of Working Capital on the Closing Statement of Working Capital.

Section 5.12. Registration Rights.

(a) On or about one (1) year from the Closing Date (the "Filing Date"), MCRLP shall, acting through MCRC, at its expense, register with the SEC on a Registration Statement on Form S-3 (except if MCRC is not then eligible to register for resale the MCRC Common Stock on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith), at its election and in its sole discretion either (i) the initial issuance of shares of MCRC Common Stock into which the O.P. Units may be converted on or after the third anniversary of the Closing Date, as a primary offering on a shelf registration statement pursuant to Rule 415 under the Securities Act, or (ii) the public resale of MCRC Common Stock into which the O.P. Units may be converted on or after the third anniversary of the Closing Date, as a secondary offering on a resale shelf registration statement pursuant to Rule 415 under the Securities Act (the "Registrable Securities"). MCRLP shall, acting through MCRC, cause such Registration Statement to be effective as soon as practicable. If MCRLP elects option (ii), it shall, at its expense, use its best efforts to maintain the effectiveness (the "Effectiveness Time") of such shelf registration statement until the earlier of (i) such time as when all of the Registrable Securities may be converted have been disposed of or (ii) two (2) years after the redemption of all of the O.P. Units for cash or into MCRC Common Stock. Notwithstanding anything in this Section 5.12 to the contrary, if at the time MCRLP is obligated to file a Registration Statement pursuant to this Section 5.12, MCRLP determines, in the good faith judgment of the Board of Directors of its general partner (MCRC), with the advice of counsel, that the filing of either such shelf registration statement would require the disclosure of non-public material information the disclosure of which would have a material adverse effect on MCRLP, or would otherwise adversely affect a material financing, acquisition, disposition, merger or other significant transaction, MCRLP shall deliver a certificate to such effect signed by the Chief Executive Officer and President of its general partner (MCRC), to the holders of the O.P. Units, and MCRLP may postpone or suspend filing or effectiveness of a registration statement for a period not to exceed forty-five (45) consecutive days, provided that MCRLP may not postpone or suspend its obligation under this Section 5.12 for more than sixty (60) days in the aggregate during any twelve (12) month period; provided, however, that no such postponement or suspension shall be permitted for consecutive sixty (60) day periods, arising out of the same set of facts, circumstances or

transactions.

(b) All fees and expenses incident to the performance of or compliance with this Section 5.12 by MCRLP shall be borne by MCRLP whether or not the Registration Statement is filed or becomes effective.

(c) MCRLP shall indemnify and hold harmless each Seller, the officers, directors, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of MCRC Common Stock), investment advisors and employees of each of them, each Person who controls any such Seller (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys' fees) and expenses (collectively, "Registration Losses"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a

material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading; provided that the foregoing indemnity shall not apply to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Seller or such other indemnified party furnished in writing to MCRLP by such Seller expressly for use therein, which information was reasonably relied on by MCRLP for use therein or to the extent that such information relates to such Seller or such Seller's proposed method of distribution of Registrable Securities. MCRLP shall notify the Sellers promptly of the institution, threat or assertion of any proceeding of which MCRLP is aware in connection with the transactions contemplated by this Agreement.

Section 5.13. Notifications; Update of Disclosure Schedule. Until the Closing, each party hereto shall promptly notify the other party in writing of any fact, change, condition, circumstance or occurrence or nonoccurrence of any event relating to its own representations, warranties or covenants of which it is aware that will or is reasonably likely to result in any of the conditions set forth in Article VII of this Agreement becoming incapable of being satisfied; provided, however, that the delivery of any notice pursuant to this Section 5.13 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice. The Sellers may, from time to time, prior to or at the Closing, by notice given in accordance with this Agreement, supplement or amend the Disclosure Schedule to correct any matter that would otherwise constitute a breach of any representation, warranty, covenant or agreement contained herein. If, pursuant to and in accordance with Section 9.01(d), such a supplement or amendment of any section of the Disclosure Schedule materially and adversely affects the benefits to be obtained by the Purchaser under this Agreement, then the Purchaser shall have the right to terminate this Agreement in accordance with Section 9.01(d), but such termination shall be Purchaser's sole remedy relating to matters set forth in amendments or supplements to any section of the Disclosure Schedule to the extent such amendment or supplement shall have been delivered on or prior to the Due Diligence Expiration Date. To the extent any such amendment or supplement to any section of the Disclosure Schedule shall be delivered following the Due Diligence Expiration Date, Purchaser shall have the right to terminate this Agreement in accordance with Section 9.01(d), provided, however, Purchaser and MCRLP shall retain any and all rights it would otherwise have under this Agreement, including without limitation Purchaser's and MCRLP's rights and remedies under Article VIII.

Section 5.14. Further Action. The parties hereto shall use all reasonable efforts to take, or cause to be taken, all appropriate action, to do or cause to be done all things necessary, proper or advisable under applicable Law, and to execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated by this Agreement in the most expeditious manner practicable.

Section 5.15. Conveyance Taxes. The Purchaser shall be liable for, shall hold the Sellers harmless against, and agrees to pay any and all Conveyance Taxes that may be imposed upon, or payable or collectible or incurred in connection with this Agreement and the transactions contemplated hereby. The Purchaser and the Sellers agree to cooperate in the execution and delivery of all instruments and certificates necessary to enable the Purchaser to comply with any pre-Closing filing requirements.

Section 5.16. Insurance. Sellers hereby covenant and agree to make any claim, on behalf of the Companies and the Subsidiaries, at the request of the Purchaser, for any Loss which is covered by an insurance policy owned by either Seller and not included in the Assets and to use commercially reasonable efforts in the recovery of said insurance proceeds. Furthermore, the Sellers hereby covenant and agree to pay to the Purchaser any insurance proceeds actually recovered from said claims. All rights to uncollected proceeds which vested in the Sellers prior to the Closing Date shall be conveyed, transferred and assigned to the Purchaser in connection with this Agreement, and the Sellers shall waive any and rights or claims with respect to such proceeds.

Section 5.17. Transfer Restrictions. Except as explicitly set forth herein, each Seller agrees that the OP Units issued pursuant to this Agreement may not be Transferred or redeemed for shares of MCRC's common stock until after the third anniversary of the Closing Date.

Section 5.18. Transition Services. The parties recognize that each of the Purchaser and its Affiliates, on the one hand, and the Sellers and their Affiliates, on the other, will need to provide and receive certain services from the other following the Closing. Prior to the Closing, the parties shall identify all such services to be provided by the Purchaser, the Companies and the Subsidiaries to the Sellers and their Affiliate following the Closing and all such services to be provided by the Sellers and their Affiliates to the Purchaser, the Companies and the Subsidiaries following the Closing. It is agreed by the parties that among the issues addressed will be the extent to which employees and former employees of Gale International and of Gale, Wentworth & Dillon Management Co. will continue to participate and hold account balances in the Gale Company Employee Savings Plan after the Closing, and the extent to which they will cease to so participate and hold such account balances after the Closing. In that regard, at the Closing, the Sellers and the Purchaser shall enter into a transition services agreement, in form and on terms as shall be mutually agreed upon by the parties, with respect to the services contemplated by this Section 5.18.

Section 5.19. Economic Benefits of Assignment. If any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise, or other instrument or arrangement to which any of the Companies or any Subsidiary is a party set forth on Section 3.04 of the Disclosure Schedule may not be transferred or assigned without the consent, approval or waiver of a third party and the transfer or assignment or attempted transfer or assignment would constitute a breach thereof or a violation of any Law, nothing in this Agreement or in any Ancillary Agreement will be deemed a transfer or assignment or an attempted transfer or assignment thereof. The Sellers will use their commercially reasonable efforts, both before and after the Closing to secure any such consents, approvals or waivers. Without limiting any other provision of this Agreement, if any such consents, approvals and waivers are not (for any reason) obtained before the Closing, then the Sellers will cooperate (at their expense) in any reasonable arrangement requested by the Purchaser and MCRLP to transfer to the Purchaser the economic benefit for all periods after the Closing of any such agreement as to which consent is not obtained, including by enforcement for the benefit of the Purchaser of any and all rights of the Sellers against any other party thereto, and all payments received by the Sellers under any affected agreement for all periods after the Closing will be immediately paid over to the Purchaser. MCRLP and the Purchaser's consummation of the transactions contemplated in this

Agreement shall not abridge MCRLP's, the Purchaser's or the Sellers' obligations under this Section 5.19, which obligations shall survive the execution and delivery hereof and the Closing, and remain in full force and effect thereafter.

Section 5.20. Delivery of 2004 Pro Forma Financial Statements. The Sellers shall fully cooperate with each other to cause the Companies to deliver to Purchaser not later than five (5) Business Days prior to the Due Diligence Expiration Date, unaudited consolidating pro forma balance sheets and income statements for the Reference Companies as of and for the fiscal year ended as of December 31, 2004 (the "2004 Pro Forma Financial Statements").

Section 5.21. Preparation of Audited Financials. The Sellers shall cause the Companies to engage an independent accounting firm to commence an audit of the 2005 Financial Statements as soon as reasonably practicable following the date hereof. The parties acknowledge that such audit will, in all likelihood, be completed following the Closing and expressly agree that completion of such audit shall not be a condition to any of the parties' obligations hereunder. Nevertheless, from the date hereof until the completion of such audit, the Sellers shall provide the auditors with such assistance as may reasonably be requested by them in connection with the preparation of such audit.

Section 5.22. Non-Portfolio Real Property Interests. Prior to the Closing, the parties shall negotiate in good faith, and prepare and enter into an appropriate acquisition agreement or agreements (each, a "Non-Portfolio Real Property Interest Purchase Agreements") as may be desirable to effect the sale or transfer of the beneficial economic interests of those certain real property interests identified on Exhibit H (each a "Non-Portfolio Interest") to the Purchaser from the parties identified thereon. Exhibit H also sets forth the amount of consideration to be paid for each Non-Portfolio Interest and (ii) the ownership percentage each Non-Portfolio Interest represents in the real property related thereto. The Non-Portfolio Real Property Interest Purchase Agreements shall (i) contain provisions analogous to Section 5.19 hereof with respect to the Non-Portfolio Interests and (ii) provide that Sellers will be entitled to participate equally with Purchaser in the economic benefit generated by the properties after Purchaser recovers the amount of consideration it paid for such interest plus an agreed upon preferred return. The parties hereto hereby further agree to consummate the transactions contemplated by the Non-Portfolio Real Property Interest Purchase Agreements, on the terms and conditions substantially set forth therein, simultaneously with or prior to the Closing.

Section 5.23. REIT Issues. The Sellers hereby acknowledge the status of MCRC, MCRLP's general partner, as a real estate investment trust (a "REIT"). The Purchaser and MCRLP intend to operate and manage the Companies and the Subsidiaries in a manner so that: (a) MCRC's gross income meets the tests provided in Section 856(c)(2) and (3) of the Code; (b) MCRC's assets meet the tests provided in Section 856(c)(4) of the Code; and (c) MCRC minimizes federal, state, local and excise taxes that may be incurred by MCRC, or any of its Affiliates, including taxes under Sections 857(b), 860(c) or 4981 of the Code. The Sellers shall cooperate with the Purchaser and MCRLP prior to Closing to structure the transactions contemplated by this Agreement in a manner that will enable MCRC to continue to qualify as a REIT on and after the Closing Date. Notwithstanding anything in this Section 5.23 to the contrary, the Sellers shall have no obligation to take any action that would increase a Seller's liability for Taxes for a Pre-Closing Period or a Pre-Closing Straddle Period.

Section 5.24. Tax Matters.

(a) The Sellers shall be liable for and timely pay any and all Taxes with respect to the ownership or operations of the Companies or the Subsidiaries for all taxable periods ending on or prior to the Closing. Except as otherwise provided herein with respect to Straddle Periods, Purchaser or MCRLP shall be liable for and timely pay any and all Taxes with respect to the ownership or operations of the Companies or the Subsidiaries for all taxable periods ending after the Closing. In any case where applicable law does not permit any Company or any Subsidiary to close its Tax year as of the Closing Date or in any case in which a Tax is assessed with respect to a taxable period which includes the Closing Date (but does not begin or end on that day), then Taxes, if any, attributable to the Tax period of any Company or any Subsidiary beginning before and ending after the Closing Date shall be allocated to and be payable by (i) the Sellers for the period up to and including the Closing Date (the "Pre-Closing Straddle Period") and (ii) the Purchasers or MCRLP for the period after the Closing Date (the "Post-Closing Straddle Period" and together with a Pre-Closing Straddle Period, a "Straddle Period"). The Sellers shall prepare and timely file all Tax Returns (including applicable filing extensions) for taxable periods ended on or prior to the Closing (a "Pre-Closing Tax Return"); provided, however, that the Sellers shall provide the Purchaser and MCRLP with a copy of any such Pre-Closing Tax Return no later than fifteen (15) calendar days prior to filing such Pre-Closing Tax Return and shall within five (5) calendar days of filing provide the Purchaser and MCRLP with a copy of any such Pre-Closing Tax Return filed with any taxing authority. All Pre-Closing Tax Returns shall be prepared in a manner consistent with the reporting of all items of income or loss on prior Tax Returns of any Company or any Subsidiary, unless otherwise required by applicable laws. The Purchaser or MCRLP shall prepare and shall timely file (including applicable filing extensions) or cause to be prepared and timely filed (including applicable filing extensions) all Tax Returns which begin before the Closing and end after end after the Closing ("Straddle Returns"). Straddle Returns shall be prepared in a manner consistent with the reporting of all items of income and loss on prior Tax Returns of any Company or any Subsidiary, unless otherwise required by applicable laws, and to the extent they involve an allocation of Taxes as to a Pre-Closing Straddle Period shall be subject to Sellers' approval, which shall not be unreasonably withheld. Taxes payable with Straddle Returns shall be apportioned to the Pre-Closing Straddle Period and Post-Closing Straddle Period, as described above, based on an assumed taxable period ending on the date of Closing; provided, however, that Taxes not based on income or receipts shall be apportioned to the Pre-Closing Straddle Period and Post-Closing Straddle Period based on the number of days in each such taxable period.

(b) If any claim, demand, assessment (including a notice of proposed assessment) or other assertion is made with respect to Taxes against the Sellers or the Purchaser or MCRLP the calculation of which involves a specific matter covered in this Agreement ("Tax Claim") or if the Purchaser or MCRLP receives any notice from any Governmental Authority with respect to any current or future audit, examination, investigation or other proceeding ("Proceeding") involving the Sellers, the Purchaser or MCRLP or that otherwise involves a specific matter covered in this Agreement that could directly or indirectly materially affect the Sellers (adversely or otherwise), then the Purchaser or MCRLP, as applicable, shall promptly notify SG ("Sellers' Representatives") of such Tax Claim or Proceeding. Any Proceeding that would increase any Seller's liability for Taxes for a Pre-Closing Period or a Pre-Closing Straddle

Period or could give rise to a claim for indemnification under this Agreement shall be considered material to Sellers.

(c) Sellers shall have the right to control the defense, settlement or compromise of any Proceeding or Tax Claim with respect to the ownership or operations of the Companies or the Subsidiaries for any taxable period ended on or prior to the Closing ("Pre-Closing Period"), unless any such action would reasonably be expected to result in a material adverse Tax effect or a liability or material increase in liability to the Purchaser or MCRLP for any Tax period, in which case, such action may not be taken without Purchaser's or MCRLP's consent. The Purchaser or MCRLP shall have the right to control the defense, settlement or compromise of any Proceeding or Tax Claim with respect to the ownership or operations of the Companies or the Subsidiaries for any taxable period ending after the Closing ("Post-Closing Period"), unless any such action would reasonably be expected to result in a material adverse Tax effect or a liability or material increase in liability to Sellers for any Tax period, in which case, such action may not be taken without Seller's consent. Subject to the provision of this Section 5.24(c), neither Sellers nor the Purchaser or MCRLP shall consent to the entry of any judgment or enter into any settlement with respect to a Tax Claim or Proceeding without the prior written consent of the other party; provided, that each such party shall keep the other party duly and contemporaneously informed of the progress thereof to the extent that such Proceeding or Tax Claim could directly or indirectly materially affect (adversely or otherwise) the other party and shall afford the other party the right to review and comment on any and all submissions made to the IRS or any Governmental Authority with respect to such Tax Claim or Proceeding and shall consider any such comments in good faith. As a condition to withholding its consent to a settlement proposal (i) a party must have a reasonable basis to believe that such settlement would have a material adverse Tax effect or material increase in liability to such party; provided, that if for any period ending after the Closing a proposed settlement does not increase Sellers' liability for Taxes for a Pre-Closing Period or a Pre-Closing Straddle Period and could not give rise to a claim for indemnification pursuant to this Agreement, then such impact shall not be deemed material to Sellers unless it is different than the impact to other holders of O.P. Units who are not Sellers, and (ii) a party must believe, based on the advice of a nationally recognized accounting or law

firm, that it is more likely than not that the position asserted by the party seeking consent would prevail if it were to be asserted in a judicial proceeding. A party withholding its consent shall offer to assume the subsequent costs of defending and asserting the positions asserted by such party, and shall indemnify the other party for any taxes and related interest and penalties resulting from a subsequent judgment in excess of the amounts that would have been imposed pursuant to the rejected settlement (but not any other costs associated with such proceeding or any other issues involved therein).

(d) From and after the Closing, the parties shall provide each other with such assistance as may reasonably be requested by any of them in connection with (i) the preparation of any Tax Return, election, consent or certificate required to be prepared by any party hereto or (ii) any Tax Claim or Proceeding. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant Tax Returns and supporting work schedules.

(e) The Sellers and the Purchaser shall discuss and consult, in an attempt to reach agreement, an allocation of the purchase price (as determined for federal income tax purposes) among the assets of the Companies (the "Allocation"). If the parties cannot agree, then notwithstanding anything in 5.24(c) to the contrary, any Tax Claim or Proceeding involving the Allocation shall be under the exclusive control of the party against whom the Tax Claim is made and such party shall be free to pursue and/or settle such Tax Claim without the approval of the other party.

Article VI

EMPLOYEE MATTERS

Section 6.01. Employee Benefits. As of the Closing Date, the Purchaser shall (and MCRLP shall cause the Purchaser to) cause the Companies and the Subsidiaries to continue to employ all employees of Gale Services, Gale Construction and the Subsidiaries (the "Company Employees"), with the understanding that such employment shall be on the same terms as the Company Employees are currently employed. With respect to such Company Employees, the Purchaser (or Gale Services, Gale Construction or the Subsidiaries) shall (a) for a period of one (1) year following the Closing, cause any Company Employee that was covered under a medical or dental plan, disability benefit plan, 401(k) plan or life insurance plan (collectively, the "Benefit Plans") of Gale Services, Gale Construction or any Subsidiary immediately prior to the Closing Date to receive coverage on the Closing Date that is comparable in the aggregate to such coverage provided to the Company Employees by the Company immediately prior to the Closing Date subject to any applicable limitations arising from the nondiscrimination requirements of the Code, (b) recognize the service completed by the Company Employees for purposes of determining eligibility service and vesting service under any employee benefit plan, program or arrangement maintained by the Purchaser (or the Companies or any Subsidiary) for their employees on or after the Closing Date to the same extent such service was credited under any employee benefit plan, program or arrangement provided by the Companies or any Subsidiary immediately prior to the Closing Date; provided, that the foregoing shall not be construed to require crediting of service that would result in violation of the nondiscrimination requirements of the Code, duplication of benefits, service credit for benefit accruals, service credit under a newly established plan for which prior service is not taken into account, or employer contribution for any 401(k) plan, (c) cause to be waived any pre-existing condition limitations under welfare benefit plans of the Purchaser or its Affiliates in which the Company Employees participate (to the extent those conditions were waived under the corresponding Plans of the Companies or any Subsidiary), (d) cause to be credited any co-payments, deductibles and out-of-pocket requirements incurred by the Company Employees and their beneficiaries and dependents during the portion of the calendar year prior to participation in the benefit plans provided by the Purchaser, and (e) assume responsibility for the earned wages, compensation levels, vacation time, bonuses (including stay or success bonuses) that are accrued on the Closing Statement of Working Capital, commissions, and sick leave benefits due to the Company Employees as of the Closing Date.

Section 6.02. Former AT&T Employee Severance Obligations. After the Closing, if the Purchaser, Gale Services, Gale Construction or any of the Subsidiaries terminates the employment of any of the employees listed in Section 6.02 of the Disclosure Schedule (the

"Former AT&T Employees"), the Sellers shall reimburse the Purchaser for any amounts that shall be due and payable by the Purchaser, the Companies or any Subsidiary to such Former AT&T Employees pursuant to the AT&T Agreement, less any amounts required to be reimbursed by AT&T pursuant to the terms of the AT&T Agreement. Notwithstanding the foregoing, in no event shall Sellers reimburse the Purchaser for any such amounts which may be due and payable to such Former AT&T Employees if the AT&T Agreement shall, after the Closing, have (i) expired in accordance with its terms or (ii) been amended, modified or extended in a manner that adversely affects the payments required to be made by the Company or any Subsidiary thereunder.

Article VII

CONDITIONS TO CLOSING

Section 7.01. Conditions to Obligations of the Sellers. The obligations of the Sellers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations, Warranties and Covenants. (i) The representations and warranties of the Purchaser and MCRLP contained in this Agreement which are qualified by materiality shall be true and correct in all respects as of the Closing Date and the representations and warranties of the Purchaser and MCRLP contained in this Agreement which are not so qualified shall be true and correct in all material respects as of the Closing Date, except to the extent such representations and warranties are made as of another date, in which case such representations and warranties shall be so true and correct as of such other date and (ii) the covenants and agreements contained in this Agreement to be complied with by MCRLP and the Purchaser on or before the Closing shall have been complied with in all material respects.

(b) Governmental Approvals. All governmental approvals, consents and waivers applicable to the sale and purchase of the Membership Interests contemplated by this Agreement shall have expired or shall have been terminated or shall have been received.

(c) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order (whether temporary, preliminary or permanent) that has the effect of making the transactions contemplated by this Agreement or the Ancillary Agreements illegal or otherwise restraining or prohibiting the consummation of such transactions unless same shall have expired or shall have been terminated.

(d) Closing of Non-Portfolio Real Property Interest Purchase Agreements. The Purchaser and the Sellers shall have consummated the transactions contemplated by the Non-Portfolio Real Property Interest Purchase Agreements.

(e) No Litigation Threatened. No Action having a reasonable likelihood of prevailing shall have been instituted or threatened before a court or other Governmental Authority to restrain, prohibit or materially delay any of the transactions contemplated hereby; provided, that the Sellers shall not be able to asset this condition if any Seller shall have instigated such Action.

Section 7.02. Conditions to Obligations of the Purchaser. The obligations of MCRLP and the Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations, Warranties and Covenants. (i) The representations and warranties of the Sellers contained in this Agreement which are qualified by Material Adverse Effect or materiality shall be true and correct in all respects as of the Closing and the representations and warranties of the Sellers contained in this Agreement which are not qualified by Material Adverse Effect or materiality shall be true and correct in all material respects as of the Closing Date, other than such representations and warranties that are made as of another date, in which case such representations and warranties shall be so true and correct as of such other date, and (ii) the covenants and agreements contained in this Agreement to be complied with by the Sellers at or before the Closing shall have been complied with in all material respects.

(b) Governmental Approvals. All governmental approvals, consents, and waivers applicable to the sale and purchase of the Membership Interests contemplated by this Agreement shall have expired or shall have been terminated or shall have been received.

(c) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order (whether temporary, preliminary or permanent) that has the effect of making the transactions contemplated by this Agreement or the Ancillary Agreements illegal or otherwise restraining or prohibiting the consummation of such transactions unless same shall have expired or shall have been terminated.

(d) No Litigation Threatened. No Action having a reasonable likelihood or prevailing shall have been instituted or threatened before a court or other Governmental Authority to restrain, prohibit or materially delay any of the transactions contemplated hereby; provided, that the Purchaser shall not be entitled to assert this condition if MCRLP or the Purchaser (or any of their Affiliates) shall have instigated such Action.

(e) 2006 Interim Financial Statements. The 2006 Interim Financial Statements shall have been delivered to the Purchaser.

(f) Repayment of Indebtedness. The Sellers shall have caused the repayment of all indebtedness identified on Section 3.16(a)(ii) of the Disclosure Schedule as indebtedness that will be repaid prior to or at Closing and all liens or guaranties with respect to such indebtedness shall be discharged.

(g) Closing of Non-Portfolio Real Property Interest Purchase Agreements. The Purchaser and the Sellers shall have consummated the transactions contemplated by the Non-Portfolio Real Property Interest Purchase Agreements.

(h) Due Diligence Expiration Date. The Due Diligence Expiration Date shall have passed without the Purchaser having terminated this Agreement pursuant to Section 9.01(c).

Notwithstanding anything contained herein to the contrary, if the parties to the Real Estate Agreement shall consummate the transactions contemplated by the Real Estate Agreement,

unless this Agreement shall have been terminated prior to such consummation pursuant to Article IX, MCRLP and the Purchaser shall be deemed to have automatically waived all such conditions to Closing contained in this Article VII, provided, however, the Purchaser shall retain any and all rights it shall otherwise have under this Agreement, including without limitation the Purchaser's rights and remedies under Article VIII.

Article VIII

INDEMNIFICATION

Section 8.01. Survival of Representations and Warranties. The representations and warranties of the parties hereto contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing, except that (i) the representations and warranties of Sellers in Section 3.07 shall survive for a period of two (2) years after the Closing, (ii) the representations and warranties of Sellers in Sections 3.01, 3.02, 3.03 and 3.14 shall survive for a period of three (3) years after the Closing, and (iii) the representations and warranties of Sellers in Section 3.15 shall survive indefinitely; provided, that any claim made with reasonable specificity by the party seeking to be indemnified within the time periods set forth in this Section 8.01 shall survive until such claim is finally and fully resolved. All covenants and agreements contained herein shall remain in full force and effect for a period of eighteen (18) months following the Closing, except for those covenants and agreements that by their terms are to be performed in whole or in part after the Closing, which shall remain in full force and effect for a period equal to the later of eighteen (18) months after the Closing or eighteen (18) months following the date by which such covenant or agreement is required to be performed; provided, however, that any claim made with reasonable specificity by the party seeking to be indemnified within the time periods set forth in this Section 8.01 shall survive until such claim is finally and fully resolved.

Section 8.02. Indemnification by the Sellers. Subject to Section 8.07, MCRLP the Purchaser and their Affiliates, officers, directors, employees, agents, successors and assigns (each, a "Purchaser Indemnified Party") shall be indemnified and held harmless by the Sellers, jointly and severally, for and against all losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including reasonable attorneys' and consultants' fees and expenses) actually suffered or incurred by them (hereinafter, a "Loss" or, collectively "Losses"), arising out of or resulting from: (a) the breach of any representation or warranty made by the Sellers contained in this Agreement, (b) the breach of any covenant or agreement by the Sellers contained in this Agreement, (c) any of the Sellers (or any predecessor of any of the Sellers) having been a member of an "affiliated group" (as defined in Section 1504(a) of the Code) for any consolidated, combined or unitary foreign, state or local tax purposes, (d) any Tax sharing, allocation or similar agreement to which the Companies and the Subsidiaries are a party prior to or as of the Closing, (e) all Taxes attributable to the activities of Gale Services, Gale Construction or any Subsidiary attributable to the period on or prior to the Closing except as set forth as a reserve or liability on the Final Financial Statements or (f) the Excluded Assets (including the employment agreements identified on Section 1.01(b) of the Disclosure Schedule).

Section 8.03. Indemnification by the Purchaser. The Sellers and their Affiliates, officers, directors, employees, agents, successors and assigns (each, a "Seller Indemnified

Party") shall be indemnified and held harmless by MCRLP and the Purchaser, jointly and severally, for and against any and all Losses, arising out of or resulting from: (a) the breach of any representation or warranty made by the Purchaser or MCRLP contained in this Agreement, (b) the breach of any covenant or agreement by the Purchaser or MCRLP contained in this Agreement, or (c) any Liability of Gale Services, Gale Construction or any Subsidiary arising before or after the Closing, except to the extent the Sellers are obligated to indemnify the Purchaser Indemnified Parties pursuant to Section 8.02.

Section 8.04. Limits on Indemnification.

(a) No claim may be asserted nor may any Action be commenced against either party for breach of any representation, warranty, covenant or

agreement contained herein, unless written notice of such claim or action is received by such party describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or Action on or prior to the date on which the representation, warranty, covenant or agreement on which such claim or Action is based ceases to survive as set forth in Section 8.01, irrespective of whether the subject matter of such claim or action shall have occurred before or after such date.

(b) Notwithstanding anything to the contrary contained in this Agreement: (i) an Indemnifying Party shall not be liable for any claim for indemnification pursuant to Sections 8.02(a) (other than with respect to the representation and warranty set forth in Section 3.14(i)) or 8.03(a), unless and until the aggregate amount of indemnifiable Losses which may be recovered from the Indemnifying Party equals or exceeds $250,000 (the "Indemnification Threshold") after which the Indemnifying Party shall fully indemnify the other party for the total of such Losses; (ii) the maximum amount of indemnifiable Losses which may be recovered from an Indemnifying Party arising out of or resulting from the causes set forth in Section 8.02(a) (other than with respect to the representation and warranty set forth in Section 3.14(i)) or 8.03(a) shall be an amount equal to $4,000,000, (iii) neither party hereto shall have any liability under any provision of this Agreement or the Ancillary Agreements for any punitive damages, and (iv) the Sellers shall have no obligation to indemnify any Purchaser Indemnified Party for any breach of the Sellers representations, warranties, covenants or agreements contained herein which is corrected pursuant to an amendment or supplement to the Disclosure Schedule made prior to the Due Diligence Expiration Date pursuant to Section 5.13.

(c) For all purposes of this Article VIII, "Losses" shall be net of any insurance or other recoveries actually received by the Indemnified Party or its Affiliates in connection with the facts giving rise to the right of indemnification.

Section 8.05. Notice of Loss; Third Party Claims.

(a) An Indemnified Party shall give the Indemnifying Party notice of any matter which an Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement, within sixty (60) days of such determination, stating the amount of the Loss, if known, and method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises.

(b) If an Indemnified Party shall receive notice of any Action, audit, claim, demand or assessment (each, a "Third Party Claim") against it which may give rise to a claim for Loss under this Article VIII, within thirty (30) days of the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII except to the extent that such failure results in a detriment to the Indemnifying Party and shall not relieve the Indemnifying Party from any other Liability that it may have to any Indemnified Party other than under this Article VIII. The Indemnifying Party shall be entitled to assume and control the defense of such Third Party Claim at its expense and through counsel of its choice if it gives notice of its intention to do so to the Indemnified Party within fifteen (15) days of the receipt of such notice from the Indemnified Party. If the Indemnifying Party elects to undertake any such defense against a Third Party Claim, the Indemnified Party may participate in such defense at its own expense. The Indemnified Party shall fully cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. If the Indemnifying Party elects to direct the defense of any such claim or proceeding, the Indemnified Party shall not pay, or permit to be paid, any part of such Third Party Claim unless the Indemnifying Party consents in writing to such payment or unless the Indemnifying Party withdraws from the defense of such Third Party Claim liability or unless a final judgment from which no appeal may be taken by or on behalf of the Indemnifying Party is entered against the Indemnified Party for such Third Party Claim. If the Indemnifying Party assumes the defense of any such claims or proceeding pursuant to this Section 8.05 and proposes to settle such claims or proceeding prior to a final judgment thereon or to forgo any appeal with respect thereto, then the Indemnifying Party shall give the Indemnified Party prompt written notice thereof and the Indemnified Party shall have the right to participate in the settlement or assume or reassume the defense of such claims or proceeding. The Indemnifying Party shall not enter into any settlement or compromise of any action, suit or proceeding or consent to the entry of any judgment (i) which does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnified Party of a written release from all liability in respect of such action, suit or proceeding or (ii) for other than monetary damages to be borne in full by the Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 8.06. Remedies. MCRLP, the Purchaser and each of the Sellers acknowledge and agree that (i) following the Closing, the indemnification provisions of Section 8.02 and Section 8.03 shall be the sole and exclusive remedies of the parties for any breach by the other party of the representations and warranties in this Agreement and for any failure by the other party to perform and comply with any covenants and agreements contained in this Agreement, except that if any of the provisions of this Agreement are not performed in accordance with their terms or are otherwise breached, the parties shall be entitled to specific performance of the terms thereof in addition to any other remedy at Law or equity and (ii) anything herein to the contrary notwithstanding, no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of MCRLP, the Purchaser or the Sellers, after the consummation of the purchase and sale of the Membership Interests contemplated by this Agreement, to rescind this Agreement or any of the transactions

contemplated hereby. Each party hereto shall take all reasonable steps to mitigate its Losses upon and after becoming aware of any event which could reasonably be expected to give rise to any Losses. The Purchaser shall only have the right to set off any Losses for which the Purchaser Indemnified Parties are entitled to indemnification pursuant to Section 8.02(a) from any payment required to be made to the Sellers pursuant to the Earnout. Notwithstanding the foregoing and after no additional Earnout payments are capable of being earned, if any Losses, or any portion thereof, for which the Purchaser Indemnified Parties are entitled to indemnification pursuant to Section 8.02(a) were not satisfied by set off from the Earnout, the Sellers may elect, at their sole option, to satisfy their obligations for such Losses by either (i) paying any such obligations in cash, or (ii) instructing Purchaser or MCRLP to cancel such number of O.P. Units held in the name of the Indemnifying Party as shall be equal to (x) the aggregate dollar value of the Loss not otherwise set off from the Earnout divided by (y) $44.50 (or any combination of clauses (i) and (ii)).

Article IX

TERMINATION, AMENDMENT AND WAIVER

Section 9.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by either the Sellers, or the Purchaser, if the Closing shall not have occurred by the termination date specified in the Real Estate Agreement (including any extension thereof); provided, however, that the right to terminate this Agreement under this Section 9.01(a) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;

(b) by either the Purchaser or the Sellers in the event that any Governmental Order restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement shall have become final and nonappealable;

(c) by the Purchaser, if it provides written notice to the Sellers of its intention to terminate this Agreement by not later than 5:00 pm, Eastern Standard Time, on the Due Diligence Expiration Date;

(d) by the Purchaser, if (i) a supplement or amendment of any section of the Disclosure Schedule made by the Sellers pursuant to Section 5.13

materially and adversely affects the benefits to be obtained by the Purchaser under this Agreement and (ii) any breach of a representation, warranty, covenant or agreement referred to in such supplement or amendment cannot be or has not been cured within thirty (30) days after such supplement or amendment is made by the Sellers;

(e) by the Sellers, if MCRLP or the Purchaser shall have breached any of its representations, warranties, covenants or agreements contained in this Agreement which would give rise to the failure of a condition set forth in Article VII, which breach cannot be or has not

been cured within thirty (30) days after the giving of written notice by the Sellers to the Purchaser specifying such breach;

(f) by the Purchaser, if the Sellers shall have breached any of their representations, warranties, covenants or agreements contained in this Agreement which would give rise to the failure of a condition set forth in Article VII, which breach cannot be or has not been cured within thirty (30) days after the giving of written notice by the Purchaser to the Sellers specifying such breach; or

(g) by the mutual written consent of the Sellers and the Purchaser.

Notwithstanding anything contained herein to the contrary, if the parties to the Real Estate Agreement shall consummate the transactions contemplated by the Real Estate Agreement, unless this Agreement shall have been terminated prior to such consummation pursuant to this Article IX, neither MCRLP nor the Purchaser shall have any right to terminate this Agreement.

Section 9.02. Effect of Termination.

In the event of termination of this Agreement as provided in Section 9.01, this Agreement shall forthwith become void and there shall be no liability on the part of either party hereto except (a) as set forth in Section 5.03 and Article X and (b) that nothing herein shall relieve either party from liability for any breach of this Agreement occurring prior to such termination.

Article X

GENERAL PROVISIONS

Section 10.01. Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 10.02. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by e-mail (read receipt requested), by facsimile or registered or certified mail (postage prepaid, return receipt requested) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.02):

If to the Sellers:

c/o The Gale Company, Suite 200
Florham Park, New Jersey 07932
Telecopy: (973) 245-3600
Telephone: (973) 301-9500
E-Mail: SG@TheGaleCompany.com
Attention: Mr. Stanley C. Gale

with a copy (which shall not constitute notice) to:

Greenberg Traurig, LLP
200 Park Avenue
New York, NY 10166
Telecopy: (212) 801-6400
Telephone: (212) 801-9200
E-Mail: Ivanhoer@gtlaw.com and Gerasimovichk@gtlaw.com
Attention: Robert Ivanhoe, Esq. and Kenneth A. Gerasimovich, Esq.

If to MCRLP or the Purchaser:

c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
with two (2)
separate copies
of the notice sent
to the attention of:

Telecopy: (908) 272-0214
Telephone: (908) 272-2009
Email: mhersh@mack-cali.com
Attention: Mitchell E. Hersh
President and Chief Executive Officer

And

Telecopy: (908) 272-0485
Telephone: (908) 272-2612

Email: rthomas@mack-cali.com
Attention: Roger W. Thomas
Executive Vice President and General Counsel

with a copy (which shall not constitute notice) to:

Pryor Cashman Sherman & Flynn LLP
410 Park Avenue
New York, New York 10022
Telecopy: (212) 798-6329
Telephone: (212) 326-0133
Email: bhornick@pryorcashman.com
Attention: Blake Hornick

And

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Telecopy: (212) 218-5527
Telephone: (212) 218-5620
Email: jnapoli@seyfarth.com
Attention: John P. Napoli

Section 10.03. Public Announcements; Confidentiality. Upon the execution of this Agreement, the Purchaser and MCRLP shall have the right to make such public announcements or filings as may be required by (i) the Securities Act, (ii) the Securities Exchange Act, (iii) the rules and listing standards of the New York Stock Exchange, Inc., (iv) any other law of a jurisdiction to which MCRLP is subject, or (v) any oral questions, interrogatories, requests for information, subpoena, civil investigative demand, or similar process required by applicable rules, laws or regulations by any court, law or administrative authority to which Purchaser and MCRLP are subject. Purchaser and MCRLP also shall have the right to make such public announcements or filings as they may deem reasonably prudent, and shall be entitled to make such filings or announcements upon advice of counsel as may be otherwise be deemed necessary. In this connection, it should be noted that MCRLP has determined that the entry into this Agreement will need to be disclosed within four (4) business days of its execution on a Current Report on Form 8-K under Item 1.01 thereof and that the Agreement will be filed as an exhibit thereto or be filed as an exhibit to MCRLP's next following periodic report filed pursuant to the Securities Exchange Act. Sellers may make such public disclosures as are required by Law. Each of Sellers, Purchaser and MCRLP hereby agree to provide the non-disclosing parties as much advance notice as reasonably possible with respect to the nature of such disclosure, cooperate fully as to the timing and contents of such disclosure and review in good faith the suggestions of the other party with respect to the contents of such disclosure.

Section 10.04. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

Section 10.05. Entire Agreement. This Agreement (including the Exhibits and the Disclosure Schedule) and the Ancillary Agreements constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between the Sellers and the Purchaser with respect to the subject matter hereof and thereof.

Section 10.06. Assignment. This Agreement may not be assigned by operation of Law or otherwise without the prior express written consent of the Sellers, and the Purchaser or

MCRLP which consent may be granted, conditioned, delayed or withheld in the sole discretion of the Sellers or the Purchaser or MCRLP, as the case may be. Notwithstanding the foregoing, the Purchaser may assign any or all of its interests in this transaction to one or more Affiliates, provided, that any such assignment shall not relieve the Purchaser from its obligations hereunder.

Section 10.07. Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Sellers and the Purchaser or MCRLP or (b) by a waiver in accordance with Section 10.08.

Section 10.08. Waiver. Any party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered by the other party pursuant hereto, or (c) waive compliance with any of the agreements of the other party or conditions to such party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of either party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

Section 10.09. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied (including the provisions of Article VI relating to employee matters and Article VIII relating to indemnified parties), is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

Section 10.10. Currency. Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

Section 10.11. Governing Law. This Agreement and all others arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding

sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the purpose of any Action arising out of or relating to this Agreement brought by any party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this

Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts.

Section 10.12. Waiver of Jury Trial. The parties hereto hereby waive to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement. Each of the parties hereto hereby (a) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers and certifications in this Section 10.12.

Section 10.13. Counterparts. This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Section 10.14. Cooperation. Prior to and after the Closing, each party hereto shall, from time to time, execute, acknowledge and deliver such further instruments, in recordable form, if necessary, and perform such additional acts, as the other party may reasonably request in writing in order to effectuate the intent of this Agreement, within thirty (30) days of the request. Except with respect to the Sellers' admission to MCRLP as limited partners as contemplated herein, nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between the Sellers and Purchaser or MCRLP. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against the Sellers, Purchaser and MCRLP or the party whose counsel drafted this Agreement. The provisions of this Section 10.14 shall survive the Closing.

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IN WITNESS WHEREOF, the Purchaser, MCRLP and each of the Sellers have executed or have caused this Membership Interest Purchase and Contribution Agreement to be executed by their respective officers or Persons thereunto duly authorized as of the date first written above.

MACK-CALI REALTY ACQUISITION CORP.,
a Delaware corporation

By: /s/ MITCHELL E. HERSH
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

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

By: Mack-Cali Realty Corporation,
a Maryland corporation, its general partner

By: /s/ MITCHELL E. HERSH
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

SCG HOLDING CORP.

By: /s/ STANLEY C. GALE
Name: Stanley C. Gale
Title: Chief Executive Officer

STANLEY C. GALE

/s/ STANLEY C. GALE

EXHIBIT B

PAYMENTS TO THE SELLERS

Name	Ownership Percentage
Stanley C. Gale	99 %
SCG Holding Corp.	1 %

EXHIBIT C

MACK-CALI REALTY, L.P. UNIT CERTIFICATE

*** SEE RESTRICTIVE LEGENDS ON SECOND PAGE ***

MACK-CALI REALTY, L.P.
A DELAWARE LIMITED PARTNERSHIP

Number: Units:

This is to certify that is the owner of ( ) paid Common Units of Mack-Cali Realty, L.P., a Delaware limited partnership (the "Partnership"), transferable only on the books of the Partnership by the holder hereof in person or by the duly authorized Attorney upon surrender of this Certificate properly endorsed.

WITNESS, the seal of the Partnership and the signature of its duly authorized General Partner.

Dated:

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation, its general partner

By: _____
Roger W. Thomas
Executive Vice President

-SEAL-

REFERENCE IS MADE TO THE SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT DATED AS OF DECEMBER 11, 1997 OF MACK-CALI REALTY, L.P., AS AMENDED (THE "SECOND AMENDED AND RESTATED PARTNERSHIP AGREEMENT") FOR THE RIGHTS OF THE COMMON UNITS REPRESENTED BY THIS CERTIFICATE.

THE COMMON UNITS REPRESENTED BY THIS CERTIFICATE OR INSTRUMENT MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF THE SECOND AMENDED AND RESTATED PARTNERSHIP AGREEMENT, AND THAT CERTAIN MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT BY AND AMONG MR. STANLEY C. GALE, SCG HOLDING CORP., MACK-CALI REALTY ACQUISITION CORP. AND MCRLP DATED AS OF MARCH , 2006 (A COPY OF WHICH IS ON FILE WITH MCRLP; THE "PURCHASE AGREEMENT"). EXCEPT AS OTHERWISE PROVIDED IN SUCH AGREEMENTS, NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE COMMON UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR (B) IF MCRLP HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER. IN ADDITION, THE COMMON UNITS ARE SUBJECT TO THE PROVISIONS OF SECTION 5.17 OF THE PURCHASE AGREEMENT.

THE PARTNERSHIP WILL FURNISH TO EACH HOLDER WHO SO REQUESTS A STATEMENT OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF UNITS OR SERIES THEREOF WHICH THE PARTNERSHIP IS AUTHORIZED TO ISSUE AND OF THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE PARTNERSHIP AT ITS PRINCIPAL PLACE OF BUSINESS.

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto
Common Units represented by the within Certificate, and do hereby irrevocably constitute and appoint
Attorney to transfer the said Common Units on the books of the within named Partnership with full power of substitution in the premises.

Dated: _____ _____

EXHIBIT D

EARNOUT

Section 1 Definitions.

Section 1.01 Defined Terms. When used in this Exhibit D, the following terms shall have the meanings specified therefor below:

"Anniversary Year" means, as applicable, the First Anniversary Year, the Second Anniversary Year or the Third Anniversary Year.

"AT&T" means AT&T Corporation.

"AT&T Earnout Payment" means any payment made pursuant to Section 2.01 of this Exhibit D.

"AT&T Gross Income" means Gross Income (excluding directly reimbursed expenses) from AT&T or a replacement source of new business (which may be from an existing client to the extent such existing client generates additional new or incremental business) procured primarily by the Sellers and/or employees or officers of the Purchaser, the Companies or the Subsidiaries, and as reasonably agreed in good faith between the Purchaser and the Sellers.

"AT&T Threshold" has the meaning specified in Section 2.01 of this Exhibit D.

"Budget and Operating Plan" means collectively, the annual budget and the operating plan for the Companies and the Subsidiaries as approved by the Purchaser and the Sellers.

"Certified Balance Sheets and Income Statements" means unaudited consolidating/combining balance sheets and income statements of the Business as of and for the period ended as of the last day of each Anniversary Year, accompanied by a statement signed by the chief financial officer of MCRLP on behalf of the Purchaser certifying that such balance sheets and income statements are prepared in accordance with GAAP (but which lack footnotes and other presentation items required under GAAP), in a form similar to the 2005 Financial Statements and are true, correct and complete in all material respects as at the respective dates thereof and for the respective periods indicated therein.

"Earnout Payment" has the meaning specified in Section 3.02(a) of this Exhibit D.

"First Anniversary Year" means the one year period between the first day of the first full calendar month following the Closing Date and ending on the last day of the twelfth full calendar month thereafter, provided, however, to the extent the Closing Date occurs on one of the first ten days of a calendar month, the First Anniversary Year means the one year period beginning the first day of the calendar month in which the Closing occurs and ending on the last day of the twelfth calendar month thereafter.

"Gross Income" means total revenues generated by the Company and the Subsidiaries, regardless of where recorded, operating in accordance with the provisions of Section 5 of this Exhibit D for the Anniversary Year in question, determined in accordance with GAAP consistently applied by the Companies and the Subsidiaries, excluding the effects of any amortization of or other purchase accounting adjustments required by GAAP, and reduced by: (a) reimbursement revenue, (including, but not limited to, salary reimbursement fee, insurance reimbursement fee and the like) except to the extent of the gross profit associated with all reimbursed salaries for any new or materially amended contract(s); (b) interest income; (c) direct construction costs; (d) other income not derived from the Business and (e) reversal of expenses recognized in prior periods. Gross Income shall be determined without duplication. Gross Income will also include an additional three (3) months of revenue determined as of the last full calendar month prior to the sale of any property which is to be acquired as part of the Real Estate Agreement and the transactions contemplated thereby, which is currently managed by the Company and the Subsidiaries and for which MCRLP or its affiliates have sole and absolute authority to cause such sale to occur, but only if such sale results in a termination of the relevant agreement with respect to such property. Notwithstanding anything else to the contrary contained in this Agreement, Gross Income is intended to be calculated in accordance with the manner in which the original pro-forma income statement (which was prepared by the Sellers and provided to MCRLP and the Purchaser as part of their initial evaluation of the Companies, and that formed the basis for the Modeled Gross Income that is the basis of the earnout calculations contained in this Exhibit D) was prepared.

"Gross Income Earnout" means, in any Anniversary Year, an amount equal to $2,500,000 multiplied by a fraction, the numerator of which shall be the Gross Income earned during such Anniversary Year and the denominator of which shall be the Modeled Gross Income, but in no event shall the fraction be greater than 1.00.

"Gross Income Earnout Shortfall" means, in any Anniversary Year, an amount by which $2,500,000 exceeds the actual Gross Income Earnout paid for such Anniversary Year.

"Gross Income Rollover" means, in any Anniversary Year, an amount, if any, equal to the amount by which Gross Income for such Anniversary Year exceeds the Modeled Gross Income.

"Gross Income Threshold" means an amount equal to $15,000,000.

"Land Management Agreement" means that certain agreement by and between Bellemead Development Corporation as Owner and PW/MS OP Sub III, LLC as Manager, dated November 7, 1997.

"Modeled Gross Income" means, in the First Anniversary Year, an amount equal to $21,700,000, and in the Second Anniversary Year and the Third Anniversary Year, an amount equal to $20,000,000, plus the amount, if any, of gross revenues payable during the relevant Anniversary Year pursuant to the Land Management Agreement, as such agreement may have been renewed, determined by reference to the period of time during such Anniversary Year in which the Land Management Agreement continues and the gross revenues payable thereunder during such period.

"Modeled NOI" means an amount equal to $8,000,000.

"Net Income Earnout" means, in any Anniversary Year, an amount equal to $2,500,000 multiplied by a fraction, the numerator of which shall be the NOI earned during such Anniversary Year and the denominator of which shall be the Modeled NOI, but in no event shall the fraction be greater than 1.00.

"Net Income Earnout Shortfall" means, in any Anniversary Year, an amount by which $2,500,000 exceeds the actual Net Income Earnout paid for such Anniversary Year.

"Net Income Rollover" means, in any Anniversary Year, an amount, if any, equal to the amount by which NOI for such Anniversary Year exceeds Modeled NOI.

"Net Income Threshold" means an amount equal to $5,000,000.

"NOI" means Gross Income plus reimbursement revenue (including, but not limited to, salary reimbursement fee, insurance reimbursement fee and the like) to the extent deducted in arriving at Gross Income of the Companies and the Subsidiaries operating in accordance with the provisions of Section 5 of this Exhibit D after deducting, regardless of where recorded, for all expenses of the Companies and the Subsidiaries (including (A) any severance payments made within one (1) year of the Closing Date to employees of the Companies or the Subsidiaries as of the Closing Date, and (B) thereafter, any other severance payments made only in the ordinary course of the Business), as determined in accordance with GAAP consistently applied by the Companies and the Subsidiaries; provided that, in all such calculations of NOI there shall be excluded and no effect shall be given to (i) any creation, restoration, elimination or reversal of additional reserves or allowances on receivables included in the final Closing Statement of Working Capital, (ii) any amounts deducted for the Anniversary Year in question for income taxes, depreciation and interest, and (iii) any amortization of or other purchase accounting adjustments required by GAAP. No indirect cost shall be allocated to the Companies, the Subsidiaries or the Business which are not otherwise designated in the Budget and Operating Plan unless such indirect costs are reasonably so allocated. NOI shall be determined without duplication. To the extent that Gross Income includes an additional three months of revenue on account of the sale of any property, the related expenses which would have been attributable to such income would also be deducted in arriving at NOI. Notwithstanding anything else to the contrary contained in this Agreement, NOI is intended to be calculated in accordance with the manner in which the original pro-forma income statement (which was prepared by the Sellers and provided to MCRLP and the Purchaser as part of their initial evaluation of the Companies and that formed the basis for the Modeled NOI that was the basis of the earnout calculations contained in this Exhibit D) was prepared.

"Purchaser's Accountants" has the meaning specified in Section 3.02(a) of this Exhibit D.

"Second Anniversary Year" means the one year period between the first day after the end of the First Anniversary Year and the end of the twelfth calendar month thereafter.

"Sellers' Accountants" has the meaning specified in Section 3.02(a) of this Exhibit D.

"Third Anniversary Year" means the one year period between the first day after the end of the Second Anniversary Year and the end of the twelfth calendar month thereafter.

Section 1.02 Other Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed thereto in the Agreement of which this Exhibit D forms a part.

Section 2 Earnout Payments.

Section 2.01 AT&T Earnout. (a) On the first anniversary of the Closing Date, the Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount equal to $3,000,000 if the Purchaser, the Companies, the Subsidiaries and their respective Affiliates shall have received contractual commitments for at least $3,000,000 of AT&T Gross Income for the following year (the "AT&T Threshold").

(b) If the AT&T Threshold shall not be satisfied, then the Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount equal to the actual amount of AT&T Gross Income, if any, as shall have been contracted to be in place for the following year.

(c) Any payments to the Sellers from the Purchaser in respect of this Section 2.01 shall be paid in immediately available funds within thirty (30) days after the first anniversary of the Closing Date to an account designated by the Sellers to the Purchaser.

Section 2.02 First Anniversary Year Earnout. (a) After the First Anniversary Year, the Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount equal to:

(i) the Gross Income Earnout, if the Gross Income equals or exceeds the Gross Income Threshold during the First Anniversary Year; plus

(ii) the Net Income Earnout, if the NOI equals or exceeds the Net Income Threshold during the First Anniversary Year.

(b) If Gross Income shall fail to equal or exceed the Gross Income Threshold during the First Anniversary Year, then the Gross Income Earnout for the First Anniversary Year shall not be payable in accordance with Section 2.05. If the NOI shall fail to equal or exceed the Net Income Threshold during the First Anniversary Year, then the Net Income Earnout for the First Anniversary Year shall not be payable in accordance with Section 2.05.

Section 2.03 Second Anniversary Year Earnout. (a) After the Second Anniversary Year, the Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount equal to:

(i) the Gross Income Earnout, if the Gross Income during the Second Anniversary Year *plus* any Gross Income Rollover from the First Anniversary Year equals or exceeds the Gross Income Threshold; plus

(ii) the Net Income Earnout, if the NOI during the Second Anniversary Year *plus* any Net Income Rollover from the First Anniversary Year equals or exceeds the Net Income Threshold.

(b) If there was either a Gross Income Earnout Shortfall or a Net Income Earnout Shortfall for the First Anniversary Year, then, in addition to any Earnout payable in accordance with Section 2.03(a) above, after the Second Anniversary Year the Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount, if any, equal to:

(i) if the Gross Income during the First Anniversary Year plus any Gross Income Rollover from the Second Anniversary Year equals or exceeds the Gross Income Threshold, $2,500,000 multiplied by a fraction, the numerator of which shall equal the aggregate of such Gross Income and the denominator of which shall equal the Modeled Gross Income for the First Anniversary Year (but such fraction shall not be greater than 1.00) less the amount of any Gross Income Earnout actually paid for the First Anniversary Year; plus

(ii) if the NOI during the First Anniversary Year plus any Net Income Rollover from the Second Anniversary Year equals or exceeds the Net Income Threshold, $2,500,000 multiplied by a fraction, the numerator of which shall equal the aggregate of such NOI and the denominator of which shall equal the Modeled NOI (but such fraction shall not be greater than 1.00) less the amount of any Net Income Earnout actually paid for the First Anniversary Year.

(c) If Gross Income during the Second Anniversary Year plus any Gross Income Rollover from the First Anniversary Year shall fail to equal or exceed the Gross Income Threshold, then the Gross Income Earnout for the Second Anniversary Year shall not be payable in accordance with Section 2.05. If the NOI during the Second Anniversary Year plus any Net Income Rollover from the First Anniversary Year shall fail to equal or exceed the Net Income Threshold, then the Net Income Earnout for the Second Anniversary Year shall not be payable in accordance with Section 2.05.

Section 2.04 Third Anniversary Year Earnout. (a) After the Third Anniversary Year, the Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount equal to:

(i) the Gross Income Earnout, if the Gross Income during the Third Anniversary Year *plus* any Gross Income Rollover from the First Anniversary Year and from the Second Anniversary Year which, in either case, shall not have previously been applied towards achieving any amounts payable under Section 2.03(a) or 2.03(b) equals or exceeds the Gross Income Threshold; plus

(ii) the Net Income Earnout, if the NOI during the Third Anniversary Year *plus* any Net Income Rollover from the First Anniversary Year and from the Second Anniversary Year which, in either case, shall not have previously been applied towards achieving any amounts payable under Section 2.03(a) or 2.03(b) equals or exceeds the Net Income Threshold.

(b) If there was a Gross Income Earnout Shortfall for the First Anniversary Year which shall not have been fully paid pursuant to Section 2.03(b), then, in addition to any Earnout payable in accordance with Section 2.04(a)(i) above, if the sum of (i) the Gross Income from the First Anniversary Year plus (ii) the Gross Income Rollover from the Second Anniversary Year, if any, plus (iii) the Gross Income Rollover from the Third Anniversary Year equals or exceeds the Gross Income Threshold, then Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount, if any, equal to $2,500,000 multiplied by a fraction, the numerator of which shall equal the aggregate of such Gross Income and the denominator of which shall equal the Modeled Gross Income for the First Anniversary Year (but such fraction shall not be greater than 1.00) less the amount of any Gross Income Earnout actually paid for the First Anniversary Year (including pursuant to Section 2.03(b)).

(c) If there was a Net Income Earnout Shortfall for the First Anniversary Year which shall not have been fully paid pursuant to Section 2.03(b), then, in addition to any Earnout payable in accordance with Section 2.04(a)(ii) above, if the sum of (i) the NOI from the First Anniversary Year plus (ii) the Net Income Rollover from the Second Anniversary Year, if any, plus (iii) the Net Income Rollover from the Third Anniversary Year equals or exceeds the Net Income Threshold, then Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount, if any, equal to $2,500,000 multiplied by a fraction, the numerator of which shall equal the aggregate of such NOI and the denominator of which shall equal the Modeled Net Income (but such fraction shall not be greater than 1.00) less the amount of any Net Income Earnout actually paid for the First Anniversary Year (including pursuant to Section 2.03(b)).

(d) If there was a Gross Income Earnout Shortfall for the Second Anniversary Year, then, in addition to any Earnout payable in accordance with Section 2.04(a)(i) above, if the sum of (i) the Gross Income Rollover from the First Anniversary Year, if any, plus (ii) the Gross Income from the Second Anniversary Year plus (iii) the Gross Income Rollover from the Third Anniversary Year which, in either case, shall not previously been applied towards achieving any amounts payable under Section 2.03 or this Section 2.04, equals or exceeds the Gross Income Threshold, then Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount, if any, equal to $2,500,000 multiplied by a fraction, the numerator of which shall equal the aggregate of such Gross Income and the denominator of which shall equal the Modeled Gross Income for the Second Anniversary Year (but such fraction shall not be greater than 1.00) less the amount of any Gross Income Earnout actually paid for the Second Anniversary Year.

(e) If there was a Net Income Earnout Shortfall for the Second Anniversary Year, then, in addition to any Earnout payable in accordance with Section 2.04(a)(ii) above, if the sum of (i) the Net Income Rollover from the First Anniversary Year, if any, plus (ii) the NOI from the Second Anniversary Year plus (iii) the Net Income Rollover from the Third Anniversary Year which, in either case, shall not previously been applied towards achieving any amounts payable under Section 2.03 or this Section 2.04, equals or exceeds the Net Income Threshold, then Purchaser shall (and MCRLP shall cause the Purchaser to) pay to the Sellers an amount, if any, equal to $2,500,000 multiplied by a fraction, the numerator of which shall equal the aggregate of such NOI and the denominator of which shall equal the Modeled Net Income (but such fraction shall not be greater than 1.00) less the amount of any Net Income Earnout actually paid for the First Anniversary Year (including pursuant to Section 2.03(b)).

(f) If Gross Income during the Third Anniversary Year plus any applicable Gross Income Rollover shall fail to equal or exceed the Gross Income Threshold, then the Gross Income Earnout for the Third Anniversary Year shall not be payable and shall be forfeited. If the NOI during the Third Anniversary Year plus any applicable Net Income Rollover shall fail to equal or exceed the Net Income Threshold, then the Net Income Earnout for the Third Anniversary Year shall not be payable and shall be forfeited.

Section 2.05 Payment of Gross Income Earnout and Net Income Earnout. Any payments to the Sellers from the Purchaser in respect of the Gross Income Earnout or the Net Income Earnout will be paid in immediately available funds not later than the third Business Day after determination by the parties as to whether such Gross Income Earnout or Net Income Earnout shall have become payable.

Section 2.06 Offset for Losses. The Purchaser shall be entitled to deduct from any Earnout amount payable to the Sellers under this Exhibit D an amount equal to any indemnifiable Losses which may be recovered by a Purchaser Indemnified Party (pursuant to Article VIII of the Agreement) subject to the limitation specified in Section 8.04(b) of the Agreement. Notwithstanding anything herein to the contrary, any amounts deducted from any Earnout amount under this Section 2.06 shall be deemed to have been paid to the Sellers for all purposes under this Agreement and this Exhibit D.

Section 3 Determination

Section 3.01 Preparation of Financial Statements. (a) Within sixty (60) calendar days after the expiration of each Anniversary Year (except if an Anniversary Year shall end on a calendar quarter, then within ninety (90) calendar days after the expiration of the Anniversary Year), the Purchaser shall (and MCRLP shall cause the Purchaser to) prepare and deliver to the Sellers the Certified Balance Sheets and Income Statements for the prior Anniversary Year.

(b) The Purchaser shall provide the Sellers with copies of any information concerning the consolidated operations of the Purchaser as the Sellers may reasonably request, including any financial information as may be reasonably requested by the Sellers in order to allow the Sellers and the Sellers' Accountants to review and audit the Certified Balance Sheets and Income Statements at Sellers' sole cost and expense, with reasonable notice at normal business hours.

Section 3.02 Determination of Earnout Payments. (a) In addition to, and along with, delivering the Certified Balance Sheets and Income Statements for the prior Anniversary Year, the Purchaser shall prepare and deliver to the Sellers a statement which sets forth, in reasonable detail, the Purchaser's determination of the payment due to the Sellers under Sections 2.02, 2.03 or 2.04, as the case may be (an "Earnout Payment"), if any, payable in respect of the prior Anniversary Year. In accordance with Section 3.01(b) above, at all reasonable times during the thirty (30) days immediately following the Seller' receipt of such statement, the Sellers and the Sellers' accountants ("Sellers' Accountants") shall be permitted to review the Purchaser's and Purchaser's accountants ("Purchaser's Accountants") financial information and working papers relating to the Certified Balance Sheets and Income Statements and the Purchaser shall make

available to the Sellers and the Sellers' Accountants at reasonable times and on reasonable advance notice the individuals responsible for the preparation of the Certified Balance Sheets and Income Statements in order to respond to the reasonable inquiries of the Sellers and the Sellers Accountants.

(b) The Sellers shall notify the Purchaser in writing within thirty (30) days after receiving each of the statements of determination for each Anniversary Year if the Sellers and the Sellers' Accountants disagree with any amounts reflected on such statement of determination. The notice of disagreement shall set forth in reasonable detail the reason for such dispute, the dollar amounts involved and the Sellers and Sellers' Accountants good faith estimate of the applicable Earnout Payment. If the Sellers and the Sellers' Accountants do not deliver a notice of disagreement to the Purchaser within such thirty (30)-day period, then the Purchaser's statement of determination shall be deemed to have been accepted by the Sellers and the Sellers' Accountants and upon the expiration of such thirty (30)-day period shall become final and binding. If the Sellers do deliver a notice of disagreement, only those matters specified in reasonable detail in such notice of disagreement shall be deemed to be in dispute, and all other matters shall be final and binding.

(c) During the thirty (30) days immediately following the delivery of a notice of disagreement, the Sellers and the Sellers' Accountants and the Purchaser and the Purchaser's Accountants, in good faith, shall seek to resolve any differences that they may have with respect to any matter specified in such notice of

disagreement, and any resolution by them as to any such matter shall be final and binding. If at the end of such thirty (30)-day period, the Sellers and the Sellers' Accountants and the Purchaser and the Purchaser's Accountants have been unable to agree upon all matters specified in such notice of disagreement, then the Sellers and the Sellers' Accountants and the Purchaser and the Purchaser's Accountants shall submit to an Independent Accounting Firm for review and resolution any and all matters specified in the notice of disagreement that remain in dispute. The Purchaser and the Sellers shall cause the Independent Accounting Firm to make a final determination (which determination shall be binding on the parties hereto) of the Earnout Payment for the applicable Anniversary Year within thirty (30) days from such submission. The cost of the Independent Accounting Firm's review and determination shall be shared equally by the Sellers and the Purchaser. During such thirty (30)-day review, the Purchaser and the Sellers shall each make available to the Independent Accounting Firm such individuals and such information, books and records as may be reasonably required by the Independent Accounting Firm to make its final determination.

Section 4 Characterization of Earnout Payments. All amounts paid by the Purchaser with respect to Earnout pursuant to the Agreement shall, to the extent permitted by applicable Law, be treated as adjustments to the Purchase Price for all Tax purposes. Each of the Purchaser and the Sellers agree to report, on their respective Tax Returns, the allocation of any Earnout consistently (including any adjustment to an Earnout pursuant to this Exhibit D).

Section 5 Covenants of MCRLP and the Purchaser Relating to the Conduct of Business Each of MCRLP and the Purchaser acknowledges that a significant portion of the consideration for the Companies and the Subsidiaries hereunder is to be satisfied by the AT&T Earnout Payment and the Earnout Payments described in this Exhibit D. Accordingly, each of MCRLP and the Purchaser, on the one hand, and the Sellers, on the other hand, covenant and

agree to act in good faith to work with the others to prepare and implement a Budget and Operating Plan for the Companies and the Subsidiaries for each Anniversary Year (or, if agreed to by the Purchaser and the Sellers, fiscal year) which shall set forth the manner in which the Business of the Companies and the Subsidiaries is to be conducted. Each of MCRLP and the Purchaser further covenants and agrees to manage the Companies and the Subsidiaries from the Closing Date through the end of the Third Anniversary Year as a prudent owner would manage the Companies and the Subsidiaries and to use its commercially reasonable efforts to manage the Companies and the Subsidiaries in a manner substantially as previously managed and in accordance with the Budget and Operating Plan, subject to its overriding fiduciary duties to all of its and MCRC's equity owners.

MCRLP and the Purchaser hereby agree that they shall procure that MCRC (or any of its Affiliates) shall not, and not cause the Purchaser, the Company or any of the Subsidiaries to, terminate or adversely amend, any property management, facilities management, leasing, construction management or real estate brokerage agreement or arrangement with respect to any property currently managed by the Company and the Subsidiaries, absent a material breach of such agreement or arrangement, other than an action taken in good faith in response to an action initiated by the other party to such agreement or arrangement. If MCRC or any of its Affiliates shall, or shall cause the Purchaser, the Company or any of the Subsidiaries to, terminate or adversely amend any such agreement or arrangement, MCRLP and the Purchaser agree that any income and corresponding expense that would have been derived under any such agreement or arrangement prior to such amendment or termination shall be included in the Purchaser's calculation of Gross Income and NOI as if such contract or arrangement were not so terminated or adversely amended. The Sellers, MCRLP and the Purchaser also agree that the schedule of management fees with respect to the Class B Properties (as defined in the Real Estate Agreement) which are to be acquired as part of the Real Estate Agreement specified in the related Amended and Restated Limited Liability Company Agreement of Mack-Green-Gale LLC to be entered into upon the consummation of the transactions contemplated by the Real Estate Agreement shall not constitute such an adverse amendment or arrangement.

Furthermore, but subject to the fiduciary duty the Purchaser owes to its and MCRC's equity owners, each of MCRLP and the Purchaser hereby covenants and agrees that from the Closing Date through the end of the Third Anniversary Year it shall cause the Companies and their Subsidiaries:

(i) to continue to solicit new clients and to service its existing and new clients substantially in accordance with its long-standing service expertise and practices, provided that the foregoing shall not prevent the Purchaser from consolidating operations, taking actions intended to permit the Purchaser to operate the Companies and the Subsidiaries in a more efficient manner or taking actions intended to facilitate its tax requirements, including MCRC's status as a REIT;

(ii) to continue to operate the Companies and the Subsidiaries as a separate and distinct division, with a separate set of financial records, and not to permit the Business to be discontinued, dissolved, transferred to a non-affiliated third party or otherwise sold (through a sale of stock, sale of assets, operation of merger or otherwise), unless the acquiring party expressly agrees to be bound by the provisions of this Exhibit D;

(iii) to maintain records to allow for the calculations of AT&T Gross Income, Gross Income and NOI that shall be complete and accurate in all material respects, including, without limitation, not changing the accounting principles, practices, policies and methodologies of the Companies or the Subsidiaries for the Business for the purpose of the calculation of AT&T Gross Income, Gross Income and NOI; and

(iv) not to take any action or omit to take any action in connection with the operation of the Business which would, or would reasonably be likely to, reduce the amount of AT&T Gross Income, Gross Income and/or NOI or the ability of the Seller to achieve the AT&T Earnout Payment or any Earnout Payment.

Notwithstanding anything contained herein to the contrary, the Purchaser shall be entitled to take any action or omit to take any action in connection with the operation of the Business which would, or would reasonably be likely to, reduce the amount of AT&T Gross Income, Gross Income and/or NOI or the ability of the Seller to achieve the AT&T Earnout Payment or any Earnout Payment so long as (i) such action or omission is in the ordinary course of the Business and consistent with the Budget and Operating Plan and the primary purpose of such action or omission is not to reduce AT&T Gross Income, Gross Income or NOI or the ability of the Seller to achieve the AT&T Earnout Payment or any Earnout Payment or (ii) if after such action or omission is taken, the Purchaser shall promptly deliver to the Sellers a written proposal to adjust the calculation of Gross Income and NOI, so that achieving the AT&T Earnout Payment or each Earnout Payment will not be less likely due to such action or omission (an "Adjustment Proposal").

If the Purchaser shall deliver to the Sellers an Adjustment Proposal, the Sellers shall, within thirty (30) days after receiving an Adjustment Proposal, either (i) deliver a written notice to the Purchaser agreeing to such Adjustment Proposal (an "Acceptance Notice") or (ii) deliver a written notice to the Purchaser that the Sellers object to the Adjustment Proposal (an "Objection Notice"). If the Sellers deliver an Acceptance Notice or fail to deliver a timely Objection Notice, then the Adjustment Proposal shall be deemed to be accepted by the Sellers and final, binding and conclusive upon the Purchaser and the Sellers. If the Sellers shall timely deliver an Objection Notice, then the Purchaser and the Sellers shall negotiate, in good faith, for a period of thirty (30) days (the "Negotiation Period"), an adjustment to the calculation of Gross Income and/or NOI, as necessary, so that achieving the AT&T Earnout Payment or each Earnout Payment will not be less likely due to such action or omission. Any resolution reached by the Sellers and the Purchaser shall be final, binding and conclusive upon the Sellers and the Purchaser.

If the Negotiation Period shall have expired without the full resolution of all matters regarding the Adjustment Proposal, then the parties shall submit all unresolved issues for resolution to an Independent Accounting Firm, which shall, within thirty (30) days after such submission, determine and report to the Sellers and the Purchaser upon such remaining disputed items, and such report shall be final, binding and conclusive on the Sellers and the Purchaser. The fees and disbursements of the Independent Accounting Firm's review and determination shall be shared equally by the Sellers and the Purchaser.

Section 6 Confidentiality. Each of the parties hereto hereby expressly acknowledge and agree that the material terms of this Exhibit D (including, without limitation, any amounts payable hereunder) constitute Confidential Information, and are subject, in all respect to the confidentiality provisions contained in Section 5.03 of the Agreement.

EXHIBIT E

FORM OF ASSIGNMENT OF MEMBERSHIP INTERESTS

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, ("Assignor"), owner of an interest in , a Delaware limited liability company (the "Company"), hereby assigns, transfers, sells and conveys to Mack-Cali Realty Acquisition Corp., ("Assignee"), a Delaware corporation, all of such legal and beneficial right, title and interest in and to the Company, including, without limitation, all right, title and interest of Assignor in and to the assets of the Company and the right to receive distributions of money, profits and other assets from the Company, presently existing or hereafter at any time arising or accruing (such right, title and interest are hereinafter collectively referred to as the "Membership Interest").

TO HAVE AND HOLD the same unto Assignee, its successors and assigns, forever.

This Assignment is made without representation or warranty by Assignor to Assignee and without recourse to Assignor. Upon the execution and delivery hereof, Assignee assumes all obligations in respect of the Membership Interest.

Executed: as of , 2006

ASSIGNOR:

[NAME OF ENTITY]

BY: _____
Name:
Title:

ASSIGNEE:

MACK-CALI REALTY ACQUISITION CORP.

BY: _____
Name:
Title:

EXHIBIT F

STANLEY C. GALE ADVISOR TERMS AND CONDITIONS

For a period of three (3) years from the date of the Agreement, Mr. Stanley C. Gale shall serve as an advisor, holding the title of non-Executive Vice Chairman, to Mack-Cali Realty Acquisition Corp.'s real property service company (the "Service Business") and shall, at reasonable times and on reasonable notice, perform the functions requested by the Chief Executive Officer of Mack-Cali Realty Corporation, which shall include: (i) attending meetings related to the Service Business (including meetings with customers, potential customers, institutions and other third parties) and (ii) meeting regularly with Mark Yeager, department leaders and other staff.

Mr. Gale shall undertake to perform such functions to advance and preserve the Business and the goodwill of the Business.

EXHIBIT G

CERTIFICATE OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person or entity. In connection with the contribution by [SELLER] ("Seller") to Mack-Cali Realty, L.P. ("MCRLP") of the Seller's indirect interest in certain U.S. real property, and to inform MCRLP that withholding of tax is not required upon the disposition of such interest by Seller, Seller hereby certifies the following:

1. Seller is not a foreign person or entity (as those terms are defined in the Code and Treasury Regulations).

2. The address of Seller is:

3. Seller understands that this certification may be disclosed to the Internal Revenue Service by MCRLP.

I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete.

Dated: As of , 2006

EXHIBIT H

NON-PORTFOLIO REAL PROPERTY INTERESTS

	Size (SF)	Value per SF	Value	TGC Interest	Current TGC Cost/Value (a)	Partner
3 Campus Dr.	122,000	$ 35.00	$ 4,270,000	50.0(b)%	$ 2,135,000(b)	Landis 50% Morgan Stanley 25%
Center of Morris County:						
100 Kimball	175,000	$ 68.57		8.3 %	$ 991,654	JPM 75% Hampshire 16.7%
One Jefferson	100,000	$ 40.00		8.3 %	$ 402,501	JPM 75% Hampshire 16.7%
12 Vreeland ($11,313,017 million of debt in place)	139,750	$ 180.00	$ 25,155,000	50.0 %(c)	$ 6,920,991	S&K 50%
Princeton Forrestal Village	550,000			10.0 %	$ 1,774,500	GE 80% Witmondt 5% Mandelbaum 5%
Offices at Bedminster	190,000			10.6 %	TBD	TBD
One Newark Center	419,000			TBD	TBD	Praedium
Belmar—Redevelopment Rights				Generally 100% Hunt-50% DiFeo-85%	$ 1,373,840	TBD
Newark Transit Village				50 %	$ 551,864	Ivor Braka

(a) Subject to change if additional TGC capital contributions are made. Such TGC capital contributions shall not exceed $500,000 in the aggregate without the prior consent of Purchaser, such consent not to be unreasonably withheld or delayed.

(b) After payment of $915,000 to Morgan Stanley for its 25% interest to be deducted from current TGC Cost/Value.

(c) Subject to receiving the consents of the other members in GW Vreeland.

CONTRIBUTION AND SALE AGREEMENT

by and among

GALE SLG NJ LLC,
a Delaware limited liability company,

GALE SLG RIDGEFIELD MEZZ LLC,
a Delaware limited liability company,

GALE SLG NJ MEZZ LLC,
a Delaware limited liability company,

and

MACK-CALI VENTURES L.L.C.,
a Delaware limited liability company

Dated as of March 7, 2006

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CONTRIBUTION AND SALE AGREEMENT

THIS CONTRIBUTION AND SALE AGREEMENT (together with all Schedules and Exhibits hereto, this "**Agreement**") is made and entered into as of the 7th of March, 2006 (the "**Date of Agreement**") by and among GALE SLG NJ LLC, a Delaware limited liability company ("**Gale SLG**"), GALE SLG NJ MEZZ LLC, a Delaware limited liability company ("**Portfolio Mezz**") and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company ("**Challenger Mezz**", and together with Gale SLG and Portfolio Mezz, collectively, the "**Gale SLG Transferors**", and each a "**Gale SLG Transferor**"), and Mack-Cali Ventures L.L.C., a Delaware limited liability company ("**Mack-Cali**").

RECITALS

A. Gale SLG is the owner of 100% of the membership interests (the "**Gale GP Interest**") in Gale SLG NJ GP LLC, a Delaware limited liability company (the "**GP**"), existing pursuant to the Limited Liability Company Agreement of the GP dated July 30, 2004 (the "**GP Operating Agreement**") and 32,754,800 OP Units (as defined in the OP Partnership Agreement) (the "**Gale OP Units**"; and together with the Gale GP Interest, collectively, the "**Contributed Interest**") of Gale SLG NJ Operating Partnership, L.P. (the "**OP**"), a Delaware limited partnership existing pursuant to the Third Amended and Restated Limited Partnership Agreement of the OP, dated August 24, 1999, as amended by a First Amendment and Second Amendment, each dated July 30, 2004 (as so amended, the "**OP Partnership Agreement**").

B. The GP is the sole general partner of the OP and owns 327,508 GP Units (as defined in the OP Partnership Agreement) and all of the outstanding Preferred GP Units (as defined in the OP Partnership Agreement).

C. The OP is the owner of 100% of the membership interests in Portfolio Mezz, and Portfolio Mezz is the indirect owner of certain real property listed in **Exhibit A** attached hereto (the "**Portfolio Properties**"; each individually, a "**Portfolio Property**"). Fee title to each Portfolio Property is held by the entity set forth next to such Property on **Exhibit A** (collectively, the "**Portfolio Owners**"). In addition, (a) Mezz is the owner of 100% of the membership interests in the entities listed on **Exhibit M** (the "**Troy Entities**"), which entities are the fee owners of the properties set forth next to their names on **Exhibit M** (the "**Troy Properties**") and (b) the OP is the owner of 100% of the membership interests in Gale SLG Naperville Member LLC ("**Gale SLG Naperville**", and together with the Troy Entities, the "**Class C Entities**"; and the OP's direct or indirect membership interests in the Class C Entities, collectively, the "**Class C Assets**").

D. The OP is the owner of 100% of the issued and outstanding capital stock of Gale SLG NJ TRS Corp., a Delaware corporation ("**Portfolio TRS**"). Portfolio TRS is the owner of 100% of the membership interests (the "**OP Sub II Interest**") in PW/MS OP Sub II, LLC, a Delaware limited liability company ("**Op Sub II**").

E. Portfolio Mezz is the owner of (a) 100% of the membership interests (the "**Waterview Interest**") in 35 Waterview SPE LLC, a Delaware limited liability company ("**Waterview Owner**"), which is fee owner of certain real property commonly known as 35

Waterview Boulevard, Parsippany-Troy Hills, New Jersey (the "**Waterview Property**") and (b) 100% of the membership interests (the "**Thornall Interest**") in 343 Thornall SPE LLC, a Delaware limited liability company ("**Thornall Owner**"), which is a fee owner of certain real property commonly known as 343 Thornall Street, Edison, New Jersey (the "**Thornall Property**").

F. Challenger Mezz is the owner of 100% of the membership interests (the "**Challenger Interest**") in 105 Challenger Owner LLC, a Delaware limited

liability company ("**Challenger Owner**"; Challenger Owner, together with and the Portfolio Owners, collectively, the "**Owners**", each, an "**Owner**"). Challenger Owner is owner of a ground leasehold interest in certain real property known as 105 Challenger Road, Ridgefield Park, New Jersey (the "**Challenger Property**"; together with the Portfolio Properties, the Waterview Property and the Thornall Property, collectively, the "**Properties**", each, a "**Property**").

G. Gale SLG Challenger LLC ("**Challenger Parent**") is the owner of 100% of the membership interests in Challenger Mezz and 100% of the issued and outstanding stock of 105 Challenger TRS Corp. ("**Challenger TRS**"), a Delaware corporation.

H. The Owners, together with the OP, the GP, Portfolio Mezz and the Class C Entities are referred to herein collectively the "**Gale SLG Entities**". An organizational chart depicting the pre-Closing structure of the Gale SLG Entities and ownership of the Properties is attached hereto as **Exhibit B-1**. An organizational chart depicting the post-Closing structure, after giving effect to the Transaction, as hereinafter defined, is attached as **Exhibit B-3**.

I. The Properties are currently encumbered by mortgage and mezzanine debt as more particularly described herein.

J. Prior to the Closing:

(a) (i) TRS shall form a Delaware limited liability company ("**TRS LLC**"), to which it shall contribute all of the Op Sub II Interest in exchange for 100% of the membership interests in TRS LLC (the "**TRS LLC Interest**"); (ii) TRS LLC shall form a Delaware corporation ("**TRS Sub**"), to which it shall contribute all of the Op Sub II Interest in exchange for 100% of the issued and outstanding capital stock in TRS Sub; (iii) TRS shall distribute the TRS LLC Interest to its sole shareholder, the OP as a dividend; (iv) the OP shall distribute the TRS LLC Interest to its partners as a capital distribution; and (v) the GP shall, in turn, distribute the TRS LLC Interest distributed to it to its sole member, Gale SLG as a distribution (clauses (i)-(iv) are, collectively, the "**Portfolio TRS Reorganization**");

(b) Gale SLG shall form Mack-Green-Gale LLC, a new wholly-owned Delaware limited liability company ("**JVLLC**"); shall enter into an initial limited liability company operating agreement in the form attached hereto as **Exhibit C;** shall contribute the Contributed Interest to JVLLC; and

(c) Challenger Parent shall contribute 100% of the capital stock of Challenger TRS to Challenger Owner.

K. At Closing:

(a) Portfolio Mezz shall sell to Mack-Cali the Waterview Interest (the transaction described in this clause (a), the "**Waterview Transaction**");

(b) Portfolio Mezz shall sell to Mack-Cali the Thornall Interest (the transaction described in this clause (b), the "**Thornall Transaction**");

(c) Challenger Mezz shall sell to Mack-Cali the Challenger Interest (the transaction described in this clause (c), the "**Challenger Transaction**"); and

(d) Gale SLG shall sell to Mack-Cali the Mack-Cali Interest (as hereinafter defined), and Gale SLG and Mack-Cali shall enter into the Amended and Restated operating agreement of JVLLC in the form attached hereto as **Exhibit D** (such agreement, the "**JVLLC Operating Agreement**"; the transaction described in this (d), the "**Portfolio Transaction**", and together with the Challenger Transaction, the Thornall Transaction and the Waterview Transaction, collectively, the "**Transaction**").

L. In consideration of the Waterview Transaction, Mack-Cali shall pay to Portfolio Mezz an amount (the "**Waterview Purchase Price**"), equal to the Agreed Value of the Waterview Property minus the then-outstanding principal amount of the Existing Fixed Rate Debt encumbering the Waterview Property, in exchange for the Waterview Interest.

M. In consideration of the Thornall Transaction, Mack-Cali shall pay to Portfolio Mezz an amount (the "**Thornall Purchase Price**"), equal to the Agreed Value of the Thornall Property, in exchange for the Thornall Interest.

N. In consideration of the Challenger Transaction, Mack-Cali shall pay to Challenger Mezz an amount (the "**Challenger Purchase Price**"), equal to the Agreed Value of the Challenger Property minus the then-outstanding principal amount of the Existing Fixed Rate Debt encumbering the Challenger Property, in exchange for the Challenger Interest.

O. In consideration of the Portfolio Transaction, Mack-Cali shall pay to Gale SLG the sum of the following in exchange for Mack-Cali's interest in JVLLC:

(a) an amount (the "**Clause A Amount**"), equal to Mack-Cali's Applicable Percentage Share of an amount equal to the difference between (x) the aggregate Agreed Value of the Class A Properties and (y) the aggregate outstanding principal amount of Existing Fixed Rate Debt encumbering the Class A Properties as of the Closing Date;

(b) an amount (the "**Clause B Amount**"), equal to Mack-Cali's Applicable Percentage Share of an amount equal to the difference between (x) the aggregate Agreed Value of the Class B Properties and (y) the aggregate outstanding principal amount of Existing Fixed Rate Debt encumbering the Class B Properties as of the Closing Date; and

(c) an amount equal to Mack-Cali's Applicable Percentage Share of an amount equal to the difference between (x) the Agreed Value of the Troy Properties and (y) the aggregate principal amount of Existing Floating Rate Debt encumbering the Troy Properties as

of the Closing Date (and after application of the release prices in respect of the Class A Properties and Class B Properties encumbered thereby to reduce the principal amount thereof), (such amount the "**Clause C Amount**", and together with the Clause A Amount and the Clause B Amount, collectively, the "**Portfolio Purchase Price**"; the Portfolio Purchase Price, together with the Challenger Purchase Price, the Thornall Purchase Price and the Waterview Purchase Price, collectively, the "**Total Purchase Price**"), in all cases subject to proration and adjustment at Closing and to the other terms and conditions contained herein, including, without limitation, the provisions of **Section 21** (the interest in JVLLC acquired by Mack-Cali upon payment of the Portfolio Purchase Price is referred to herein as the "**Mack-Cali Interest**").

P. After the transfer of the Mack-Cali Interest to Mack-Cali, Gale SLG will hold the remaining interest in JVLLC (the "**Gale SLG Interest**").

Q. The parties desire to enter into this Agreement for the purpose of implementing the transfers and contributions of partnership interests and membership interests described herein and making the covenants, representations and warranties described herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and

sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. CERTAIN DEFINITIONS. The following terms as used in this Agreement will have the meanings attributed to them as set forth below unless the context clearly requires some other meaning.

"**2004 Financials**" has the meaning set forth in Section 8(a)(xv).

"**2005 Financials**" has the meaning set forth in Section 8(a)(xv).

"**75 Livingston**" has the meaning set forth in Section 12(c).

"**Action**" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"**Agreed Value**" means, with respect to any Property and the Troy Properties, the value set forth on Schedule 13.

"**Agreement**" has the meaning set forth in the introductory paragraph.

"**Applicable Gale SLG Transferor**" means, with respect to the Contributed Interest, Gale SLG; with respect to the Waterview Property and the Thornall Property, Portfolio Mezz; and with respect to the Challenger Property, Challenger Mezz.

"**Applicable Percentage Share**" means:

(1) with respect to Mack-Cali, (a) with respect to the Class A Properties, the product of (x) Mack-Cali's Class A Property Percentage Share and (y) the OP Percentage Interest, (b) with respect to the Class B Properties, the product of (x) Mack-Cali's Class B Property Percentage Share and (y) the OP Percentage Interest and (c) with respect to the Class C Assets, the product of (x) Mack-Cali's Class C Property Percentage Share and (y) the OP Percentage Interest; and

(2) with respect to Gale SLG, (a) with respect to the Class A Properties, the product of (x) Gale SLG's Class A Property Percentage Share and (y) the OP Percentage Interest, (b) with respect to the Class B Properties, the product of (x) Gale SLG's Class B Property Percentage Share and (y) the OP Percentage Interest and (c) with respect to the Class C Assets, the product of (x) Gale SLG's Class C Property Percentage Share and (y) the OP Percentage Interest.

"**Appurtenant Rights**" means all rights of way, tenements, hereditaments, easements, interests, minerals and mineral rights, water and water rights, utility capacity and appurtenances, strips and gores and all adjoining streets, alleys, roads, parking areas, curbs, curb cuts, sidewalks, landscaping, signage, sewers and public ways, if any, in any way belonging or appertaining to, and material to the ownership or operation of, the Land and the Improvements.

"**Assignment**" has the meaning set forth in Section 12(a)(vii).

"**Assumption Approval Date**" has the meaning set forth in Section 5(a).

"**Broker**" has the meaning set forth in Section 18.

"**Brokerage Agreements**" means all agreements with brokers or agents for the leasing of space at the Properties.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which banks located in New York, New York are required or permitted to close.

"**Certification of Representations and Warranties**" has the meaning set forth in Section 12(a)(vi).

"**Challenger Mezz**" has the meaning set forth in the introductory paragraph.

"**Challenger Ground Lease"** means that certain Lease of the Sixth Redevelopment Parcel, dated November 21, 1990 between the Village of Ridgefield Park, as lessor and Hartz Mountain Industries, Inc., as lesseee, as assigned by Hartz Mountain Industries, Inc. to Samsung America, Inc. by Assignment and Assumption of Ground Lease, dated November 21, 1990, as amended by First Amendment to Sixth Redevelopment Parcel Lease between the Village of Ridgefield Park and Samsung America, Inc., dated June 14, 1993, and assigned (to the extent of a 50% undivided interest) by Samsung America, Inc. to Samsung Semiconductor, Inc. pursuant to an Assignment and Assumption of Lease, dated September 1, 1995, as amended by Second Amendment to Redevelopment Parcel Lease between the Village of Ridgefield Park and Samsung America, Inc. and Samsung Semiconductor, Inc., dated February 11, 1997, as assigned by Samsung America, Inc. and Samsung Semiconductor, Inc. to SAI/SSI Realty L.L.C. by Assignment and Assumption of Lease, dated as of June 4, 1998, as assigned by SAI/SSI Realty L.L.C. to Samsung America, Inc. and Samsung Semiconductor, Inc by Assignment and

Assumption of Lease, dated as of December 22, 1998, as assigned by Samsung America, Inc. and Samsung Semiconductor, Inc. to Wellsford/Whitehall Holdings, L.L.C. by Assignment and Assumption of Ground Lease dated as of December 22, 1998, as amended by Third Amendment to Sixth Redevelopment Parcel Lease, dated as of December 22, 1998, between the Village of Ridgefield Park and Wellsford/Whitehall Holdings, L.L.C., as assigned by Wellsford/Whitehall Holdings, L.L.C. to 105 Challenger Owner LLC by Assignment and Assumption of Ground Lease, dated as of May 16, 2005.

"**Challenger Interest**" has the meaning set forth in paragraph (F) of the Recitals.

"**Challenger Owner**" has the meaning set forth in paragraph (F) of the Recitals.

"**Challenger Parent**" has the meaning set forth in paragraph (G) of the Recitals.

"**Challenger Property**" has the meaning set forth in paragraph (F) of the Recitals.

"**Challenger Purchase Price**" has the meaning set forth in paragraph (N) of the Recitals.

"**Challenger Transaction**" has the meaning set forth in paragraph (K) of the Recitals.

"**Challenger TRS**" has the meaning set forth in paragraph (G) of the Recitals.

"**Class A Properties**" means the Properties identified on Exhibit A as Class A Properties.

"**Class A Property Percentage Share**" has the meaning given such term in the JVLLC Operating Agreement.

"**Class B Properties**" means the Properties identified on Exhibit A as Class B Properties.

"**Class B Property Percentage Share**" has the meaning given such term in the JVLLC Operating Agreement.

"**Class C Assets**" has the meaning set forth in paragraph (C) of the Recitals.

"**Class C Entities**" has the meaning set forth in paragraph (C) of the Recitals.

"**Class C Policies**" has the meaning set forth in Section 7(k).

"**Class C Properties**" has the meaning set forth in Section 7(k).

"**Class C Property Percentage Share**" has the meaning given such term in the JVLLC Operating Agreement.

"**Class Tax Liability**" has the meaning set forth in Section 17.

"**Clause A Amount**" has the meaning set forth in paragraph O of the Recitals.

"**Clause B Amount**" has the meaning set forth in paragraph O of the Recitals.

"**Clause C Amount**" has the meaning set forth in paragraph O of the Recitals.

"**Closing**" has the meaning set forth in Section 5(a).

"**Closing Date**" has the meaning set forth in Section 5(a).

"**Closing Documents**" has the meaning set forth in Section 12(a).

"**Closing Statement**" has the meaning set forth in Section 15(k).

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, as it may be further amended from time to time, and any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"**Condition of the Interest**" has the meaning set forth in Section 8(f)(ii).

"**Contributed Interest**" has the meaning set forth in paragraph (A) of the Recitals.

"**Contribution and Subscription Agreements**" has the meaning set forth in Section 8(a)(iii).

"**Date of Agreement**" has the meaning set forth in the introductory paragraph.

"**Debt Assumption**" has the meaning set forth in Section 12(c).

"**Deposit**" has the meaning set forth in Section 3.

"**Encumbrance**" has the meaning set forth in Section 8(a)(iii).

"**Entity-Related Representations**" has the meaning set forth in Section 16(b).

"**Environmental Law**" shall mean any applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement, together with all successor statutes, ordinances, rules, regulations, orders, codes, directives or requirements, of any Governmental Authority in any way related to Hazardous Materials.

"**Escrowee**" has the meaning set forth in Section 6.

"**Escrow Agreement**" has the meaning set forth in Section 6.

"**Existing Fixed Rate Debt**" means, for each Property, the mortgage loan so identified for such Property on Schedule 12(c).

"**Existing Floating Rate Debt**" shall mean the mortgage loan, dated July 30, 2004, made by Wachovia Bank, National Association to certain of the Owners in the original principal amount of $344,395,000.

"**Existing Mezz Debt**" shall mean, collectively, (a) the revolving mezzanine loan, dated July 30, 2004, made by SLG Gale Funding LLC to Portfolio Mezz in the maximum principal

amount of $25,000,000 and (b) the mezzanine loan, dated May 16, 2005 made by Gramercy Warehouse Funding II LLC to Challenger Mezz in the amount of $6,500,000.

"**Expense Reimbursements**" has the meaning set forth in Section 15(d)(ii).

"**Financials**" has the meaning set forth in Section 8(a)(xiii).

"**Gale GP Interest**" has the meaning set forth in paragraph (A) of the Recitals.

"**Gale OP Units**" has the meaning set forth in paragraph (A) of the Recitals.

"**Gale SLG**" has the meaning set forth in the introductory paragraph.

"**Gale SLG Entity**" and "**Gale SLG Entities**" have the meanings set forth in paragraph (H) of the Recitals.

"**Gale SLG Interest**" has the meaning set forth in paragraph (P) of the Recitals.

"**Gale SLG Lease Cost Space**" has the meaning set forth in Section 9(g).

"**Gale SLG Transferor**" and "**Gale SLG Transferors**" have the meanings set forth in the introductory paragraph.

"**Gale SLG Transferors' Representatives**" has the meaning set forth in Section 19.

"**Gale SLG Naperville**" has the meaning set forth in paragraph (C) of the Recitals.

"**GAAP**" means United States generally accepted accounting principles and practices in effect on the date of this Agreement.

"**Governmental Authority**" shall mean any court, board, agency, commission, office, authority, department, bureau or instrumentality of any nature whatsoever or any governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**GI Test**" has the meaning set forth in Section 4(b).

"**GP**" has the meaning set forth in paragraph (A) of the Recitals.

"**GP Operating Agreement**" has the meaning set forth in paragraph (A) of the Recitals.

"**Guarantor Release**" has the meaning set forth in Section 12(c).

"**Hazardous Materials**" has the meaning set forth in Section 8(f)(ii)(A).

"**Improvements**" means all buildings, fixtures and other improvements existing on the Land.

"**Initial Deposit**" has the meaning set forth in Section 3.

"**Intangibles**" means all right, title and interest in and to all trade names, trademarks, copyrights, service marks, logos, designs, goodwill, telephone numbers, proprietary software (and documentation thereof), books and records, and other intellectual and intangible property used by Owner, if any, in connection with, and material to, the ownership, operation and maintenance of the Property.

"**JVLLC**" has the meaning set forth in paragraph (J) of the Recitals.

"**JVLLC Operating Agreement**" has the meaning set forth in paragraph (K) of the Recitals.

"**Knowledge**" has the meaning set forth in Section (8)(c).

"**Knowledge Parties**" has the meaning set forth in Section (8)(c).

"**Land**" means the real property constituting any Property.

"**Law**" means any foreign, federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law) in effect as of the date hereof.

"**Leases**" means all rights as lessor, landlord or licensor under all leases, tenancies and rental or occupancy agreements granting possessory rights, options, rights of first refusal or similar rights with respect to any interest in the Properties or any part thereof, in, on or covering the Land or Improvements, together with all modifications, extensions, amendments and guarantees thereof, together with such other leases of the Improvements (together with modifications, extensions, amendments and guarantees thereof) as may be made prior to Closing in accordance with the terms of this Agreement.

"**Letter of Credit**" has the meaning set forth in Section 3.

"**Liabilities**" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, Action or Governmental Order and those arising under any contract, agreement, arrangement, commitment or other undertaking.

"**Licenses**" means all plans, drawings, specifications, blueprints and surveys in Owner's possession and relating in any material way to, the Land, Improvements, and Appurtenant Rights, and all licenses, franchises, occupancy and use certificates, permits, authorizations, consents, variances, waivers, approvals and the like from any governmental or quasi-governmental entity or instrumentality materially affecting the ownership, operation or maintenance of the Land or the Improvements, including, without limitation, the Licenses set forth on **Schedule 8(a)(xxvii)**.

"**Mack-Cali**" has the meaning set forth in the introductory paragraph.

"**Mack-Cali Interest**" has the meaning set forth in paragraph (O) of the Recitals.

"**Mack-Cali Representatives**" has the meaning set forth in Section 19.

"**Mandatory Tenants**" has the meaning set forth in Section 9(j).

"**Master Lease Space**" has the meaning set forth in Section 9(g).

"**Minimum Estoppel Requirement**" shall have the meaning set forth in Section 9(j).

"**New Exceptions**" has the meaning set forth in Section 7(b).

"**New Financing**" has the meaning set forth in Section 12(d).

"**Non-Portfolio Property Payment**" has the meaning set forth in Section 16(d).

"**Notice**" shall mean, in addition to its ordinary meaning, any written communication of any nature, whether in the form of correspondence, memoranda, order, directive or otherwise.

"**OP**" has the meaning set forth in paragraph (A) of the Recitals.

"**OP Partnership Agreement**" has the meaning set forth in paragraph (A) of the Recitals.

"**OP Percentage Interest**" or "**OP Percentage Share**" means, as of any date in respect of which the same is determined, the aggregate Percentage Interest (as defined in the OP Partnership Agreement) in the OP owned, directly or indirectly, by JVLLC as of such date.

"**Op Sub II**" has the meaning set forth in paragraph (D) of the Recitals.

"**Op Sub II Interest**" has the meaning set forth in paragraph (D) of the Recitals.

"**Organizational Documents**" has the meaning set forth in Section 8(a)(ix).

"**Owner**" and "**Owners**" have the meanings set forth in paragraph (F) of the Recitals.

"**Permitted Exceptions**" has the meaning set forth in Section 7(g).

"**Parking Field Lot**" has the meaning set forth in Section 7(b).

"**Personal Property**" means all equipment and fixtures (other than those owned by tenants) attached to the Improvements and located at and used in connection with the ownership, operation and maintenance of the Land or the Improvements, including without limitation all heating, lighting, air conditioning, ventilating, plumbing, electrical or other mechanical equipment, other than such equipment and fixtures which are de minimis in the operation of the applicable Property. The Personal Property is set forth on Schedule 8(a)(xxiii).

"**Portfolio Mezz**" has the meaning set forth in the introductory paragraph.

"**Portfolio Owners**" has the meaning set forth in paragraph (C) of the Recitals.

"**Portfolio Property**" and "**Portfolio Properties**" have the meanings set forth in paragraph (C) of the Recitals.

"**Portfolio Purchase Price**" has the meaning set forth in paragraph (O) of the Recitals.

"**Portfolio Transaction**" has the meaning set forth in paragraph (K) of the Recitals.

"**Portfolio TRS**" has the meaning set forth in paragraph (D) of the Recitals.

"**Portfolio TRS Reorganization**" has the meaning set forth in paragraph (J) of the Recitals.

"**Post-Closing Owner**" has the meaning set forth in Section 15(a).

"**Post-Closing Period**" has the meaning set forth in Section 19.

"**Post-Closing Straddle Period**" has the meaning set forth in Section 19.

"**Pre-Closing Owner**" has the meaning set forth in Section 15(a).

"**Pre-Closing Period**" has the meaning set forth in Section 19.

"**Pre-Closing Straddle Period**" has the meaning set forth in Section 19.

"**Pre-Closing Tax Return**" has the meaning set forth in Section 19.

"**Proceeding**" has the meaning set forth in Section 19.

"**Property**" and "**Properties**" have the meanings set forth in paragraph (F) of the Recitals and shall include the applicable Owner's interest in the related Land, Improvements, Appurtenant Rights, Personal Property, Leases, Contracts, Licenses and Intangibles.

"**Rent Roll**" has the meaning set forth in Section 8(a)(xxiii).

"**Rent Shortfall Guaranty**" has the meaning set forth in Section 9(g).

"**Restricted Property**" and "**Restricted Properties**" have the meanings set forth in Section 19(a).

"**Scheduled Payment Date**" means a scheduled payment date under the Existing Floating Rate Debt.

"**Section 9 Leasing Costs**" has the meaning set forth in Section 9(g).

"**Service Contracts**" means all contracts, agreements, employment agreements, guarantees, warranties and indemnities, if any, affecting the ownership, operation, management and maintenance of the Land, Improvements, Appurtenant Rights, Personal Property and Leases, other than contracts which are de minimis in the operation of the applicable Property. The Service Contracts are set forth on **Schedule 8(a)(xi)** attached hereto.

"**Straddle Returns**" has the meaning set forth in Section 19.

"**Surveys**" means the surveys of the Properties listed on **Schedule 8(a)(xxxi)**.

"**Tax**" or "**Taxes**" mean all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment, unemployment compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

"**Tax Cert Proceedings**" has the meaning set forth in Section 8(a)(xxx).

"**Tax Claim**" has the meaning set forth in Section 19.

"**Tax Returns**" means any and all statements, returns, reports and forms (including elections, declarations, claims for refund, amendments, schedules, information returns or attachments thereto) filed or required to be filed with a Governmental Authority with respect to Taxes.

"**Tenant Estoppel**" has the meaning set forth in Section 9(j).

"**Thornall Interest**" has the meaning set forth in paragraph (E) of the Recitals.

"**Thornall LLC Agreement**" has the meaning set forth in Section 8(a)(v).

"**Thornall Owner**" has the meaning set forth in paragraph (E) of the Recitals.

"**Thornall Property**" has the meaning set forth in paragraph (E) of the Recitals.

"**Thornall Transaction**" has the meaning set forth in paragraph (K) of the Recitals.

"**Thornall Purchase Price**" has the meaning set forth in paragraph (M) of the Recitals.

"**Title Clearance Date**" has the meaning set forth in Section 7(b).

"**Title Commitment**" has the meaning set forth in Section 7(a).

"**Title Company**" has the meaning set forth in Section 7(a).

"**Title Election**" has the meaning set forth in Section 7(f).

"**TOE Date**" has the meaning set forth in Section 5(a).

"**TOE Declaration**" has the meaning set forth in Section 5(a).

"**TOE Declarer**" has the meaning set forth in Section 5(a).

"**Total Purchase Price**" has the meaning set forth in paragraph (O) of the Recitals.

"**Transaction**" has the meaning set forth in paragraph (K) of the Recitals.

"**Troy Entities**" has the meaning set forth in paragraph (C) of the Recitals.

"**Troy Properties**" has the meaning set forth in paragraph (C) of the Recitals.

"**Troy JV**" has the meaning set forth in Section 20.

"**Troy Transaction**" has the meaning set forth in Section 20.

"**TRS Sub**" has the meaning set forth in paragraph (J) of the Recitals.

"**Unfunded Leasing Expenses**" has the meaning set forth in Section 15(i).

"**Unpermitted Exceptions**" has the meaning set forth in Section 7(b).

"**Waterview Interest**" has the meaning set forth in paragraph (E) of the Recitals.

"**Waterview LLC Agreement**" has the meaning set forth in Section 8(a)(v).

"**Waterview Owner**" has the meaning set forth in paragraph (E) of the Recitals.

"**Waterview Property**" has the meaning set forth in paragraph (E) of the Recitals.

"**Waterview Transaction**" has the meaning set forth in paragraph (K) of the Recitals.

"**Waterview Purchase Price**" has the meaning set forth in paragraph (L) of the Recitals.

2. AGREEMENT FOR CONTRIBUTION AND SALE.

(a) Mack-Cali agrees to buy, and Portfolio Mezz agrees to sell, the Waterview Interest in exchange for the Waterview Purchase Price and the Thornall Interest in exchange for the Thornall Purchase Price, subject to the terms and conditions contained herein, including prorations and adjustments.

(b) Mack-Cali agrees to buy, and Challenger Mezz agrees to sell, the Challenger Interest in exchange for the Challenger Purchase Price, subject to the terms and conditions contained herein, including prorations and adjustments.

(c) Gale SLG agrees to contribute the Contributed Interest to JVLLC.

(d) Mack-Cali agrees to buy, and Gale SLG agrees to sell, the Mack-Cali Interest in exchange for the Portfolio Purchase Price, subject to the terms and conditions contained herein, including prorations and adjustments.

3. DEPOSIT.

On or about February 6, 2006, Mack-Cali deposited with Gale SLG the sum of $500,000 as an initial deposit (the "**Initial Deposit**") in respect of the transaction contemplated by this Agreement and simultaneous with the execution of this Agreement, Mack-Cali has deposited with Escrowee (as hereinafter defined) cash or an unconditional irrevocable Letter of Credit (a "**Letter of Credit**") in the amount of $14,500,000.00 as an additional deposit (such additional deposit together with the Initial Deposit, shall constitute the "**Deposit**" in the aggregate amount of $15,000,000.00). Simultaneously with the execution of this Agreement, Gale SLG shall transfer the Initial Deposit to Escrowee. Upon the closing of the transaction contemplated by this Agreement, the Deposit and all interest earned thereon shall be delivered to Gale SLG, Mezz or Challenger Mezz, as determined by Gale SLG, and, to the extent in cash, shall be applied against the portion of the Total Purchase Price due to Gale SLG, Mezz or Challenger Mezz, as applicable. If the transaction does not so close, the Deposit shall be disbursed in accordance with the terms of this Agreement.

4. DUE DILIGENCE WAIVED; SPECIAL GALE TERMINATION RIGHT.

(a) Mack-Cali has completed its due diligence with respect to the Properties, the Gale SLG Entities and has no right to terminate or rescind this Agreement except as expressly set forth herein.

(b) The parties hereto acknowledge that Mack-Cali, or an affiliate thereof, is currently pursuing a transaction (the "**Services Transaction**") pursuant to which it may acquire the membership interests in The Gale Services Company, L.L.C. and The Gale Construction Services Company, L.L.C. and certain of their subsidiaries (together, collectively, the "**Services Companies**"), as partially described in the Letter of Intent, dated February 6, 2006, from Mitchell E. Hersh to Stanley C. Gale (as the same may be amended from time to time to, among other things, include additional assets, the "**Services LOI**"). If Mack-Cali elects to terminate the Services Transaction at any time during or at the expiration of the Due Diligence Period (as defined in the Services LOI) for any reason other than failure of the Services Companies to meet the GI Test, or if the Services Transaction fails to close by reason of a failure by Mack-Cali or its affiliates to satisfy any condition precedent to sellers' obligations thereunder, Gale SLG shall have the option of terminating this Agreement, by notice to Mack-Cali within 10 Business Days after Mack-Cali's termination of the Services LOI, and in the event of such termination by Gale SLG, the Deposit, together with any interest earned thereon, shall promptly be returned to Mack-Cali and this Agreement shall be of no further force or effect, except for obligations that are expressly intended to survive the termination of this Agreement. For purposes of this paragraph, the "**GI Test**" shall mean that the annual aggregate gross income (as defined in the Membership Interest Purchase Agreement in

connection with the Services Transaction) of the Services Companies is equal to or in excess of $17,500,000.00.

5. CLOSING.

(a) Subject to terms and conditions of this Agreement, the closing of the transaction contemplated by this Agreement (the "**Closing**") shall take place on the date (the "**Closing Date**") which is the first Scheduled Payment Date the date (the "**Assumption Approval Date**") which is five (5) days after the approval of the Debt Assumption by the lenders under the Existing Fixed Rate Debt; provided that, either the Gale SLG Transferors or Mack-Cali may, by written notice to the other on or before such first Scheduled Payment Date, extend the Closing until the second Scheduled Payment Date after the Assumption Approval Date, and by further written notice on or before such second Scheduled Payment Date, until the third Scheduled Payment Date after the Assumption Approval Date. If all necessary conditions precedent to Closing have been satisfied or waived, and the Closing has not occurred on or before the Closing Date, as extended to the second or third Scheduled Payment Date after the Assumption Approval Date, either the Gale SLG Transferors or Mack-Cali (the "**TOE Declarer**") may, by written notice, declare that time is of the essence (a "**TOE Declaration**"), and if the other party fails to Close on the next subsequent Scheduled Payment Date (such next subsequent Payment Date, the "**TOE Date**"), such party shall be deemed to be in default hereunder, and the TOE Declarer shall be entitled to terminate this Agreement. If the Gale SLG Transferors are the TOE Declarer and the Closing fails to occur on the TOE Date because Mack-Cali is unable or unwilling to Close, the Gale SLG Transferors shall be entitled to retain the Deposit and any interest earned thereon, as liquidated damages. The Gale SLG Transferors and Mack-Cali agree it would be impractical and extremely difficult to fix the damages which the Gale SLG Transferors would suffer as a result of a default by Mack-Cali hereunder. Mack-Cali and the Gale SLG Transferors hereby agree that (i) an amount equal to the Deposit (together with any interest thereon) is a reasonable estimate of the total net detriment the Gale SLG Transferors would suffer in the event Mack-Cali defaults and fails to complete the purchase of the Challenger Interest, the Thornall Interest, the Waterview Interest and the Mack-Cali Interest, and (ii) such amount will be the full, agreed and liquidated damages for Mack-Cali's default and failure to consummate the Transaction, and will be the Gale SLG Transferors' sole and exclusive remedy (whether at law or in equity) for any default of Mack-Cali resulting in the failure of consummation of the Closing, whereupon this Agreement will be of no further force or effect, except for those provisions which expressly survive the termination hereof. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to the Gale SLG Transferors. Except as set forth above, the Gale SLG Transferors expressly waive their rights to seek damages if the Closing and the transactions contemplated hereby do not occur as herein provided by reason of any default of Mack-Cali. If Mack-Cali is the TOE Declarer and the Closing fails to occur on the TOE Date because Gale SLG Transferors are unable or unwilling to Close and have no further right hereunder to adjourn the Closing Date for the purposes of performing their obligations or satisfying conditions precedent to Mack-Cali's obligation to Close hereunder, Mack-Cali at its option may either (i) terminate this Agreement and direct Escrowee to return to Mack-Cali the Deposit, together with any interest earned

thereon, and upon such refund, this Agreement shall be deemed terminated and of no further force or effect, except for those provisions that expressly survive termination hereunder, and neither Mack-Cali nor Gale SLG Transferors shall have any further right or liability against the other hereunder, or (ii) to seek specific performance of the Gale Transferors' obligation to execute the documents required to convey the Challenger Interest, the Waterview Interest, the Thornall Interest and the Mack-Cali Interest to Mack-Cali under this Agreement, it being understood that the remedy of specific performance shall not be available to enforce any other obligation of the Gale SLG Transferors hereunder. Except as set forth above, Mack-Cali expressly waives its rights to seek damages if the Closing and the transactions contemplated hereby do not occur as herein provided by reason of any default or misrepresentation of the Gale SLG Transferors. Mack-Cali shall be deemed to have elected to terminate this Agreement and receive back the Deposit as its sole and exclusive remedy if Mack-Cali fails to file suit for specific performance against the Gale SLG Transferors in a court of competent jurisdiction on or before 45 days following the TOE Date.

(b) At Closing, Gale SLG and Mack-Cali shall make, or cause to be made, the deliveries required of the Gale SLG Transferors under **Section 12** below. At Closing, Mack-Cali shall (i) pay the Waterview Purchase Price and the Thornall Purchase Price to Portfolio Mezz in exchange for the Waterview Interest and the Thornall Interest (ii) pay the Challenger Purchase Price to Challenger Mezz in exchange for the Challenger Interest and (iii) pay the Portfolio Purchase Price to Gale SLG in exchange for the Mack-Cali Interest, in each case subject to the prorations and adjustments provided herein.

6. ESCROW.

The Deposit shall be held in escrow by the Title Company ("**Escrowee**") in accordance with an escrow agreement in the form attached hereto as **Exhibit F** (the "**Escrow Agreement**"). Any fees relating to the Escrow Agreement shall be borne one half by Gale SLG and one half by Mack-Cali. The obligations of Mack-Cali and the Gale SLG Transferors under this **Section 6** shall survive the Closing or termination of this Agreement.

7. TITLE COMMITMENT.

(a) Mack-Cali has procured or will procure title commitments for each of the Properties (collectively, the "**Title Commitment**") for owner's and lender's title insurance policies issued by Commonwealth Land Title Insurance Company (the "**Title Company**"), and shall deliver copies of same to Gale SLG upon receipt. Gale SLG shall have the right to designate an additional title insurance company or companies to act as co-insurer only with respect to 50% of the coverage under all of the title insurance policies issued at Closing with respect to the Class B Properties, it being understood that the Title Company shall act as "lead insurer".

(b) Mack-Cali may, at any time prior to Closing, but solely with respect to matters arising after the date of the Title Commitment and added as exceptions thereto after the date hereof and prior to Closing and any exceptions shown on an updated survey obtained after the date hereof and prior to Closing and not shown on the Surveys

(collectively, the "**New Exceptions**"), notify Gale SLG in writing of any objections to such New Exceptions; provided that Mack-Cali may not object to those matters described in **Sections 7(g)(i)-(ix)**. With respect to any objections to title properly set forth in such notice, the Applicable Gale SLG Transferor shall have the right, but not the obligation, until the date which is ten (10) Business Days after being notified of such objection (the "**Title Clearance Date**") to inform Mack-Cali in writing of its intent to have any of such exceptions (collectively, the "**Unpermitted Exceptions**") removed from the Title Commitment or to have the Title Company omit, at the Applicable Gale SLG Transferor's expense, such Unpermitted Exceptions from the Title Commitment. The parties agree that the New Exceptions may include objections relating to title searches and survey of a 0.561 acre lot (the "**Parking Field Lot**") at Block 230, Lot 1 adjacent to the 1280 Wall Street West, Lyndhurst, New Jersey property. The Parking Field Lot appears to be included in the common elements for the 1280 Wall condominium but no title search or survey was provided or obtained for the Parking Field Lot prior to the Date of Agreement.

(c) If any Property shall be affected by any lien or other encumbrance which is not a Permitted Exception and which may be discharged by the payment of an ascertainable amount of money (which amount, in the aggregate for all such encumbrances on all of the Properties, shall not exceed $1,000,000.00, subject to the provisions of **Section 7(e)**) then it shall be the Applicable Gale SLG Transferor's obligation to cause the discharge of such lien or encumbrance at Closing, or, at the option of the Applicable Gale SLG Transferor, to bond or escrow (or cause such bond or escrow) for such lien or encumbrance in a manner sufficient to cause the Title Company to remove same from the Title Commitment.

(d) Subject to **Section 7(g)** below, in the event there shall be any New Exceptions affecting the Properties other than (or in amounts larger than) those required to be discharged or removed from the Title Commitment pursuant to **Section 7(c)** the Gale SLG Transferors shall have the following options, exercisable in their sole and absolute discretion: (i) to cause the same to be removed from the Title Commitment at Gale SLG Transferors' sole cost and expense at or prior to the Closing, in which case this Agreement shall remain in full force and effect or (ii) to notify Mack-Cali that Gale SLG Transferors elect not to remove same, in which case Mack-Cali shall have the right to either (A) terminate this Agreement and Escrowee shall return the Deposit to Mack-Cali, together with interest earned thereon as its sole and exclusive remedy, in which event this Agreement shall be deemed terminated and of no further force or effect, except for those provisions that expressly survive termination hereunder and neither Mack-Cali nor the Gale SLG Transferors shall have any further right or liability against the other hereunder, or (B) proceed to Close hereunder, without credit or adjustment to any Purchase Price by reason of any such exceptions (except that Mack-Cali shall be entitled to a credit to the extent of any amount required to be applied to cure liens or encumbrances pursuant to **Section 7(c)**).

(e) Notwithstanding anything to the contrary contained in this **Section 7**, if there shall be (x) unbonded mechanics' or materialman's liens affecting any Property, other than those placed or caused by Tenants under the Leases (or by parties claiming

under such Tenants) or other liens and encumbrances (other than Permitted Encumbrances), whether or not in liquidated sums, which a Gale SLG Transferor has allowed to be placed on such Property after the date hereof, including judgments and federal state and municipal tax liens, or (y) any mortgages or instruments securing or evidencing a payment obligation other than the Existing Fixed Rate Debt and Existing Floating Rate Debt, and in each case which exist as of the Closing Date then the applicable Gale SLG Transferor shall cause such exceptions to be removed from the Title Commitment, at its sole cost and expense, which shall not be subject to the limit provided in **Section 7(c)**.

(f) Except as otherwise provided herein, if the Applicable Gale SLG Transferor fails on or before the Title Clearance Date to give written notice to Mack-Cali of its intent to cause any of the Unpermitted Exceptions to be removed prior to Closing, or omitted by the Title Company, then, Mack-Cali shall, as its sole remedy, have the option (the "**Title Election**") to either (i) terminate this Agreement, in which case the parties hereto shall have no further obligations hereunder (except for obligations that are expressly intended to survive the termination of this Agreement), and receive a return of the Deposit, together with any interest earned thereon, or (ii) proceed with Closing, with no reduction in the amount of the Total Purchase Price, and Mack-Cali shall be deemed to have waived any objection to the Unpermitted Exceptions which the Gale SLG Transferors do not intend to cause to be removed or omitted, and any other exceptions set forth in the Title Commitment. If Mack-Cali fails to notify Gale SLG of its Title Election by the earlier of the Closing Date or five (5) days after the Title Clearance Date, Mack-Cali shall be deemed to have terminated this Agreement as set forth in subclause (i) above. If the Applicable Gale SLG Transferor notifies Mack-Cali of its intention to cure any such

matters, the date for Closing may, at the request Gale SLG, be extended by a reasonable additional time to effect such a cure, but in no event shall the extension exceed sixty (60) days after the original date for Closing.

(g) It shall be a condition precedent to the obligation of Mack-Cali to proceed to Closing hereunder that at Closing the applicable Owner shall hold fee title (or in the case of Challenger Owner, a ground leasehold interest in the Challenger Property) to the applicable Property free and clear of any and all mortgages, liens, claims, leases, tenancies, occupants, encumbrances and easements, except the following (collectively, "**Permitted Exceptions**"):

(i) All taxes, water meter and water charges and sewer rents, accrued or unaccrued, fixed or not fixed, becoming due and payable after the Closing Date, but subject to adjustment as provided herein;

(ii) All zoning laws and building ordinances, resolutions, regulations and orders of all Governmental Authorities;

(iii) Liens and security interests securing the Existing Fixed Rate Debt;

(iv) Any exception shown on the applicable Survey set forth on **Schedule 8(a)(xxxi)** and any additional exceptions any updates thereto would

show, provided that such additional exceptions do not prevent or interfere with the continued use of the Properties as they are being used on the date hereof;

(v) Any easement or right of use created in favor of a public utility company for electricity, steam, gas, telephone, water or other service, and the right thereunder to install, use, maintain repair and replace wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like, upon, under and across the applicable Property;

(vi) Any difference in lot lines shown on an accurate survey and tax lot lines;

(vii) Non-material violations of building ordinances, resolutions and regulations;

(viii) Any other matters set forth as exceptions to title in the existing owners', or in the case of the Challenger Property, leasehold owner's, policies of title insurance held by the Owners, dated July 30, 2004 (in the case of the Portfolio Properties) and May 16, 2005 (in the case of the Challenger Property), and provided to Mack-Cali, which policies are set forth on **Schedule 7(g)(viii)**;

(ix) Any Exception set forth in the Title Commitment and not objected to as provided in **Section 7(b)** and matters otherwise approved or deemed approved in accordance with this Agreement; and

(x) Any Unpermitted Exception that has been waived as provided in **Section 7(d)** or **(f)**.

(h) If at the Closing it should appear that the applicable owner's or leasehold owner's title to any Property is subject to any exception other than the Permitted Exceptions, and if such exception may, according to reasonable expectations, be removed as an objection to title within 60 days after the scheduled Closing Date, Gale SLG may adjourn the Closing Date for a period not exceeding 60 days in the aggregate for such purpose.

(i) Subject to the other provisions of this **Section 7**, after any applicable adjournment, the relevant Owner does not hold title to each Property subject to and in accordance with the provisions of this Agreement, Mack-Cali shall have the right to waive the defect in title and Close without a reduction in Total Purchase Price, or terminate this Agreement by written notice to Gale SLG, whereupon the Deposit and all interest earned thereon shall be refunded to Mack-Cali and the parties shall thereafter have no further rights or obligations hereunder except with respect to those provisions of this Agreement that expressly survive termination.

(j) Notwithstanding the foregoing provisions of this **Section 7**, in the event that the Title Company shall raise an exception to title which is not a Permitted Exception, the Gale SLG Transferors shall have no obligation to cause such exception to be eliminated and Mack Cali shall have no right to terminate the Agreement by reason of

such exception if the Title Company (or any other reputable title insurance company licensed to issue title insurance in the State of New York) shall be prepared to omit such exception, at no additional cost or expense (unless the Gale SLG Transferors shall agree, in the Gale SLG Transferors' sole discretion, to assume any such additional cost or expense).

(k) Mack-Cali acknowledges that it has received copies of the current owner's title insurance policies (the "**Class C Policies**") with respect to the properties in which the Class C Entities hold an indirect ownership interest (the "**Class C Properties**"). Mack-Cali shall have no right of objection to any exception contained therein and the Gale SLG Transferors shall have no obligation to remove any exception contained therein or any encumbrance placed upon any Class C Property at any time.

(l) Any owner's title insurance policies procured at the Closing shall be at Mack-Cali's sole cost and expense.

(m) At Closing, if requested by the Title Company, the Applicable Gale SLG Transferor or Gale SLG Entity shall execute and deliver a normal, customary title affidavit to the Title Company in substantially the form attached hereto as **Exhibit E**.

8. REPRESENTATIONS AND WARRANTIES.

(a) The Gale SLG Transferors represent and warrant to Mack-Cali, as of the Date of Agreement, as follows:

(i) (A) Each of the Gale SLG Entities and each Gale SLG Transferor is duly organized, validly existing and in good standing under the laws of the State of their formation and each Owner is qualified to do business in the State in which the Property owned by it is located and any other jurisdictions where qualification to do business is necessary. (B) Each of the Gale SLG Transferors has all necessary right, power and authority to execute, enter into and deliver this Agreement and to consummate all of the transactions contemplated herein. (C) The individuals executing this Agreement on behalf of the Gale SLG Transferors (or on behalf of partners, members or managers of the Gale SLG Transferors) are duly authorized to enter into, execute, deliver and perform this Agreement on behalf of the Gale SLG Transferors (or on behalf of partners, members or managers of the Gale SLG Transferors) and to bind the Gale SLG Transferors. No consent of any third party (other than lender consents in connection with the Debt Assumption) that has not been or will not prior to the Closing be obtained is required in order for the Gale SLG Transferors and the Gale SLG Entities to consummate the Transaction. (D) The organizational chart set forth as **Exhibit B-1** attached hereto accurately sets forth the ownership structures of the Gale SLG Transferors and the Gale SLG Entities and certain of their affiliates shown thereon as of the date hereof, subject to the provisions of **Section 21**. (E) This Agreement and all documents to be executed by the Gale

SLG Transferors or any of the Gale SLG Entities and delivered to Mack-Cali hereunder (1) are or, at the time of such execution and delivery, will be the legal, valid and binding

obligations of such Gale SLG Transferors or such Gale SLG Entities, enforceable against such parties in accordance with their terms, (2) do not or, at the time of such execution and delivery, will not contravene any provision of such Gale SLG Transferor's or such Gale SLG Entity's organizational documents (including, without limitation, restrictions on transfer, if any, set forth in operating agreements, partnership agreements, shareholders' agreements, by-laws and the like of any of the Gale SLG Transferors or the Gale SLG Entities) or any existing laws and regulations applicable to such Gale SLG Transferors or such Gale SLG Entities or any of the Properties and (3) do not and will not conflict with or result in a violation of any material agreement, instrument, order, writ, judgment or decree to which such Gale SLG Transferors or such Gale SLG Entities is a party or is subject or which is binding upon it or its Property;

(ii) Intentionally Omitted.

(iii) The total number of outstanding OP Units (as defined in the OP Partnership Agreement) is 34,100,052; the total number of outstanding GP Units (as defined in the OP Partnership Agreement) is 327,508 and the total number of outstanding Preferred GP Units (as defined in the OP Partnership Agreement) is 1,364,723. Gale SLG holds 32,754,800 OP Units. The GP holds 327,508 GP Units and 1,364,723 Preferred GP Units. Other than by reason of redemption of limited partners of the OP, as set forth in the OP Partnership Agreement, redemption of the Preferred GP Units, at Closing, and additional OP Units that may be issued to the GP or to Gale SLG in the event they contribute additional common equity to the OP, as permitted by the terms and provisions of the OP Partnership Agreement, there shall continue to be an aggregate total of 34,100,052 OP Units outstanding at Closing. At Closing all Preferred GP Units will be redeemed and converted to OP Units. Gale SLG, together with its wholly-owned subsidiary, the GP, is the legal and beneficial owner and holder of the Contributed Interest and as of Closing the Contributed Interest will be held by JVLLC free and clear of any lien, pledge, security interest, claim or encumbrance of any nature (collectively, "**Encumbrances**") and, except as set forth in the OP Partnership Agreement, the GP Operating Agreement, the Contribution and Subscription Agreements made by the limited partners of the OP other than Gale SLG (collectively, the "**Contribution and Subscription Agreements**"), which Contribution and Subscription Agreements are described on **Schedule 8(a)(iii),** and the liens of the Existing Fixed Rate Debt, the Existing Floating Rate Debt and the Existing Mezz Debt, there are no Encumbrances, fixed or contingent, that directly or indirectly, (x) provide for the sale, pledge or other transfer or disposition of interests in the GP, the OP, Challenger Mezz, Portfolio Mezz or the Owner or any rights with respect thereto, or relate to the voting, disposition, exercise, or control of any of such interests or (y) obligate Gale SLG, JVLLC, the GP, the OP, Challenger Mezz, Portfolio Mezz or any Owners to grant, offer or enter into any of the foregoing.

(iv) Neither Gale SLG nor the GP has granted, or caused the OP or the GP, as the case may be, to grant, any option, warrant, subscription, or rights of

conversion or exchange, equity or otherwise, that would obligate the OP to issue additional GP Units or OP Units except as set forth in the OP Partnership Agreement and the Contribution and Subscription Agreements or that would obligate the GP the issue additional membership interests in the GP.

(v) Portfolio Mezz is the owner and holder of the Waterview Interest and the Thornall Interest and at Closing the Waterview Interest and the Thornall Interest shall be held by Portfolio Mezz free and clear of any Encumbrance, except as set forth in the Limited Liability Company Agreement of Portfolio Mezz or the Limited Liability Company Agreement Waterview Owner (the "**Waterview LLC Agreement**") or Thornall Owner (the "**Thornall LLC Agreement**"), as the case may be.

(vi) None of Gale SLG, the OP, the GP or Portfolio Mezz has granted any option, warrant, subscription, or rights of conversion or exchange, equity or otherwise, that would obligate the Waterview Owner or the Thornall Owner to issue additional membership interests.

(vii) Challenger Mezz is the owner and holder of the Challenger Interest and at Closing the Challenger Interest shall be held by Challenger Mezz free and clear of any Encumbrance.

(viii) Challenger Mezz has not granted, or caused Challenger Owner to grant, any option, warrant, subscription, or rights of conversion or exchange, equity or otherwise, that would obligate the Challenger Owner to issue additional membership interests.

(ix) The Applicable Gale SLG Transferor, has delivered or made available to Mack-Cali true and complete copies (in either paper or electronic form) of the organizational documents of each of the Gale SLG Entities (other than Challenger Mezz) and the subsidiaries of the Class C Entities, if any, (the "**Organizational Documents**") subject, in the case of the Organizational Documents of the Troy Entities, to the provisions of **Section 21**. The Organizational Documents, are true, complete and correct and constitute all of the material documents, agreements and instruments with respect to the formation, governance, management and organization of each of the Gale SLG Entities. The Organizational Documents have not been amended, modified, supplemented, terminated or otherwise changed.

(x) The Leases set forth on **Schedule 8(a)(x)** constitute all of the Leases with respect to use and occupancy affecting any Property on the date hereof (except as a result of any subleases of portions of any Property). True, accurate and complete copies of the Leases have been provided or made available to Mack-Cali. Except as disclosed in writing to Mack-Cali, no Gale SLG Transferor or Gale SLG Entity has received any material written notices of default by the applicable landlord under any Lease which remain uncured. The Leases are valid and bona fide obligations of the landlord thereunder and are in full force

and effect. Except as disclosed in writing to Mack-Cali, no Gale SLG Transferor or Gale SLG Entity has given or received any written notices of default by the applicable tenant under an Lease which remain uncured. Except as expressly set forth in the Leases, no tenant is entitled to now or in the future any concession, rebate, offset, allowance or free rent for any period nor has any such claim been asserted in writing by any tenant.

(xi) The contracts listed on **Schedule 8(a)(xi)**, constitute all of the Service Contracts to which any of the Owners, Portfolio Mezz, the OP or the GP is party. True, accurate and complete copies of such Service Contracts have been provided or made available to Mack-Cali.

(xii) All Service Contracts are cancelable on thirty (30) days notice without penalty or premium. All sums presently due and payable under the Service Contracts will be paid as of the Closing Date.

(xiii) The brokerage agreements set forth on **Schedule 8(a)(xiii)** are all of the Brokerage Agreements with respect to the Properties. True, accurate and complete copies of the Brokerage Agreements have been provided or made available to Mack-Cali.

(xiv) Except as set forth on **Schedule 8(a)(xiv)**, there are no lawsuits or proceedings pending or threatened in writing against any Gale SLG Entity or affecting the Properties or the operations or assets of any Gale SLG Entity, other than claims fully covered by insurance. There are no lawsuits pending or threatened in writing against the Gale SLG Transferors which would prevent the consummation of this transaction.

(xv) Gale SLG Transferors will cause the accountants to the Gale SLG Entities to furnish Mack-Cali with (i) true and complete copies of the audited consolidated balance sheet and income statement as of and for the fiscal year ended December 31, 2004 for the Gale SLG Entities (the "**2004 Financial Statements**") and (ii) preliminary unaudited balance sheets and income statements for the Gale SLG Entities (consolidated) and for Challenger Mezz as of and for the fiscal year ended as of December 31, 2005 (the "**2005 Financial Statements**"). The 2004 Financial Statements will be prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby and will present fairly, in all material respects, the financial condition of the Gale SLG Entities as of such dates and the results of operations for the Gale SLG Entities as of the dates thereof or the periods covered thereby. The 2005 Financial Statements will be prepared in accordance with the books and records of the Gale SLG Entities, but lack footnotes and other presentation items required under GAAP and will be subject to further review and adjustment.

(xvi) There are no Liabilities of the Gale SLG Entities of any nature other than Liabilities (a) expressly set forth in this Agreement and the Schedules hereto or (b) otherwise permitted to be incurred under this Agreement. From and

after Closing, the Gale SLG Entities shall not be subject to any Liabilities other than (x) those assumed by Mack-Cali or the Post-Closing Owners pursuant to the provisions of this Agreement and (y) those to which a purchaser of the Properties would be subject, had such a purchaser acquired the Properties by deed (or by assignment of leasehold interest, as applicable), rather than by acquiring interests in the Gale SLG Entities, pursuant to a contract of sale containing representations and warranties with respect to the Properties substantially the same as those set forth herein, as limited by **Section 16(a)** hereof. The Gale SLG Transferors shall remain liable for the OP Percentage Share as of the Closing Date for any and all liabilities of the Gale SLG Entities related to periods prior to Closing, other than as set forth in the preceding sentence.

(xvii) Except for the Existing Fixed Rate Debt, the Existing Floating Rate Debt, the Challenger Mezz Debt, and the Portfolio Mezz Debt, none of the Gale SLG Entities has any indebtedness for borrowed money and none of the Gale SLG Entities has guaranteed the debt of any other person or entity.

(xviii) Except as set forth in the organizational chart attached as **Exhibit B-1** and on **Schedule 8(a)(xviii)**, the Gale SLG Entities do not own capital stock or equity interests in any other corporation, partnership, limited liability company or entity.

(xix) All undisputed bills and claims for labor performed and materials furnished to or for the account of the applicable Owner of any Property arising prior to the Closing Date will be paid in full by such Owner in the ordinary course of business.

(xx) None of the Gale SLG Entities has or has ever had any employees.

(xxi) The Gale SLG Transferors have provided or made available to Mack-Cali all tenant correspondence files in their possession or control with respect to the Properties.

(xxii) **Schedule 8(a)(xxii)** contains a true, accurate and complete schedule of all obligations for leasing commissions and tenant improvements, affecting any Property. Other than as set forth on **Schedule 8(a)(xxii)**, there are as of the date hereof no obligations for leasing commissions or tenant improvements affecting any Property.

(xxiii) All items of Personal Property are now owned by such Owner free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind, except the liens of the Existing Fixed Rate Debt, the Existing Floating Rate Debt and the Existing Mezz Debt and at Closing all items of Personal Property shall be held by such Owner free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind except for the liens securing the Existing Fixed Rate Debt.

(xxiv) The principal balance outstanding under the Existing Fixed Rate Debt as of the date hereof is as set forth on **Schedule 8(a)(xxiv)**. No Gale SLG Transferor or Gale SLG Entity has received written notice of any default under the Existing Fixed Rate Debt which remains uncured. **Schedule 12(c)** sets forth all material documents evidencing and securing the Existing Fixed Rate Debt. True correct and complete copies of such documents have been provided to Mack-Cali.

(xxv) Mack-Cali has been provided with a true, correct and complete copy of the Challenger Ground Lease, which has not been amended. Neither Challenger Mezz nor Challenger Owner has received written notice of any default under the Challenger Ground Lease which remains uncured.

(xxvi) The Rent Roll attached hereto as **Schedule 8(a)(xxvi)** (the **"Rent Roll**") is true, accurate and complete in all material respects as of the date thereof and sets forth, to Gale SLG's knowledge, all arrearages with respect to the Leases as of the date hereof.

(xxvii) No Owner has received written notice from any Governmental Authority that any of the Licenses is subject to, or in jeopardy of, cancellation or non-renewal. True, correct and complete copies of Licenses that are within the possession or control of the Gale SLG Transferors have been provided or made available to Mack Cali.

(xxviii) No Owner has received written notice from a Governmental Authority of violation of any Environmental Law that has not been cured.

(xxix) No Gale SLG Entity has received written notice from any Governmental Authority of (i) any pending, threatened or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect any Property, or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of any Property, (iii) any proposed or pending special assessments affecting any Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against any Property and (v) any proposed change(s) in any road or grades with respect to the roads providing a means of ingress and egress to any Property.

(xxx) **Schedule 8(a)(xxx)** sets forth all pending proceedings for tax certiori (the "**Tax Cert Proceedings**") with respect to any of the Properties.

(xxxi) **Schedule 8(a)(xxxi)** sets forth all current surveys with respect to the Properties that are in the possession or control of the Gale SLG

Transferors. Complete copies of the surveys on **Schedule 8(a)(xxxi)** have been provided or made available to Mack-Cali.

(xxxii) Except as otherwise set forth on **Schedule 8(a)(xxxii)**, each of the OP, the GP, Portfolio Mezz or any subsidiaries of the foregoing, have at all times

been classified and treated as a partnership or disregarded entity and not as an association taxable as a corporation for federal income tax purposes in each state and local jurisdiction in which it files Tax Returns.

(xxxiii) None of the OP, the GP, Portfolio Mezz or any subsidiaries of the foregoing is subject to any private letter ruling of the IRS or comparable rulings of another taxing authority.

(xxxiv) None of the Gale SLG Transferors is a foreign person within the meaning of Section 1445 of the Code or any other laws requiring withholding of amounts paid to foreign persons.

(xxxv) No agreement or waiver extending any statute of limitations on or extending the period for the assessment or collection of any Tax has been executed or filed on behalf of or with respect to the OP, the GP, Portfolio Mezz or any subsidiaries of the foregoing. No power of attorney on behalf of the Gale SLG Entities with respect to any Tax matter is currently in place.

Notwithstanding anything to the contrary contained in this Agreement, (a) Gale SLG Transferors do not represent or warrant that any Lease will be in force or effect at Closing, that any tenant will have performed its obligations under its Lease or that any tenant will not be the subject of bankruptcy proceedings and (b) the existence of any default by a tenant, the failure by a tenant to perform its obligations under its Lease, the termination of any Lease prior to Closing by reason of the tenant's default or the existence of bankruptcy proceedings pertaining to any tenant shall not affect Mack-Cali's obligation to close or any other obligation hereunder or entitle Mack-Cali to an abatement of or credit against the Total Purchase Price or give rise to any other claim on the part of Mack-Cali.

(b) Mack-Cali represents and warrants to the Gale SLG Transferors, now and again on the Closing Date, that: (i) Mack-Cali is duly organized, validly existing and in good standing under the laws of its State of formation and any other jurisdictions where qualification to do business is necessary, (ii) Mack-Cali has all necessary right, power and authority to enter into, execute and deliver this Agreement and to consummate all the transactions contemplated herein, (iii) the individual(s) executing this Agreement on behalf of Mack-Cali are duly authorized to enter into, execute, deliver and perform this Agreement on behalf of Mack-Cali and to bind Mack-Cali, and no consent of any third party that has not been and will not be obtained is required in order for Mack-Cali to consummate the Transaction, (iv) the organizational chart set forth as **Exhibit B-2** attached hereto accurately sets forth the ownership structures of Mack-Cali and certain of its affiliates shown thereon and (v) this Agreement and all documents to be executed by Mack-Cali and delivered to the Gale SLG Transferors hereunder (A) are or, at the time of such execution and delivery, will be the legal, valid and binding obligations of Mack-Cali, enforceable against Mack-Cali in accordance with their terms, (B) do not or, at the time of such execution and delivery, will not contravene any provision of Mack-Cali's organizational documents or any existing laws and regulations applicable to Mack-Cali and (C) do not or will not, at the time of such execution and delivery, conflict with or

result in a violation of any agreement, instrument, order, writ, judgment or decree to which Mack-Cali is a party or is subject.

(c) To the extent that Mack-Cali has Knowledge prior to the execution of this Agreement that any of the Gale SLG Transferors' representations and warranties are inaccurate, untrue or incorrect in any way, such representations and warranties shall be deemed modified to reflect such Knowledge, as the case may be. For purposes of this Agreement, Mack-Cali shall have "**Knowledge**" of a particular fact, if any of Mitchell Hersh, Roger Thomas and Barry Lefkowitz has actual knowledge of such fact without any implication of verification or investigation concerning such knowledge.

(d) No Gale SLG Transferor shall have any liability in connection with this Agreement by reason of an inaccuracy of a representation or warranty, if and to the extent that Mack-Cali has Knowledge thereof (as provided herein) at the time of the Closing and Mack-Cali elects, nevertheless, to cause the transactions contemplated by this Agreement to be consummated.

(e) The parties hereby expressly acknowledge and agree that, except as set forth in this Agreement, as reliance thereon and enforcement thereof may be limited in this Agreement, no party, nor anyone acting for or on behalf of any party, has made any oral or written representation, warranty, covenant, agreement, promise or statement, express or implied, to the other party, or to anyone acting for or on behalf of the other party, and no party has, except as provided in this Agreement, relied on, and shall not be entitled to rely on same.

(f) No Further Representations.

(i) In entering into this Agreement, Mack-Cali has not been induced by and has not relied upon any written or oral representations, warranties or statements, whether express or implied, made by any of the Gale SLG Transferors or the Gale SLG Entities or by any broker or any other person representing or purporting to represent any of the Gale SLG or the Gale SLG Entities, with respect to the Properties, the Contributed Interest, the Thornall Interest, the Waterview Interest, the Challenger Interest, the Mack-Cali Interest, the Condition of the Interest (as hereinafter defined), the Class C Assets, or any other matter affecting or relating to the transactions contemplated by this Agreement, other than those expressly set forth in this Agreement. Mack-Cali acknowledges and agrees that, except as expressly set forth herein, the Gale SLG Transferors make no representations or warranties whatsoever, whether express or implied or arising by operation of law, with respect to the Properties, the Contributed Interest, the Waterview Interest, the Thornall Interest, the Challenger Interest, the Mack-Cali Interest, the Condition of the Interest or the Class C Assets. Except as otherwise set forth herein, Mack-Cali agrees that the Contributed Interest will be contributed to JVLLC and the Mack-Cali Interest, the Waterview Interest the Thornall Interest, and the Challenger Interest will be sold to Mack-Cali at the Closing in the then-existing Condition of the Interest of the Mack-Cali Interest, the Waterview Interest, the Thornall Interest and the Challenger Interest,

respectively, AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT ANY WRITTEN OR ORAL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW, other than representations and warranties of the Gale SLG Transferors expressly set forth in this Agreement. Without limiting the generality of the foregoing, except for the representations and warranties of the Gale SLG Transferors contained in this Agreement, the transactions contemplated by this Agreement are without statutory, express or implied warranty, representation, agreement, statement or expression of opinion of or with respect to (i) the Condition of the Interest or any aspect thereof, including, without limitation, any and all statutory, express or implied representations or warranties related to the suitability for habitation, merchantability, or fitness for a

particular purpose, (ii) the nature or quality of construction, structural design or engineering of the improvements included in the Properties, (iii) the quality of labor or materials included in the improvements included in the Properties, (iv) the soil conditions, drainage, topographical features, flora, fauna, or other conditions of or which affect the Properties, (v) any conditions at or which affect the Properties with respect to a particular use, purpose, development, potential or otherwise, (vi) areas, size, shape, configuration, location, access, capacity, quantity, quality, cash flow, expenses, value, condition, make, model, composition, accuracy, completeness, applicability, assignability, enforceability, exclusivity, usefulness, authenticity or amount, and (vii) any environmental, botanical, zoological, hydrological, geological, meteorological, structural, or other condition or hazard or the absence thereof heretofore, now or hereafter affecting in any manner the Properties. By executing this Agreement, Mack-Cali shall be deemed to acknowledge that Mack-Cali has had sufficient opportunity to examine all aspects of the Contributed Interest, the Mack-Cali Interest, the OP, the Waterview Interest, Waterview Owner, the Thornall Interest, Thornall Owner, the Challenger Interest, Challenger Owner, the Properties and the Class C Assets and has knowledge and expertise in financial and business matters that enable Mack-Cali to evaluate the merits and risks of the transactions contemplated by this Agreement.

(ii) For purposes of this Agreement, the term "**Condition of the Interest**" means the following matters:

(A) Physical Condition of the Properties. The quality, nature and adequacy of the physical condition of the Properties, including, without limitation, the quality of the design, labor and materials used to construct the Improvements; the condition of structural elements, foundations, roofs, glass, mechanical, plumbing, electrical, HVAC, sewage, and utility components and systems; the capacity or availability of sewer, water, or other utilities; the geology, flora, fauna, soils, subsurface conditions, groundwater, landscaping, and irrigation of or with respect to the Properties, the location of the Properties in or near any special taxing district, flood hazard zone, wetlands area, protected habitat, geological fault or subsidence zone, hazardous waste disposal or clean-up site, or

other special area, the existence, location, or condition of ingress, egress, access, and parking; the condition of the personal property and any fixtures located on or at the Properties; and the presence of any asbestos or other Hazardous Materials, dangerous, or toxic substance, material or waste in, on, under or about the Properties and the improvements located thereon. "**Hazardous Materials**" means (A) those substances included with the definitions of any or more of the terms "hazardous substances," "toxic pollutants", "hazardous materials", "toxic substances", and "hazardous waste" in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (as amended), the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sections 1801 et seq., the Resource Conservation and Recovery Act of 1976 as amended, 42 U.S.C. Section 6901 et seq., Section 311 of the Clean Water Act, 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 Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the New Jersey Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq., and any similar state or federal laws or any regulations issued under any such laws and (B) petroleum, radon gas, lead based paint, asbestos or asbestos containing material and polychlorinated biphenyls.

(B) Adequacy of the Properties. The economic feasibility, cash flow and expenses of the OP and any of its subsidiaries, Waterview Owner, Thornall Owner, Challenger Owner and the Class C Assets, and habitability, merchantability, fitness, suitability and adequacy of the Properties for any particular use or purpose.

(C) Insurance. The availability, cost, terms and coverage of liability, hazard, comprehensive, terrorism and any other insurance of or with respect to the Properties.

(D) Condition of Title. The condition of title to the Properties, including, without limitation, vesting, legal description, matters affecting title, title defects, liens, encumbrances, boundaries, encroachments, mineral rights, options, easements, and access; violations of restrictive covenants, zoning ordinances, setback lines, or development agreements; the availability, cost, and coverage of title insurance; leases, rental agreements, occupancy agreements, rights of parties in possession of, using, or occupying the Properties; and standby fees, taxes, bonds and assessments.

(E) Information. Except as expressly set forth in this Agreement, all materials and documents, if any, which have been provided by or on behalf of any of the Gale SLG Transferors or the Gale SLG Entities or any related parties have been provided without any warranty or representation, express or implied, as to their content, suitability for any

purpose, accuracy, truthfulness or completeness, and Mack-Cali shall not have any recourse against any Person in the event of any errors therein or omissions therefrom. None of the Gale SLG Transferors or the Gale SLG Entities shall be liable or bound in any manner whatsoever by any guarantees, promises, projections, operating expenses, set-ups or other information pertaining to the Contributed Interest, the OP, any Gale SLG Entity, the Waterview Interest, the Thornall Interest, the Challenger Interest, the Properties or the Class C Assets made, furnished or claimed to have been made or furnished, whether orally or in writing, by the Gale SLG Transferors or the Gale SLG Entities or other Person representing or purporting to represent any of the Gale SLG Transferors or the Gale SLG Entities.

(iii) The provisions of this **Section 8(f)** shall survive the Closing.

9. GALE SLG COVENANTS.

From and after the Date of Agreement through the Closing Date, the Gale SLG Transferors shall or shall cause the Gale SLG Entities to, at the Gale SLG Transferors' expense:

(a) Operate and maintain the Properties in the ordinary course of business, normal wear and tear and casualty and condemnation excepted, and not commit waste with respect thereto, it being understood that this covenant shall include, without limitation, an obligation to pursue the cure of violations and open permits in the ordinary course of business.

(b) Keep in full force and effect all hazard, liability and casualty, fire and extended coverage insurance policies, and all public liability insurance policies, that are in existence as of the date hereof with respect to the Properties (or substitute policies that are equivalent thereto).

(c) Except as permitted herein or as approved in writing by Mack-Cali, not sell, encumber or grant any interest in the Properties or the Gale SLG Entities, or any part thereof, in any form or manner whatsoever.

(d) Pay all taxes and special assessments levied against or incurred in connection with the ownership or operation of the Properties, as such taxes and special assessments become due and payable.

(e) From the Date of Agreement until the earlier of the Closing or termination of this Agreement, the Gale SLG Transferors shall not, and shall not

cause or allow any of the Gale SLG Entities to, without the prior written consent of Mack-Cali, which consent will not be unreasonably conditioned, denied or delayed, (a) enter into, amend, modify, renew, terminate or assign any Lease or enter into, amend, modify, renew, terminate or assign any Contract, broker agreement or other similar material agreement with respect to the Properties, (b) make payments or distributions of any proceeds from condemnation or insurance claims or of any condemnation or insurance claims on account of the Contributed Interest, the Waterview Interest, the Thornall Interest, the

Challenger Interest or the Properties (except as required pursuant to the terms of the existing Leases or the documents evidencing and securing any existing financing), (c) amend or modify the Organizational Documents other than to redeem any OP Units held by limited partners of the OP or to redeem the Preferred GP Units of the OP or to issue additional OP Units to the GP or Gale SLG by reason of a contribution of common equity to the OP, or (d) modify any of the Existing Fixed Rate Debt. If Mack-Cali fails to object to any request for its consent within 5 days of the request, Mack-Cali will be deemed to have approved the request. Except with respect to Leases and Brokerage Agreements, Mack-Cali's prior written consent will not be required (i) with respect to the activities described in subsections (a) or (b), to the extent such activities are conducted substantially in accordance with the current budgets and operating plans, including the leasing guidelines included therein, for the Properties, the OP, its subsidiaries and Challenger Owner made available to Mack-Cali or (ii) with respect to the activities described in subsection (a), to the extent such activities are conducted in the ordinary course of the Gale SLG Entities', or the OP's business, consistent in all material respects with past practice. Except as provided in **Section 9(h)** and **Section 21**, Gale SLG will cause the OP to operate its business consistent in all material respects with past practices, and, except as provided in **Section 9(i)**, Challenger Mezz will cause Challenger Owner to operate its business consistent in all material respects with past practices, in each case subject to the terms and provisions of any contract to which any Gale SLG Transferor or Gale SLG Entity is party or by which it or its properties are bound.

(f) Prior to the Closing and subject to the reasonable approval of Mack-Cali, the applicable Gale SLG Entities shall have the right to enforce the rights and remedies of the landlord under any Lease, by summary proceedings or otherwise (including, without limitation, the right to remove any tenant under any Lease), and, subject to **Section 9(m)(ii)**, to apply all or any portion of any security deposits then held by the Gale SLG Transferors or the Gale SLG Entities upon eviction toward any loss or damage incurred by any of them by reason of any defaults by tenants, and the exercise of any such rights or remedies shall not affect the obligations of Mack-Cali under this Agreement in any manner or entitle Mack-Cali to a reduction in, or credit or allowance against, the Total Purchase Price or give rise to any other claim on the part of Mack-Cali.

(g) In the event that as of the Closing Date there is not a Lease in effect for any of the spaces listed on **Schedule 9(g)** (each a "**Master Lease Space**"), Gale SLG shall enter into an agreement (the "**Rent Shortfall Guaranty**") in the form of **Exhibit I**, which shall provide that Gale SLG shall pay to Mack-Cali Mack-Cali's Applicable Percentage Share of annual rent set forth for such space on **Schedule 9(g)** on a monthly basis until such space is leased or until the end of the period specified for such space on **Schedule 9(g)**, whichever first occurs. Mack-Cali, on behalf of JVLLC, agrees to use commercially reasonable best efforts to lease each Master Lease Space expeditiously and at market rates with respect to all economic terms, including, but not limited to, rental rate, tenant improvement allowances, free rent and other lease concessions. With respect to each of the spaces noted on **Schedule 9(g)** as a "**Gale SLG Lease Cost Space**", if at Closing a third party Lease is not in effect, Gale SLG shall escrow with an escrow agent mutually acceptable to Gale SLG and JVLLC an amount equal to the OP Percentage Share (as of the Closing Date) of $35 times the number of square feet contained in the

relevant Gale SLG Lease Cost Space, as set forth on **Schedule 9(g)**. Upon execution of a Lease with respect to such space, an amount equal to the OP Percentage Share (as of the Closing Date) of the cost of leasing commissions and tenant improvements only ("**Section 9 Leasing Costs**") associated with entering into such Lease (in any event not to exceed the OP Percentage Share (as of the Closing Date) of $35 in the aggregate per square foot) shall be released from escrow to the applicable Owner. Provided that Gale/SLG is not in default under the Rent Shortfall Guaranty, any excess amount remaining with respect to any Gale SLG Lease Cost Space after payment of the OP Percentage Share (as of the Closing Date) of Section 9 Leasing Costs related to such Gale SLG Lease Cost Space shall be released to Gale SLG.

(h) Prior to Closing, Gale SLG shall cause the Portfolio TRS Reorganization to be effected.

(i) Prior to Closing, Challenger Parent shall contribute 100% of the stock of Challenger TRS to Challenger Owner.

(j) The Applicable Gale SLG Transferor shall request tenant estoppel certificates (each, a "**Tenant Estoppel**") prior to Closing from all tenants of the Properties, in the form attached hereto as **Exhibit K** or as set forth in the applicable Lease and shall deliver or cause to be delivered to Mack-Cali, upon receipt, copies of each Tenant Estoppel in the form received. It shall be a condition precedent (the "**Minimum Estoppel Requirement**") to Mack-Cali's obligation to Close that Tenant Estoppels dated no more than 45 days prior to Closing be obtained from tenants under Leases representing not less than seventy percent (70%) of the aggregate currently occupied square footage of the Properties, which seventy percent shall include the tenants listed on **Schedule 9(j)** (the "**Mandatory Tenants**"). All Tenant Estoppels delivered by tenants shall be accepted by Mack-Cali without regard to the contents of such Tenant Estoppels or to any changes to the form of Tenant Estoppel, unless such Tenant Estoppel (individually or collectively with other Tenant Estoppels) contains statements whose substance indicates that the Applicable Gale SLG Transferor has made a material misrepresentation under this Agreement. The Gale SLG Transferors shall be entitled to an adjournment of the Closing of not more than thirty (30) days to obtain Tenant Estoppels. If the Gale SLG Transferors do not obtain Tenant Estoppels meeting the Minimum Estoppel Requirement, the Applicable Gale SLG Transferor shall have the right to deliver to Purchaser at the Closing a certificate (the "**Landlord Estoppel**") substantially in the form of **Exhibit J**, in lieu of Tenant Estoppels with respect to Leases representing not more than five percent (5%) of the Minimum Estoppel Requirement; provided that the Gale SLG Transferors shall not be permitted to deliver a Landlord Estoppel with respect to any Mandatory Tenant. Notwithstanding anything in this **Section 9(j)** or any Landlord Estoppel to the contrary, the Landlord Estoppel shall terminate on the earlier of (i) as to the Landlord Estoppel in its entirety, the date which is twelve (12) months after the Closing Date, and (ii) with respect to any particular Lease covered by the Landlord Estoppel (a "**Landlord Estoppel Lease**"), the date of delivery to Mack-Cali of one or more Tenant Estoppels from tenants under Leases for an aggregate square footage equal to or in excess of the square footage leased covered by the Landlord Estoppel Lease.

(k) Upon written request by Mack Cali, and at Mack-Cali's expense, the Gale SLG Entities agree to engage an accounting firm (the "**Accounting Firm**") that is registered with the Public Company Accounting Oversight Board and which Accounting Firm is reasonably acceptable to Mack-Cali to prepare and deliver audited financial statements for any of the Gale SLG Entities that comply with Regulation 210.3-14 (Instruction for Real Estate Operations to be Acquired) of Regulation S-X (the "**3-14 Financial Statements**").

(l) Prior to Closing, Gale SLG shall cause the dissolution of the entities set forth on **Schedule 8(a)(xviii)**.

(m) The Gale SLG Transferors shall not, and shall not cause or permit the Gale SLG Entities to:

(i) Enter into any agreement requiring work to be done for any Tenant after the Closing Date without first obtaining the prior written consent

of Mack-Cali, which shall not be unreasonably withheld, conditioned or delayed (and if Mack-Cali fails to object to any request for its consent within 5 Business Days of the request, Mack-Cali shall be deemed to have approved the request);

(ii) Apply any Security Deposits with respect to any tenant in occupancy;

(iii) Remove any Personal Property located in or on any Property, except as Gale SLG may deem necessary for repair and replacement. All replacements shall be free and clear of all liens and encumbrances except those of the Existing Fixed Rate Debt, the Existing Floating Rate Debt and the Existing Mezz Debt, shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to Mack-Cali; or

(iv) Cause or permit any Property, or any interest therein, to be alienated, mortgaged, licensed, encumbered or otherwise be transferred except for new Leases entered into in accordance with this Agreement and transfers by tenants as permitted by the applicable Lease.

(n) Challenger Mezz shall use commercially reasonable efforts to procure an estoppel from the Village of Ridgefield Park, the ground lessor of the Challenger Property, setting forth the information required by Section 36 of the Challenger Ground Lease;

(o) The Gale SLG Transferors will neither take any action with respect to commencing, prosecuting or settling any tax certiorari proceeding with respect to any Class A Property or Class B Property with respect to years prior to 2006 which would have an adverse effect on the Post-Closing Owners nor take any action that affects the 2006 assessment for any Property without the prior written consent of Mack-Cali and will keep Mack-Cali informed as to the status of such proceedings, from time to time at Mack-Cali's request. From and after the Agreement Date Mack-Cali shall have the sole and exclusive right, on behalf of Post-Closing Owners, to commence, prosecute and settle

tax certiorari proceedings with respect to any Class A Property or Class B Property for the current and Post-Closing period, employing legal counsel designated by Mack-Cali except to the extent other counsel are currently handling the Tax Cert Proceedings.

(p) At Closing there shall be no default or Event of Default under the Existing Fixed Rate Debt.

(q) All undisputed bills and claims for labor performed and materials furnished to or for the account of the applicable Owner of any Property arising prior to the Closing Date will be paid in full by such owner within customary time periods but not later than the Closing Date.

(r) The Gale SLG Transferors shall promptly notify Mack-Cali of, and promptly deliver to Mack-Cali a true and complete copy of any Notice that may be received concerning any of the Properties, on or prior to the Closing Date, from any Governmental Authority concerning a violation of any Environmental Laws.

(s) Prior to Closing the Applicable Gale Transferor shall use commercially reasonable efforts to procure an estoppel from parties to the reciprocal agreements set forth in **Schedule 9(s)** stating any defaults or payments due under such reciprocal agreements.

10. INSPECTION.

Prior to Closing, (A) the Gale SLG Transferors shall permit Mack-Cali to examine, at reasonable times, the books and records (including without limitation historical financial and operating statements) in the Gale SLG Transferors' possession or control relating to the Properties and (B) Mack-Cali shall have the right, at all reasonable times, to (I) inspect the Land and the Improvements, (II) review the Leases, and (III) conduct non-invasive environmental audit or audits of the Properties and to the extent recommended by a reputable third party environmental consultant based on its "Phase I" report, invasive environmental audit or audits of the Properties, subject to Gale SLG Transferors' consent which will not be unreasonably delayed, withheld or conditioned (with copies of the reports relating to such audits delivered to the Gale SLG Transferors when completed). All of the foregoing to be conducted under this **Section 10** by Mack-Cali shall be subject to the following:

(a) Such inspections, reviews, audits and investigations shall take place during normal business hours upon not less than two (2) Business Days prior written notice to the Applicable Gale SLG Transferor or its designated agents, the Applicable Gale SLG Transferor's consent shall be required prior to the performance of any drilling, boring or other invasive testing or procedures and the Applicable Gale SLG Transferor shall be entitled to have a representative present during any such inspection, review, audit or investigation;

(b) In the event the Closing does not occur, Mack-Cali shall promptly return to the Gale SLG Transferors any documents obtained from the Gale SLG Transferors or their agents;

(c) Mack-Cali shall not suffer or permit any lien, claim or charge of any kind whatsoever to attach to the Properties or any part thereof; and

(d) Such inspection, review, audit or investigation shall be at Mack-Cali's sole cost and expense, shall be subject to the rights of tenants and shall not unreasonably interfere with the operation of the Properties. In the event of any damage to any Property caused by Mack-Cali, its agents, engineers, employees, contractors or surveyors (including without limitation pavement, landscaping and surface damage), Mack-Cali shall pay the cost incurred by the Gale SLG Transferors or the Gale SLG Entities to restore the Property to the condition existing prior to the performance of such investigations or audits; such obligation shall survive the termination of this Agreement.

Mack-Cali shall defend, indemnify and hold the Gale SLG Entities and the Gale SLG Transferors harmless from any and all liability, loss, claims, cost and expense (including without limitation reasonable attorneys' fees, court costs and costs of appeal) suffered or incurred by any of the Gale SLG Entities or the Gale SLG Transferors but only to the extent caused by or arising out of Mack-Cali's reviews, interviews, investigations, tests, studies and inspections of the Property (other than that caused by the negligence or willful misconduct of any of the Gale SLG Entities, any of the SLG Transferors or any of their respective designated agents). Prior to commencing any such tests, studies and investigations, Mack-Cali shall furnish to the Applicable Gale SLG Transferor a certificate of insurance evidencing comprehensive general public liability insurance insuring the person, firm or entity performing such tests, studies and the applicable investigations from insurers and in amounts reasonably acceptable to the Applicable Gale SLG Transferor and listing the applicable Owner as an additional insured thereunder. The provisions of this paragraph shall survive the Closing and the termination of this Agreement.

11. CONDITIONS PRECEDENT TO CLOSING.

(a) Mack-Cali's obligation to Close hereunder is subject to satisfaction of the following conditions precedent, any of which may be waived in whole or in part by Mack-Cali, in its sole and absolute discretion:

(i) The Gale SLG Transferors shall have delivered to or for the benefit of Mack-Cali, on or before the Closing Date, all of the documents and

items required of the Gale SLG Transferors pursuant to **Section 12(a),** and the Gale SLG Transferors shall have performed all of their obligations hereunder to be performed as of the Closing Date in all material respects;

(ii) The Title Company shall have irrevocably committed to issue an owner's title insurance policy with respect to each Property, subject only to the Permitted Exceptions;

(iii) All of the Gale SLG Transferors' representations and warranties made in this Agreement shall be true and correct in all material respects (except to the extent otherwise qualified by a materiality standard) as of the date hereof and

as of the Closing Date as if then made, subject to any changes or updates as are contemplated or permitted hereunder and set forth in the Certification of Representations and Warranties, provided, that the Entity Related Representations shall be deemed true and correct for purposes of this **Section 11(a)** unless the aggregate liability arising from incorrect Entity-Related Representations is in excess of $20,000,000;

(iv) The Portfolio TRS Reorganization shall have taken place;

(v) Challenger Parent shall have contributed 100% of the stock of Challenger TRS to Challenger Owner;

(vi) Mack-Cali shall have received Tenant Estoppels meeting the Minimum Estoppel Condition, subject to **Section 9(j)**;

(vii) The Existing Mezzanine Debt shall be satisfied in full at Closing in accordance with **Section 12(e),** and the Mack-Cali Interest shall be free and clear of any Encumbrances;

(viii) The Debt Assumption shall occur (provided that Mack-Cali is not in default of its obligations hereunder with respect thereto); and

(ix) The Existing Floating Rate Debt shall be satisfied in full with respect to the Class A Properties and Class B Properties. The New Financing shall close simultaneously herewith.

(b) The Gale SLG Transferors' obligation to Close hereunder is subject to satisfaction of the following conditions precedent, any of which may be waived in whole or in part by the Gale SLG Transferors, in their sole and absolute discretion:

(i) Mack-Cali shall have paid the Total Purchase Price pursuant to the terms hereof;

(ii) Mack-Cali shall have delivered to or for the benefit of Gale SLG, on or before the Closing Date, all of the documents and items required to be delivered by Mack-Cali pursuant to **Section 12(b)**, and Mack-Cali shall have performed all of its obligations hereunder to be performed on or before the Closing Date;

(iii) All of Mack-Cali's representations and warranties made in this Agreement shall be true and correct in all material respects (except to the extent otherwise qualified by a materiality standard) as of the date hereof and as of the Closing Date as if then made;

(iv) The Debt Assumption and Guarantor Release shall occur; and

(v) The New Financing shall close simultaneously herewith.

12. CLOSING DOCUMENTS; FINANCING; EXISTING LENDER CONSENTS.

(a) On the Closing Date, the Gale SLG Transferors shall deliver or cause to be delivered the following documents (with the documents described in **Section 12(b)**, the "**Closing Documents**") to Mack-Cali, all duly executed by the Applicable Gale SLG Transferor, each of which shall be a condition precedent to Mack-Cali's obligation to close the transaction contemplated by this Agreement (and one or more of which conditions may be waived in writing by Mack-Cali, in its sole discretion, on or prior to the Closing Date):

(i) the JVLLC Operating Agreement;

(ii) the Gale SLG Transferors' counterpart of a closing and proration statement;

(iii) a certification of nonforeign status satisfying Section 1445 of the Code;

(iv) evidence of each Gale SLG Transferor's and each Gale SLG Entity's existence, good standing in its State of organization, qualification to do business and authority to perform its obligations under this Agreement, in form and substance reasonably satisfactory to the Title Company, and all organization documents of each such entity including the partnership agreement or limited liability company agreement, as applicable redacted, in the case of Gale SLG, to eliminate confidential business terms;

(v) a current Rent Roll including arrears schedule with respect to each Property certified by the Applicable Gale SLG Transferor as true, correct and complete to its knowledge;

(vi) a certificate (the "**Certification of Representation and Warranties**") in the form of **Exhibit G,** executed by the Gale SLG Transferors and dated as of the Closing Date, certifying that all of the representations and warranties of the Gale SLG Transferors set forth in **Section 8(a)** and all Exhibits and Schedules referenced in therein are true and correct in all material respects (except as qualified by materiality) as of the Closing Date or setting forth any updates or material changes thereto, which updates and changes, if any, shall be consistent with this Agreement;

(vii) an assignment and assumption of limited liability company interests in the form attached hereto as **Exhibit H** (an "**Assignment**") executed by Portfolio Mezz with respect to the Waterview Interest and the Thornall Interest, an Assignment executed by Challenger Mezz with respect to the Challenger Interest and an Assignment executed by Gale SLG with respect to the Mack-Cali Interest;

(viii) the Cross Collateral Indemnity executed by Gale SLG;

(ix) payment of any closing costs to be paid by Gale SLG Transferors under the terms of this Agreement;

(x) to the extent they are then in or under Gale SLG Transferors' possession or control and not posted at Properties, all certificates of occupancy and other permits and approvals (or equivalent documents) for the Properties;

(xi) to the extent within the Gale SLG Transferors' possession or control, all original documents or instructions referred to herein, including without limitation the books, records, tenant data, leasing material and forms, original brokerage agreements, past and current rent rolls, files, statements, tax returns, market studies, keys, access cards, codes, combinations, plan, specifications, reports, tests and other materials of any kind owned by or in possession or control or any Gale SLG Transferor or any Owner which are or may be used in the use and operation of any Property or Personal Property, contracts and agreements for the servicing, maintenance and operation of any Property, Licenses, and certified copies of same where Gale SLG Transferors, using commercially reasonable efforts, are unable to deliver originals;

(xii) an opinion of Gale SLG Transferor's counsel reasonably satisfactory to Mack-Cali with respect to the existence, organization and authority of each Applicable Gale Transferor and of the authority of persons executing documents on behalf of each Applicable Gale Transferor; and

(xiii) such documents as may be necessary to effect the Debt Assumption and the New Financing as set forth below and payment of all assumption fees and lender expenses relating to the Debt Assumption.

(xiv) required tax returns, if any, for all applicable real property transfer taxes, and/or similar levies and charges, completed and executed by the Applicable Gale SLG Transferor, together with certified checks to the order of the appropriate officers for the amount of the transfer taxes, if any, shown on said tax returns, it being understood that, as of the date hereof, the parties hereto agree that the Closing of the Transaction would not give rise to any such taxes;

(xv) letters to tenants of the Challenger Property, the Waterview Property and the Thornall Property, advising them of the transactions hereunder and directing that rent and other payments thereafter be sent to Mack-Cali or its designee, as manager or agent for the applicable Owner, as Mack-Cali shall so direct;

Any document or item required under this **Section 12(a)** to be delivered by any Gale SLG Transferor shall be deemed delivered for purposes of this Agreement if such document or item is delivered to or retained by the property manager or leasing agent acquired by Mack-Cali or an affiliate at Closing in connection with the Services Transaction or otherwise retained by Post-Closing Owners.

(b) On the Closing Date, Mack-Cali shall deliver the following to the Gale SLG Transferors, in form and substance reasonably acceptable to the Gale SLG Transferors, all duly executed by Mack-Cali, where appropriate, each of which shall be a condition precedent to the Gale SLG Transferors' obligation to close the transaction contemplated by this Agreement:

(i) counterparts of the JVLLC Operating Agreement;

(ii) counterparts of the closing and proration statement;

(iii) a certified copy of the resolutions or consent of Mack-Cali authorizing the transaction contemplated by this Agreement or other satisfactory evidence of authorization;

(iv) authorization for disbursement by the Escrowee of that portion of the Deposit held thereby;

(v) the balance of the Total Purchase Price;

(vi) such documents as may be necessary to effect the Debt Assumption and the New Financing as set forth below;

(vii) counterparts of the Assignments with respect to the Waterview Interest, the Thornall Interest, the Challenger Interest and the Mack-Cali Interest;

(viii) a counterpart of the Cross Collateral Indemnity; and

(ix) such other documents, instruments or agreements as may be reasonably requested by Gale SLG or the Escrowee to otherwise consummate the Closing.

(c) Upon purchasing the Mack-Cali Interest, Mack-Cali shall, at closing, cause the applicable Post-Closing Owners to assume the debt (the "**Debt Assumption**") evidenced by the documents set forth on **Schedule 12(c)** (the "**Existing Fixed Rate Debt**"), which debt encumbers the Class A Properties, the Waterview Property, 75 Livingston Avenue, Roseland, New Jersey ("**75 Livingston**") (which Property is a Class B Property) and the Challenger Property. Mack-Cali shall execute and deliver, or cause to be executed and delivered, such documents as the lenders holding the Existing Fixed Rate Debt may reasonably require to consent to the Transaction and effect the Debt Assumption, including, without limitation, such guaranties and indemnities, in substantially the form of those currently in effect with respect to the Existing Fixed Rate Debt, made by a credit-worthy affiliate of Mack-Cali as may be reasonably required by the lender thereunder. Additionally, the current guarantors and indemnitors in respect of the Fixed Rate Debt shall be released (the "**Guarantor Release**") from any and all obligations thereunder arising from and after Closing. Mack-Cali and the Gale SLG Transferors agree to cooperate in good faith in effecting the Debt Assumption. Accrued, unpaid interest as of the Closing Date shall be for the account of Pre-Closing Owners, who shall be entitled to a credit at Closing for any unapplied cash reserves held by

lenders with respect to the Existing Fixed Rate Debt, as more particularly set forth in **Section 15**.

(d) It shall be a condition precedent to the obligations of Gale SLG and Mack-Cali to Close the Transaction that the applicable Post-Closing Owners obtain first mortgage and/or mezzanine financing (the "**New Financing**") with respect to the Class B Properties reasonably acceptable to Gale SLG and Mack-Cali with such financing being in principal amount of not less than $90,000,000. The proceeds of the New Financing shall be distributed at Closing to the partners of the OP, including JVLLC, and further distributed by JVLLC to its members. Gale SLG and Mack-Cali each acknowledge that it has reviewed and approves of the Term

Sheet for financing from Gramercy Capital Corp. attached hereto as **Exhibit L**. Gale SLG and Mack-Cali agree to cooperate in good faith to procure the New Financing. The costs of the New Financing shall be borne by the applicable Post-Closing Property Owners.

(e) The parties acknowledge that the membership interests in each Owner are encumbered as of the date hereof by the Existing Mezz Debt. The Gale SLG Transferors covenant and agree that the Existing Mezz Debt shall be satisfied in full at or prior to Closing and that such documents as are necessary to effect the release of all liens and encumbrances on the membership interests in any Owner (other than any such lien and encumbrances granted in connection with the New Financing) shall be presented at Closing.

13. FIRE OR CASUALTY.

In the event of damage to any Property, reasonably estimated by the Applicable Gale SLG Transferor to be in excess of $250,000, by fire or other casualty prior to the Closing Date, the Applicable Gale SLG Transferor shall promptly notify Mack-Cali of such fire or other casualty. If the fire or other casualty causes damage which would cost in excess of 5% of the aggregate Agreed Values of all of the Properties (as set forth on **Schedule 13**) to repair (as determined by Mack-Cali's third party insurance consultant in good faith), then Mack-Cali shall elect, by written notice to be delivered to each of the Gale SLG Transferors, on or before the sooner of (i) the twentieth (20th) day after Mack-Cali's receipt of such notice or (ii) the Closing Date, to either: (a) close the transaction contemplated by this Agreement or (b) terminate this Agreement, and receive a return of the Deposit together with any interest earned thereon in which case the parties hereto shall have no further obligations hereunder (except for obligations that are expressly intended to survive the termination of this Agreement). If Mack-Cali fails to timely deliver written notice of its election under the prior sentence, it shall be deemed to have elected to terminate this Agreement. If the damage to all of the Properties, by fire or other casualty prior to the Closing Date, would cost less than or equal to 5% of the aggregate Agreed Values of all of the Properties to repair (as determined by Mack-Cali's third party insurance consultant in good faith), Mack-Cali shall not have the right to terminate its obligations under this Agreement by reason thereof. If, following a fire or other casualty, this Agreement is not terminated pursuant to the foregoing rights in this Section, the Applicable Gale SLG Transferor shall cause the applicable Owner to retain all of such Owner's right, title and interest in and to all insurance proceeds paid or payable to such Owner on account of such fire or casualty (subject to the terms of the Existing Fixed Rate Debt and Leases) and, in addition, the Applicable Gale SLG

Transferor shall (x) in the case of a Portfolio Property, cause the OP to contribute to the applicable Owner and (y) in the case of the Challenger Property, contribute to Challenger Owner, additional capital equal to the deductible under the applicable Owner's policy of casualty insurance.

14. CONDEMNATION.

If, prior to the Closing Date, all or any part of any of the Properties is taken by condemnation or a conveyance in lieu thereof, or if the Applicable Gale SLG Transferor or the applicable Owner receives notice of a condemnation proceeding with respect to any such Property, then the Applicable Gale SLG Transferor shall promptly notify Mack-Cali of such condemnation or conveyance in lieu thereof. If the taking or threatened taking involves a material portion of such Property (hereinafter defined), Mack-Cali may elect, by written notice to be delivered to each of the Gale SLG Transferors, on or before the sooner of (i) the twentieth (20th) day after Mack-Cali's receipt of such notice, or (ii) the Closing Date, to terminate this Agreement, in which event the Deposit together with any interest earned thereon shall be returned to Mack-Cali, and the parties hereto shall have no further obligations hereunder (except for obligations that are expressly intended to survive the termination of this Agreement). If Mack-Cali elects to close this transaction notwithstanding such taking or condemnation, the Owner or, in the case of the Waterview Property, the Thornall Property and the Challenger Property, Mack-Cali, shall be entitled to any award given to the applicable Owner as a result of such condemnation proceedings (subject to the terms of the Existing Fixed Rate Debt and Leases), with the same being retained by such Owner (or by the OP for the benefit of such Owner) (in the case of a Class A Property or a Class B Property) or Mack-Cali (in the case of the Waterview Property, the Thornall Property and the Challenger Property) at Closing. As used herein, a "material portion of the Property" means any part of the Property reasonably required for the operation of the Property substantially in the manner operated on the date hereof. If any taking or threatened taking does not involve a material portion of the Property, Mack-Cali shall be required to proceed with the Closing, in which event the Applicable Gale SLG Transferor, shall cause the applicable Owner to retain at Closing any award given to such Owner (or the right to receive any such award) as a result of such condemnation proceedings (subject to the terms of the Existing Fixed Rate Debt and Leases).

15. ADJUSTMENTS AND PRORATIONS.

(a) For purposes of this **Section 15** only, the term "**Pre-Closing Owner**" shall mean any Owner for the period prior to the Closing Date and the term "**Post-Closing Owner**" shall mean any Owner for the period from and after 12:01 A.M. on the Closing Date. The terms Pre-Closing Owner and Post-Closing Owner are intended to reflect the different beneficial ownership of the Owners pre-Closing and post-Closing. Pre-Closing Owners shall be entitled to all income produced from the operation of the Properties which is allocable to the period prior to the Closing and shall be responsible for all expenses allocable to that period; and the corresponding Post-Closing Owner shall be entitled to all income and responsible for all expenses allocable to the period beginning at 12:01 A.M. on the day the Closing occurs. Except as expressly set forth below, at the Closing, (i) all items of income and expense with respect to each Property shall be prorated in accordance with the foregoing principles and the rules for the specific items

set forth hereinafter, and (ii) the Agreed Value of each Property shall be adjusted up or down at Closing by the net amount of all such prorations and adjustments in respect of such Property under this **Section 15**. Mack-Cali shall make any post-Closing payment with respect to a proration or adjustment in favor of a Pre-Closing Owner of a Portfolio Property other than the Waterview Property and the Thornall Property by paying Mack-Cali's Applicable Percentage Share thereof to Gale SLG. Mack-Cali shall make any such post-Closing payment with respect to the Waterview Property or the Thornall Property by (i) paying the OP Percentage Share (as of the Closing Date) thereof to Gale SLG and (ii) paying the balance thereof to the holders of OP Units other than the GP and JVLLC. Mack-Cali shall make any post-Closing payment with respect to Challenger by paying same to Challenger Mezz. At Closing Mack-Cali shall pay to Gale SLG Mack-Cali's Applicable Percentage Share of any cash held by the OP or any of its subsidiaries and 100% of any cash held by Challenger Owner.

(b) Real Estate Taxes and Assessments.

(i) Real estate taxes and assessments on each Property shall be prorated and adjusted based upon the period (i.e., calendar or other tax fiscal year) to which the same are attributable, regardless of whether or not any such real estate taxes are then due and payable or are a lien. Each Pre-Closing Owner shall pay at or prior to Closing (or the applicable Post-Closing Owner shall receive credit for) any unpaid real estate taxes attributable to periods prior to the Closing Date (whether or not then due and payable or a lien as aforesaid); provided, that with respect to any assessments which can be paid in installments, each Pre-Closing Owner shall only be responsible for installments which are payable on or before the Closing Date. Each Pre-Closing Owner shall receive credit for any previously paid or prepaid real estate taxes attributable to periods from and after the Closing Date. In the event that as of the Closing Date the actual real estate tax bills for the tax year or years in question are not available and the amount of real estate tax to be prorated as aforesaid cannot be ascertained, then rates and assessed valuations of the previous year, with known changes, shall be used; and after the Closing occurs and when the actual amount of real estate taxes of the year or years in question shall be determinable, such real estate taxes will be re-prorated between the parties to reflect the actual amount of such real estate taxes.

(ii) Gale SLG shall have the right at Gale SLG's expense, to continue the prosecution, on behalf of any Owner, of any real estate tax certiorari

or other proceedings or protests brought by such Owner prior to Closing, to reduce the taxes or any portion thereof for the fiscal year prior to the fiscal year in which Closing occurs which are pending as of the Closing Date using counsel selected by Gale SLG, until a final determination has been rendered or a settlement reached. If Gale SLG elects not to pursue such matters, JVLLC, on behalf of the applicable Owner, may continue to prosecute same. The applicable Post-Closing Owner shall pay from the proceeds of any refund, all actual and reasonable legal, accounting and other expenses which may be incurred in connection with such real estate tax certiorari or other proceedings or protests, and Gale SLG (or JVLLC, if applicable, with Gale SLG's consent) may settle or compromise any

such proceedings on behalf of the applicable Post-Closing Owner. If such determination shall result in a refund or credit of taxes, or if the taxes are otherwise reduced, because of a reduction of the assessed valuation or tax rate or for any other reason, then the net amount of such refund or credit of taxes (after deducting Gale SLG's (and if applicable the applicable Post-Closing Owner's) out-of-pocket third party costs and any refunds or credits of taxes owed to Tenants under Leases or expired or terminated Leases) shall be apportioned between the applicable Pre-Closing Owner and the applicable Post-Closing Owner as of the Closing.

(iii) All increases in taxes imposed due to a change of use of any portion of any Property after the Closing Date shall be paid by the applicable Post-Closing Owner.

(iv) Any increases in taxes attributable to reassessment of any of the Properties for ad valorem (including real estate and franchise) tax purposes as a result of the transactions contemplated by this Agreement shall be paid by the applicable Post-Closing Owner.

(c) Utilities.

(i) Gas, water, electricity, heat, fuel, sewer and other utilities charges, the governmental licenses, permits and inspection fees relating to each Property shall be prorated as of the Closing Date on a per diem basis. Pre-Closing Owners shall receive a credit at Closing for any security deposits held by any utility companies. Post-Closing Owners shall be responsible for all utility charges beginning as of the Closing Date forward.

(d) Rent and Other Tenant Charges.

(i) Rent under each Lease shall be apportioned as of the Closing Date to the extent such rent has actually been collected as of such date. Except as provided below in this **Section 15(d)**, with respect to any rent arrearages arising under each Lease for the period prior to the month in which the Closing occurs, after Closing, the applicable Post-Closing Owner shall pay to the applicable Pre-Closing Owner any rent actually collected which is applicable to the period preceding the Closing Date; provided, however, that all rent collected by the applicable Post-Closing Owner shall be applied first to all unpaid rent for the month in which the Closing occurs, next, to unpaid rent accruing after the Closing Date, and then to all unpaid rent accruing prior to the Closing Date.

(ii) Tenant obligations under Leases for taxes, common area expenses, operating expenses, so-called "escalation rent" or additional charges of any other nature ("**Expense Reimbursements**"), shall be adjusted and prorated on an as, if and when collected basis.

(iii) If any Expense Reimbursements for a period that shall have expired prior to the Closing are paid after the Closing, Post-Closing Owner shall

pay the entire amount over to Pre-Closing Owner upon receipt thereof. Post-Closing Owner shall (a) promptly render bills to the applicable tenants for any Expense Reimbursements in respect of a period that shall have expired prior to the Closing but which is payable after the Closing, (b) bill tenants for any such Expense Reimbursements on a monthly basis for a period of twelve (12) consecutive months thereafter and (c) use the same efforts to collect such Expense Reimbursements as Post-Closing Owner uses after the Closing to collect Expense Reimbursements from tenants at the Premises generally, but shall not be required to commence legal actions with respect thereto. Notwithstanding the foregoing, Gale SLG, on behalf of the applicable Pre-Closing Owner, shall have the right, upon prior written notice to JVLLC, to pursue tenants to collect such delinquencies (including, without limitation, the prosecution of one or more lawsuits). From and after the Closing, Gale SLG shall furnish to JVLLC calculations of the amounts due from tenants on account of Expense Reimbursements for periods prior to the Closing, and such other information relating to the period prior to the Closing as is reasonably necessary for the billing of any such Expense Reimbursements, including the form of bill to be delivered to such tenants. Post-Closing Owner shall (x) bill tenants for Expense Reimbursements for periods prior to the Closing in accordance with and on the basis of such information furnished by Gale SLG absent manifest error and (y) deliver to Gale SLG, concurrently with the delivery to tenants or shortly thereafter, copies of all statements relating to Expense Reimbursements for periods prior to the Closing.

(iv) Expense Reimbursements for the period in which the Closing occurs shall be apportioned between Pre-Closing Owner and Post-Closing Owner as of the close of business of the day preceding the Closing, with Pre-Closing Owner receiving the proportion of such Expense Reimbursements that the portion of such period occurring prior to the Closing bears to the entire such period, and Post-Closing Owner receiving the proportion of such Expense Reimbursements that the portion of such period from and after the Closing bears to the entire such period. If, prior to the Closing, Pre-Closing Owner shall receive any installment of Expense Reimbursements attributable to Expense Reimbursements for periods from and after the Closing, such sum shall be paid to Post-Closing Owner at the Closing. If, after the Closing, Post-Closing Owner shall receive any installment of Expense Reimbursements attributable to Expense Reimbursements for periods prior to the Closing, the applicable portion of such sum (as determined pursuant to **Section 15(a)**) shall be paid by Mack-Cali to Gale SLG promptly after the applicable Post-Closing Owner receives payment thereof.

(v) Any payment by a tenant on account of Expense Reimbursements (to the extent not applied against rents due and payable by such tenant in accordance with the terms hereof) shall be applied to Expense Reimbursements then due and payable in the following order of priority: (a) first, in payment of Expense Reimbursements for the accounting period in which the Closing occurs, (b) second, in payment of Expense Reimbursements owed by such tenant for the accounting periods succeeding the accounting period in which the Closing occurs

and (c) third, in payment of Expense Reimbursements owed by such tenant for accounting periods preceding the accounting period in which the Closing occurs.

(vi) To the extent that any payment on account of Expense Reimbursements is required to be paid periodically by tenants for any calendar year

(or, if applicable, any lease year or any other applicable accounting period), and at the end of such calendar year (or lease year or other applicable accounting period, as the case may be), such estimated amounts are to be recalculated based upon the actual expenses, taxes or other relevant factors for that calendar year, lease year or other applicable accounting period, with the appropriate adjustments being made with such tenants, then such portion of the Expense Reimbursements that has been paid shall be prorated between Pre-Closing Owner and Post-Closing Owner at the Closing based on such estimated payments (i.e., with Pre-Closing Owner entitled to retain all monthly or other periodic installments of such amounts paid with respect to periods prior to the calendar month or other applicable installment period in which the Closing occurs, Pre-Closing Owner to pay to Post-Closing Owner at the Closing all monthly or other periodic installments of such amounts theretofore received by Pre-Closing Owner with respect to periods following the calendar month or other applicable installment period in which the Closing occurs and Pre-Closing Owner and Post-Closing Owner to apportion as of the Closing Date all monthly or other periodic installments of such amounts with respect to the calendar month or other applicable installment period in which the Closing occurs). At the time(s) of final calculation and collection from (or refund to) each tenant of the amounts in reconciliation of actual Expense Reimbursements for a period for which estimated amounts paid by such tenant have been prorated, there shall be a re-proration between Pre-Closing Owner and Post-Closing Owner. If, with respect to any tenant, the recalculated Expense Reimbursements exceeds the estimated amount paid by such tenant, (a) such excess, upon receipt from the applicable tenant, shall be paid by Post-Closing Owner to Pre-Closing Owner, if the period for which such recalculation was made expired prior to the Closing, and (b) such excess shall be apportioned between Pre-Closing Owner and Post-Closing Owner as of the Closing, if the Closing occurred during the period for which such recalculation was made. If, with respect to any tenant, the recalculated Expense Reimbursements is less than the estimated amount paid by such tenant, (a) the shortfall shall be paid by Pre-Closing Owner to Post-Closing Owner, if the period for which such recalculation was made expired prior to the Closing and (b) such shortfall shall be apportioned between Pre-Closing Owner and Post-Closing Owner as of the Closing, if the Closing occurred during the period for which such recalculation was made.

(vii) Until such time as all amounts required to be paid to Pre-Closing Owner by Post-Closing Owner pursuant to this Section 15(d) shall have been paid in full, the applicable Post-Closing Owner shall furnish to Gale SLG a reasonably detailed monthly accounting of cash receipts from tenants (to be accompanied by monthly cash receipt journals, bank statements and aged account receivable reports) with a detailed accounting of amounts allocable to Pre-Closing Owner

pursuant to this Agreement, which accounting shall be delivered to Gale SLG on or prior to the thirtieth (30th) day following the last day of each calendar month from and after the calendar month in which the Closing occurs. Gale SLG or its representatives shall have the right from time to time for a period of two (2) years following the Closing, on prior notice to JVLLC, during ordinary business hours on business days, to review the applicable Post-Closing Owner's rental records with respect to the Property at the office where such records are then maintained by or on behalf of Post-Closing Owner to ascertain the accuracy of any such accountings.

(viii) Any amount collected by any Post-Closing Owner or JVLLC to which Gale SLG is entitled to pursuant to this Section 15(d) shall be promptly paid over to Gale SLG, less the applicable Post-Closing Owner's and JVLLC's out-of-pocket costs of collection, including reasonable attorney's fees and expenses reasonably allocable thereto.

(ix) Gale SLG, on behalf of any Owner, shall be entitled to sue any Tenant or take any other actions to collect any delinquent rent, Expense Reimbursements or other payments due to such Owner and accrued prior to Closing (and not previously paid to such Owner) so long as such suit does not seek a termination of such Tenant's Lease or eviction of such Tenant, and JVLLC, on behalf of such Owner, shall use good faith efforts at Gale SLG's expense to support Gale SLG's collection efforts on behalf of such Owner.

(e) The amount of any security deposits received by a Pre-Closing Owner and not applied against Tenants' obligations under Leases shall be credited against the applicable Agreed Value, and Pre-Closing Owners shall be entitled to retain any deposits so credited. The applicable Agreed Value shall be increased by the amount of any utility deposits paid by Pre-Closing Owner with respect to the Properties. JVLLC shall indemnify, defend and hold Gale SLG harmless with respect to any prepaid amounts or security deposits retained by, or delivered or credited to, the Post-Closing Owners at Closing.

(f) Any assessments and other charges paid or payable by Pre-Closing Owners under any declarations, reciprocal easement agreements, covenants, restrictions or other agreements affecting the Properties shall be prorated between the Pre-Closing Owners and the Post-Closing Owners as of the Closing.

(g) Fees and other charges under any Contracts shall be prorated between the Pre-Closing Owners and the Post-Closing Owners as of the Closing.

(h) Mack-Cali shall pay to Gale SLG at Closing Mack-Cali's Applicable Percentage Share of the amounts listed on Schedule 15(h).

(i) Pre-Closing Owners shall be responsible for all unpaid leasing and brokerage commissions and tenant improvement costs identified on**Schedule 8(a)(xxii)** as being the responsibility of Pre-Closing Owners (collectively, together with certain free

rent amounts set forth on**Schedule 15(i)**, "**Unfunded Lease Expenses**"). The leasing and brokerage commissions and tenant improvement costs identified on **Schedule 8(a)(xxii)** as being the responsibility of Post-Closing Owners shall be paid by the applicable Post-Closing Owner (or to the extent paid prior to Closing, reimbursed by Post-Closing Owners to Pre-Closing Owners at Closing). Gale SLG shall escrow at Closing an amount equal to Mack-Cali's Applicable Percentage Share of Unfunded Lease Expenses (to the extent then-remaining unpaid), and, upon receipt of proof of payment thereof by the Post-Closing Owner, Gale SLG shall direct that escrowee release to Mack-Cali or its designee for the benefit of the applicable Post-Closing Owner an amount equal to Mack-Cali's Applicable Percentage Share of such Unfunded Leasing Expenses (or, with respect to the Challenger Property Challenger Mezz shall direct escrowee to release to Mack-Cali or its designee, for the benefit of the applicable Post-Closing Owner one hundred percent of such Unfunded Tenant Liabilities, or, with respect to the Waterview Property or the Thornall Property, Gale SLG shall direct escrowee to release to Mack-Cali or its designee, for the benefit of the applicable Post-Closing Owner an amount equal to the OP Percentage Interest, as of the Closing Date, multiplied by the amount of such Unfunded Leasing Expenses). With respect to any other Lease or Lease modification entered into by Pre-Closing Owners after the date hereof, and with respect to any renewal, expansion or extension of any Lease through the exercise of an existing option, occurring after the date hereof, all tenant improvement work, leasing commissions, legal fees or other expenses or grants of any free rent period or other concessions shall be paid by the Post-Closing Owner (or to the extent paid prior to Closing, reimbursed by Post-Closing Owner to Pre-Closing Owner at Closing). The prorations and payments made pursuant to this **Section 15(i)** shall not affect the Agreed Values of the Properties.

(j) Fees and Expenses Related to New Financing.

(i) JVLLC shall be responsible for the OP Percentage Share of all costs associated with the New Financing, including, without limitation, any costs imposed by or reimbursable to the lender for physical, environmental and legal due diligence, legal fees and disbursements, title charges and appraisal fees.

(ii) Pre-Closing Owners shall be responsible for any accrued, unpaid interest, costs and expenses, prepayment premiums, breakage fees or other charges payable to lenders in connection with the payment and satisfaction at Closing of the principal balance of all mortgage and mezzanine

indebtedness encumbering the Properties, other than (x) the Existing Floating Rate Debt encumbering the Troy Properties and (y) the Existing Fixed Rate Debt.

(k) Pre-Closing Owners shall deliver proposed prorations to Mack-Cali on or before the date that is three (3) business days before the Closing Date. Upon approval by Mack-Cali, the parties shall deliver the approved prorations statement (the "**Closing Statement**") to the Title Company; provided that if any of such prorations were not accurately determined, then the same shall be recalculated as soon as reasonably practicable after the Closing Date and either party owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party.

(l) If any refund of any prorated item is made after the Closing Date whether for a period prior to or on and after the Closing Date, the same shall be applied first to the reasonable out-of-pocket third party costs incurred in obtaining same and the appropriate pro rata portion of the balance, if any, of such refund shall, to the extent received by a Post-Closing Owner, be paid to Gale SLG (to the extent relating to the period prior to Closing).

(m) Accrued, unpaid interest on the Existing Fixed Rate Debt as of the Closing Date shall be for the account of the Pre-Closing Owners. Pre-Closing Owners shall be entitled to a credit in the amount of any unapplied cash reserves held by lenders with respect to the Existing Fixed Rate Debt (with any common reserves being allocated to the applicable Owners on the basis of contributions thereto and withdrawals therefrom).

(n) The Agreed Value of the Class C Assets shall be adjusted upward at Closing to take account of any accrued and unpaid distributions on account of the OP's interest in Gale SLG Naperville as of the Closing Date.

(o) Any errors or omissions in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

(p) The provisions of this **Section 15** shall survive the Closing.

16. SURVIVAL; LIMITATION OF LIABILITY.

(a) Subject to **Section 16(b)**, all representations and warranties of the Gale SLG Transferors contained in this Agreement shall survive the Closing for a period of nine (9) months from the date of the Closing, provided that Mack-Cali must give the Gale SLG Transferors written notice of any claim it may have against any Gale SLG Transferor for a breach of such representation, or for the breach of any covenant of a Gale SLG Transferor contained in this Agreement, within nine (9) months after the Closing. Any claim which Mack-Cali may have at any time, whether known or unknown, which is not asserted within such nine (9) month period shall not be effective or valid, and the Gale SLG Transferors shall have no liability therefor. In addition, Mack-Cali may not bring any action against any Gale SLG Transferor unless and until the aggregate amount of all liability and losses arising out of any breaches of this Agreement by the Gale SLG Transferors exceeds $250,000, and except as set forth in **Section 16(b)**, in no event shall the aggregate liability and losses of the Gale SLG Transferors with respect to representations and warranties hereunder exceed $5,000,000.

(b) Notwithstanding the provisions of **Section 16(a)**, (i) the representations and warranties of the Gale SLG Transferors contained in **Sections 8(a)(i)** through **8(a)(ix)** and in **Section 8(a)(xv)** and **8(a)(xvi)** and in **Section 16(f)** (collectively, the "**Entity-Related Representations**") shall survive the Closing indefinitely, subject only to any applicable statute of limitations, and (ii) in no event shall the aggregate liability of the Gale SLG Transferors with respect to the Entity-Related Representations and under Section 11.05(b) of the JVLLC Operating Agreement exceed $100,000,000.00.

(c) Any payments for liabilities to Mack-Cali by reason of Entity-Related Representations with respect to the Thornall Interest, Thornall Owner or the Thornall Property or the Waterview Interest, Waterview Owner or the Waterview Property (in any such case, a "**Non-Portfolio Property Payment**") shall be made by Portfolio Mezz. To the extent that any Non-Portfolio Property Payment made by Portfolio Mezz results in diminished distributions by Portfolio Mezz to its sole member, the OP, causing diminished distributions by the OP to its partners, and diminished distributions by JVLLC to Gale SLG and Mack-Cali, Gale SLG shall pay to Mack-Cali an amount equal to the difference between (x) the aggregate amount of distributions received by Mack-Cali from JVLLC for the applicable period and (y) the aggregate amount of distributions that would have been received by Mack-Cali from JVLLC for the applicable period, had Portfolio Mezz not made a Non-Portfolio Property Payment.

(d) Any payments for liabilities to Mack-Cali by reason of Entity-Related Representations with respect to the Challenger Interest, Challenger Owner or its Challenger Property shall be made by Challenger Mezz.

(e) Gale SLG shall cause its members to recontribute any distributions made by it to such members in connection with the Transaction as and to the extent necessary to satisfy any liability it may have under this **Section 16**.

(f) Mack-Cali shall not be subject directly or indirectly to any liability related to the Class C Assets, the Class C Properties or the Class C Entities, beyond its indirect interest therein through JVLLC.

(g) The provisions of this **Section 16** shall survive the Closing.

17. NOTICES.

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 17**):

If to the Gale SLG Transferors:

c/o The Gale Company, L.L.C.
100 Campus Drive, Suite 200
Florham Park, NJ 07932
Attention: Stanley Gale

With copies to:

SL Green Realty Corp.
The Graybar Building
420 Lexington Avenue
New York, New York 10170
Attention: Andrew S. Levine, Esq.

and to:	Greenberg Traurig, LLP 200 Park Avenue New York, New York 10166 Attn: Robert J. Ivanhoe, Esq. Facsimile No.: (212) 801-6400
If to Mack-Cali:	c/o Mack-Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016 with two (2) separate copies of the notice sent to the attention of: Mitchell E. Hersh President and Chief Executive Officer Facsimile No: (908) 272-0214
and	Roger W. Thomas Executive Vice President and General Counsel Facsimile No: (908) 272-0485
With a copy to:	Seyfarth Shaw LLP 1270 Avenue of the Americas Suite 2500 New York, New York 10020 Attn: John P. Napoli Facsimile No: (212) 218-5527
If to Escrowee:	Commonwealth Land Title Insurance Company Two Grand Central Tower 140 East 45th Street New York, New York 10017 Attn: Asher Fried, Esq. Facsimile No.: (212) 973-6723

18. BROKERS.

Each of Mack-Cali, on the one hand, and the Gale SLG Transferors, on the other hand, represents and warrants to the other that, other than Eastdil ("**Broker**"), it has not dealt with any brokers, finders or agents with respect to the transaction contemplated hereby. Each party agrees to indemnify, defend and hold harmless the other party, its successors, assigns and agents, from and against the payment of any commission, compensation, loss, damages, costs, and expenses (including without limitation attorneys' fees and costs) incurred in connection with, or arising out of, claims for any broker's, agent's or finder's fees of any person claiming by

or through such party with respect to this transaction other than Broker. The obligations of Mack-Cali and the Gale SLG Transferors under this **Section 18** shall survive the Closing and the termination of this Agreement. The fees, commissions, costs and/or expenses due to Broker shall be borne by Gale SLG and paid at Closing.

19. TAX MATTERS.

(a) The Gale SLG Transferors shall be liable for and timely pay their proportionate share of any and all liabilities of the GP, the OP, the Properties or any Property Subsidiary for all Taxes attributable to taxable periods ending on or prior to the Closing ("**Pre-Closing Period**"). Except as otherwise provided herein with respect to Straddle Periods (as defined below), each of the Gale SLG Transferors and Mack-Cali shall be liable for and timely pay its proportionate share of any and all liabilities of the JVLLC, the GP, the OP, the Properties or any Property Subsidiary for all Taxes attributable to taxable periods ending after the Closing (a "**Post-Closing Period**"); provided, however, that any party's liability for Taxes shall be calculated by first determining the Properties to which any such Tax liability relates (a "**Class Tax Liability**") and then allocating such Class Tax Liability to the Gale SLG Transferors and Mack-Cali in accordance with their respective Class A Percentage Interest, Class B Percentage Interest or Class C Percentage Interest, as the case may be. In any case where applicable law does not permit the GP, the OP or any Property Subsidiary to close its Tax year as of the Closing Date or in any case in which a Tax is assessed with respect to a taxable period which includes the Closing Date (but does not begin or end on that day) (a "**Straddle Period**"), Taxes, if any, attributable to the Straddle Period shall be allocated to and be payable by the Gale SLG Transferors for the period up to and including the Closing Date (the "**Pre-Closing Straddle Period**") or the Gale SLG Transferors and Mack-Cali for the period after the Closing Date (the "**Post-Closing Straddle Period**"), which liability for Taxes relating to a Post-Closing Straddle Period shall be allocated among the Gale SLG Transferors and Mack-Cali in the same manner as liabilities for Taxes are allocated for a Post-Closing Period. The Gale SLG Transferors shall prepare and timely file all Tax Returns (including applicable filing extensions) for the GP, the OP and all Property Subsidiaries for taxable periods ended on or prior to the Closing (each a "**Pre-Closing Tax Return**"); provided, however, that the Gale SLG Transferors shall provide the JVLLC and Mack-Cali with a copy of any such Pre-Closing Tax Return no later than fifteen (15) calendar days prior to filing such Pre-Closing Tax Return and shall within five (5) calendar days of filing provide the JVLLC, the Gale SLG Transferors and Mack-Cali with a copy of any such Pre-Closing Tax Return filed with any taxing authority. All Pre-Closing Tax Returns shall be prepared in a manner consistent with the reporting of all items of income or loss on prior Tax Returns of the GP, the OP or any Property Subsidiary, unless otherwise required by applicable laws. The JVLLC shall prepare, or cause to be prepared, and shall timely file (including applicable filing extensions) or cause to be prepared and timely filed (including applicable filing extensions) all Tax Returns for the GP, the OP and all Property Subsidiaries, other than the Waterview Owner, the Challenger Owner and the Thornall Owner, for all Straddle Periods ("**Straddle Returns**"). Straddle Returns shall be prepared in a manner consistent with the reporting of all items of income and loss of prior Tax Returns of the GP, the OP or any Property Subsidiary, unless otherwise required by applicable laws. Any

allocations of (i) Taxes to a Pre-Closing Straddle Period shall be subject to Gale SLG Transferors' approval, which shall not be unreasonably withheld, (ii) Class Tax Liability to Class A Properties or Class B Properties shall be subject to Mack-Cali's approval, which shall not be unreasonably withheld, or (iii) Class Tax Liability to Class B Properties or Class C Properties shall be subject to Gale SLG Transferors' approval, which shall not be unreasonably withheld. Taxes payable with Straddle Returns shall be allocated between the Pre-Closing Straddle Period and Post-Closing Straddle Period, as described above, based on an assumed period ending on the Closing Date; provided, however, that Taxes not based on income or receipts shall be allocated between the Pre-Closing Straddle Period and Post-Closing Straddle Period based on the number of days in each such taxable period.

(b) If any claim, demand, assessment (including a notice of proposed assessment) or other assertion is made by a taxing authority with respect to Taxes against the JVLLC, the GP, the OP, any Property Subsidiary or the Properties, the calculation of which involves a specific matter covered in this Agreement ("**Tax Claim**"), or if the JVLLC, the GP, the OP or any Property Subsidiary receives any notice from any taxing authority with respect to any current or future audit, examination, investigation or other proceeding ("**Proceeding**") involving the JVLLC, the GP, the OP, any Property Subsidiary, or the Properties or that otherwise involves a specific matter covered in this Agreement that could directly or indirectly materially affect either the Gale SLG Transferors or Mack-Cali (adversely or otherwise), then the JVLLC shall promptly notify the Gale SLG Transferors' notice parties set forth in **Section 17** ("**Gale SLG Transferors' Representatives**") and the Mack-Cali notice parties set forth in **Section 17** ("**Mack-Cali's Representatives**") of such Tax Claim or Proceeding. Any Tax Claim or Proceeding that would increase any party's liability for Taxes for any taxable period or could give rise to a claim for indemnification under this Agreement shall be considered material.

(c) The Gale SLG Transferors shall have the right to control the defense, settlement or compromise of any Proceeding or Tax Claim with respect to the ownership or operations of the GP, the OP, any Property Subsidiary or the Properties for any Pre-Closing Period, unless any such action would reasonably be expected to result, directly or indirectly, in a material adverse Tax effect or a liability or material increase in liability to Mack-Cali for any Tax period, in which case, such action may not be taken without Mack-Cali's consent.

The JVLLC shall have the right to control the defense, settlement or compromise of any Proceeding or Tax Claim with respect to the ownership or operations of the JVLLC, the GP, the OP, any Property Subsidiary or the Properties for any Post-Closing Period, unless any such action would reasonably be expected to result in a material adverse Tax effect or a liability or material increase in liability to the Gale SLG Transferors or Mack-Cali for any Tax period, in which case, such action may not be taken without the Gale SLG Transferors' consent and Mack-Cali's consent. Notwithstanding the foregoing, (i) each such party shall keep the other parties, including, without limitation, Mack-Cali, duly and contemporaneously informed of the progress of any Tax Claim or Proceeding under its control to the extent that such Proceeding or Tax

Claim could directly or indirectly materially affect (adversely or otherwise) the Gale SLG Transferors or Mack-Cali and shall afford the Gale SLG Transferors or Mack-Cali the right to review and comment on any and all submissions made to any taxing authority with respect to such Tax Claim or Proceeding and shall consider any such comments in good faith, and (ii) subject to the balance of this **Section 19(c)**, neither the Gale SLG Transferors nor the JVLLC shall consent to the entry of any judgment or enter into any settlement with respect to a Tax Claim or Proceeding without the prior written consent of the Gale SLG Transferors or Mack-Cali, as applicable. As a condition to withholding its consent to a settlement proposal (i) a party must have a reasonable basis to believe that such settlement would have a material adverse Tax effect or material increase in liability to such party, and (ii) a party must believe, based on the advice of a nationally recognized accounting or law firm, that it is more likely than not that the position asserted by the party seeking consent would prevail if it were to be asserted in a judicial proceeding. A party withholding its consent to a settlement proposal shall assume the subsequent costs of defending and asserting the positions asserted by such party in a judicial proceeding, shall have the right to control such proceeding and shall indemnify the other party for any Taxes and related interest and penalties resulting from a subsequent judgment in excess of the amounts that would have been imposed pursuant to the rejected settlement (but not any other costs associated with such proceeding or any other issues involved therein).

(d) From and after the Closing, the parties shall provide each other with such assistance as may reasonably be requested by any of them in connection with (i) the preparation of a Tax Return, election, consent or certificate required to be prepared by any party hereto or (ii) any Tax Claim or Proceeding. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant Tax Returns and supporting work schedules.

20. MISCELLANEOUS.

(a) Mack-Cali shall have no right to assign its rights or obligations under this Agreement except for an assignment at Closing to one or more controlled affiliates of Mack-Cali, provided that such assignees shall expressly assume all obligations and liabilities of Mack-Cali hereunder. Each of the Gale SLG Transferors may assign its rights to an affiliate, to which such Gale SLG Transferor transfers all right, title and interest in the GP and the OP, or Challenger Owner, as applicable, immediately prior to Closing; provided that such Gale SLG Transferor shall not thereby be relieved from any of its obligations or liabilities under this Agreement (whether arising before or after Closing) and such assignee shall expressly assume all obligations and liabilities of the Applicable Gale SLG Transferors hereunder.

(b) No party to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the other parties unless otherwise required by law or applicable stock exchange regulation, and the parties to this Agreement shall cooperate as to the timing and contents of any such press release, public announcement or

communication. The provisions of this **Section 20(b)** shall survive the Closing and termination of this Agreement.

(c) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

(d) This Agreement (including the Exhibits and the Schedules) constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between the Gale SLG Transferors and Mack-Cali with respect to the subject matter hereof and thereof, including the Letter of Intent dated February 3, 2006 between Mack-Cali Realty Acquisition Corp., The Gale Company, L.L.C. and SL Green Realty Corp.

(e) This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Gale SLG Transferors and

Mack-Cali or (b) by a waiver in accordance with **Section 20(f)**.

(f) Any party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered by the other party pursuant hereto, or (c) waive compliance with any of the agreements of the other party or conditions to such party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of either party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

(g) This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

(h) Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

(i) This Agreement and all others arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, except to the extent that the laws of the State in which any Property is located dictate that its laws shall govern the issue in dispute. All actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of the City of New York; provided, however, that if such federal court does not have jurisdiction over such action, such action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of the City of New York. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of the City of New York for the purpose of any action arising out of or relating to this Agreement brought by any party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, that the venue of the action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. The provisions of this **Section 20(i)** shall survive the Closing and the termination of this Agreement.

(j) The parties hereto hereby waive to the fullest extent permitted by applicable law any right they may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement. Each of the parties hereto hereby (a) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers and certifications in this **Section 20(j)**. The provisions of this **Section 20(j)** shall survive the Closing and the termination of this Agreement.

(k) This Agreement may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

(l) This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that the Agreement may have been prepared primarily by counsel for one of the parties, it being recognized that both the Gale SLG Transferors and Mack-Cali have contributed substantially and materially to the preparation of this Agreement. The provisions of this **Section 20(l)** shall survive the Closing.

(m) If, under the terms of this Agreement and the calculation of the time periods provided for herein, the Closing Date or any other date to be determined under

this Agreement should fall on a day that is not a Business Day then such date shall be extended to the next succeeding Business Day.

(n) All parties shall hold both the terms and conditions of this Agreement and its existence as confidential information and will not disclose such terms, conditions or existence, or the fact that negotiations are taking place, to any third party without the other parties' prior written consent, except to the extent necessary to comply with law or to conform to any party's general custom and practice. The provisions of this **Section 20(n)** shall survive the Closing and the termination of this Agreement.

(o) In connection with the Transaction, the Gale SLG Transferors shall be responsible for their attorneys' fees, all real estate transfer taxes, all costs incurred to repay or satisfy any liens affecting any Property or membership interests in any Owner, assumption fees and expenses payable to lender in respect of the Debt Assumption pursuant to the documents evidencing the Existing Fixed Rate Debt, prorations and apportionments as set forth in **Section 15** and one half of all reasonable escrow fees. In connection with the Transaction, Mack-Cali shall be responsible for its attorneys' fees, all title insurance and survey costs, the costs of its due diligence investigations, prorations and apportionments as set forth in **Section 15** and one-half of all reasonable escrow fees. Except as otherwise specified in this Agreement, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the Closing shall have occurred. The provisions of this **Section 20(o)** shall survive the Closing and the termination of this Agreement.

(p) From and after the Closing Date, the parties hereto shall take such further actions and execute and deliver such further documents and instruments as may be reasonably requested by the other parties and are reasonably necessary to provide the respective parties hereto the benefits intended to be afforded hereby. The provisions of this **Section 20(p)** shall survive Closing.

(q) Neither Mack-Cali nor any of its affiliates has engaged in any dealings or transactions, directly or indirectly, (a) in contravention of any U.S., international or other money laundering regulations or conventions, including the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act (50 U.S.C. §1 et seq., as amended), or any foreign asset control regulations of the United States Treasure Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or (b) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten To Commit, or Support Terrorism), as may be amended or supplemented from time to time or on behalf of terrorists or terrorist organizations.

(r) Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that none of the employees, directors, officers, members, partners, managers, principals, consultants, shareholders, advisors, attorneys, or agents of any of the Gale SLG Transferors or their affiliates, shall have any personal liability or obligation whatsoever for obligations under this Agreement or under any documents delivered at Closing, and the individual assets of such parties shall not be subject to any claims of any person relating to such obligations. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that none of the employees, directors, officers, members, partners, managers, principals, consultants, shareholders, advisors, attorneys or agents of Mack-Cali shall have any personal liability or obligation whatsoever for any obligations under this Agreement of under any documents delivered at Closing, and the individual assets of such parties shall not be subject to any claims of any person relating to such obligations. However, the foregoing shall not in any way limit the parties' obligations and liabilities under this Agreement. The provisions of this **Section 20(r)** shall survive the Closing and the termination of this Agreement.

(s) Gale SLG understands that Mack-Cali may seek to structure its acquisition of one or more of the Challenger Property, the Waterview Property or the Thornall Property in such a way that will afford Mack-Cali an opportunity to take advantage of the provisions of Code Section 1031 governing tax free exchanges and reorganizations. Gale SLG shall cooperate with Mack-Cali in such efforts, which cooperation shall be at Mack-Cali's expense, except as otherwise set forth below. Without limiting the generality of the foregoing, (i) the parties hereto shall, at Mack-Cali's request, sever this Agreement into separate agreements (each, a "**Severed Contract**") for the Waterview Interest, Challenger Interest, Thornall Interest and Mack-Cali Interest, respectively and (ii) the applicable Gale SLG Transferor, as directed by Mack-Cali, shall transfer the Challenger Interest, the Waterview Interest or the Thornall Interest, as applicable, at Closing to one or more Qualified Intermediaries (as defined in the Code) and not to Mack-Cali. The Severed Contracts shall reflect all of the terms and provisions of this Agreement with respect to the Properties covered thereby and drafts thereof shall be prepared by Mack-Cali's attorneys, subject to review and approval by Gale SLG and its counsel (it being understood that Gale SLG shall bear its own legal fees with respect to such review and approval). Mack-Cali reserves the right, in effectuating such like-kind exchanges, to assign its rights, but not its obligations, under this Agreement with respect to the Challenger Interest, the Waterview Interest or the Thornall Interest, as applicable, at Closing to such Qualified Intermediaries, and Gale SLG hereby consents to such assignment. Mack-Cali shall indemnify, defend and hold the Gale SLG Transferors harmless from and against any and all costs, loss, liability and expenses, including attorneys' fees and costs, arising out of or in connection with any such like-kind exchange and any related matter arising by reason of Gale SLG's obligations under this paragraph.

21. TROY TRANSACTION.

(a) Mack-Cali acknowledges that Gale SLG is currently pursuing a transaction with respect to recapitalizing the OP's interest in the Troy Properties. It is

currently contemplated that the OP will contribute its membership interest in the Troy Entities of to a to-be-formed joint venture (the "**Troy JV**") between a newly-formed wholly-owned subsidiary of the OP, and an affiliate of Transwestern Investment Company, L.L.C. in exchange for certain common equity and preferred equity interests in the Troy JV having an Agreed Value of $9,500,000.00.

(b) Mack-Cali hereby acknowledges, agrees and consents to the transaction described in **Section 21(a)**, and/or any other transaction with respect to the disposition, refinancing or recapitalization, in whole or in part, of the Troy Entities or the Troy Properties (in any case, a "**Troy Transaction**") as may be entered into by Gale SLG, the OP, Portfolio Mezz or the Troy Entities in the sole and absolute discretion of Gale SLG.

(c) Notwithstanding anything to the contrary contained herein, Gale SLG shall be permitted to pursue any Troy Transaction or series of Troy Transactions, to execute, deliver and perform under such contracts and agreements with respect thereto on behalf of itself, the OP, Portfolio Mezz or the Troy Entities as Gale SLG may deem advisable in its sole and absolute discretion, to transfer, finance, encumber or otherwise pledge the Troy Properties or the membership interests in the Troy Entities or take any other action with respect to the Troy Entities in each in whole or in part or the Troy Properties as Gale SLG shall determine in its sole and absolute discretion.

(d) If a Troy Transaction closes on or before Closing hereunder, the Clause C Amount shall be adjusted to equal the Applicable Percentage Share of the net equity value of the OP's then-remaining interest, direct or indirect, in the Troy Properties.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

GALE SLG PARTIES:

Gale SLG NJ LLC, a Delaware limited liability company

By: /s/ STANLEY C. GALE
Name: Stanley C. Gale
Title: President

Gale SLG NJ Mezz LLC, a Delaware limited liability company:

By: /s/ STANLEY C. GALE
Name: Stanley C. Gale
Title: President

Gale SLG Ridgefield Mezz LLC, a Delaware limited liability company

By: /s/ STANLEY C. GALE
Name: Stanley C. Gale

Title: President

[ADDITIONAL SIGNATURE PAGE FOLLOWS]

MACK-CALI:

Mack-Cali Ventures L.L.C., a Delaware limited liability company

By: **Mack-Cali Realty, L.P.,** Sole Member

By: **Mack-Cali Realty Corporation,** General Partner

By: /s/ MITCHELL E. HERSH

Name: Mitchell E. Hersh

Title: President and Chief Executive Officer

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

MACK-GREEN-GALE LLC

, 2006

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AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT
OF
MACK-GREEN-GALE LLC

This **AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT** of **MACK-GREEN-GALE LLC** is made and entered into as of , 2006, by and between **MACK-CALI VENTURES L.L.C.,** a Delaware limited liability company (together with its permitted successors and assigns, the "CLI Member"), and **GALE SLG NJ LLC**, a New Jersey limited liability company (together with its permitted successors and assigns, the "Gale/SLG Member").

R E C I T A L S:

WHEREAS, the Company (as hereinafter defined) was formed pursuant to a Certificate of Formation, dated as of [March] 2006, and filed with the Secretary of State of Delaware on [March] , 2006 (the "Certificate of Formation") for the purpose of, among other things, acquiring the Contributed Interest (as hereinafter defined);

WHEREAS, the Gale/SLG Member was the original member of the Company and, pursuant to the terms of the Contribution and Sale Agreement (as defined below), the CLI Member has acquired the CLI Member's Interest and been admitted as Member; and

WHEREAS, the parties desire to enter into this Agreement to set forth the terms and conditions on which the Company will be operated and governed.

NOW, THEREFORE, the parties hereto hereby agree as follows:

I. DEFINED TERMS

1.01 Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

"Acceptable Offer" has the meaning set forth in Section 7.09(b) hereof.

"Acceptable Transfer Terms" has the meaning set forth in Section 10.02(e) hereof.

"Additional Class B Property Capital Contribution" means, with respect to any Member, any contribution to the capital of the Company made by such Member pursuant to Section 4.02 hereof (excluding Priority Loans on behalf of a Non-Contributing Member arising for the failure to make a Required Capital Call).

"Adjusted Capital Account Balance" means, with respect to any Member for any period, the balance, if any, in such Member's Capital Account as of the end of such period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to restore or is deemed obligated to restore as described in the penultimate sentence of Treasury Regulation Section 1.704-2(g)(1) and in Treasury Regulation Section 1.704-2(i)(5); and

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(b) Debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Adjusted Capital Account Deficit" means, with respect to any Member for any taxable year of the Company, the deficit balance, if any, in such Member's Capital Account as of the end of such taxable year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to restore or is deemed obligated to restore as described in the penultimate sentence of Treasury Regulation Section 1.704-2(g)(1) and in Treasury Regulation Section 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person or owning or controlling, directly or indirectly, 51% or more of the outstanding voting interests of such Person. For purposes of this definition, the term "control", when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Class B Property Capital Contributions" means, with respect to a Member, from time to time, the aggregate Class B Property Capital Contributions made by such Member to the Company pursuant to this Agreement.

"Agreement" means this Limited Liability Company Agreement, including any exhibits or schedules attached hereto, as the same may be further amended or restated from time to time pursuant to the terms of this Agreement.

"Allocated Percentage" means, as to each Pool Owner, the relationship, expressed as a percentage, that the Allocated Loan Amount (as defined in, and set forth in, the Pool Note) for the Property owned by such Pool Owner bears to the original principal balance of the Pool Loan.

"Book Basis" means, with respect to any asset of the Company, the adjusted basis of such asset for federal income tax purposes; provided, however, that (a) if any asset is contributed to the Company, the initial Book Basis of such asset shall equal its fair market value on the date of contribution (as agreed to by the Members), and (b) if the Capital Accounts of the Members are adjusted pursuant to Treasury Regulation Section 1.704-1(b) to reflect the fair market value of any asset of the Company, the Book Basis of such asset shall be adjusted to equal its respective fair market value as of the time of such adjustment (as agreed to by the Members), in accordance with such Treasury Regulation. The Book Basis of all assets of the Company shall be adjusted thereafter by depreciation or amortization as provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(g) and any other adjustment to the basis of such assets other than depreciation or amortization.

"Budget" means the consolidated annual budget covering the Company's, GP's, the OP's and the Class B Property Subsidiaries' anticipated operations, as approved by the Executive Committee and in effect from time-to-time pursuant to Section 9.06 hereof.

"Budget and Operating Plan" means collectively, the Budget and the Operating Plan for the Company, the GP, the OP and the Class B Property Subsidiaries, as approved by the Executive Committee.

"Business Day" means any day that is not a Saturday, Sunday or a day on which banks are required or permitted to be closed in the State of New York.

"Buy-Sell Offer" has the meaning set forth in Section 8.01 hereof.

"Buy-Sell Offer Price" has the meaning set forth in Section 8.01(a) hereof.

"Capital Account" means the separate account maintained for each Member under Section 4.07 hereof.

"Capital Contribution" means the contributions made by the Members to the capital of the Company pursuant to Article IV hereof.

"Cash Equivalents" shall mean (a) debt instruments issued or guaranteed by the United States or its agencies or instrumentalities and maturing within six months or less from the date of acquisition; (b) commercial paper rated P-1 or A-1 on the date of acquisition and maturing within six months or less from the date of acquisition; (c) overnight time deposits (whether or not insured); (d) interest bearing deposits in domestic and foreign branches of United States commercial banks having capital and surpluses of at least $250,000,000; (e) money market mutual funds with assets of at least $750,000,000, substantially all of which assets consist of obligations of the type described in the foregoing clauses; and (f) similar quality short term investments.

"Certificate of Formation" has the meaning set forth in the Recitals to this Agreement.

"Class" means any of the Class A Properties, the Class B Properties and the Class C Properties.

"Class A Overpayment" means (a) the payment by Class A Pool Owners of amounts in respect of Debt Service in excess of their aggregate Allocated Percentage thereof and (b) the payment by Class A Pool Owners, by application of common reserve funds held by the Loan Lender or otherwise, of amount incurred by or other otherwise properly allocable to the Class B Pool Owner. "Class A Pool Default" means any Event of Default (as defined in the Pool Loan Documents) occasioned or caused by the action or inaction of a Class A Pool Owner or its direct or indirect beneficial owners, or a condition or state of facts with respect to a Class A Pool Property.

"Class A Pool Owners" means 85 Livingston SPE LLC, 20 Waterview SPE LLC and 6 Becker SPE LLC. Each of them is a "Class A Pool Owner".

"Class A Pool Property" means a Property owned by a Class A Pool Owner.

"Class A Properties" means the properties identified on Exhibit A as Class A Properties.

"Class A Property Capital Contribution" means, with respect to any Member, the Initial Class A Property Equity Value of such Member and the cash contributions to the capital of the Company made by such Member pursuant to Section 4.05 of this Agreement.

"Class A Property Expenses" means, for any period, the sum of the total gross cash expenditures of the Company and/or the Class A Property Subsidiaries during such period relating solely to, or derived solely from, the Class A Properties and Class A Property Subsidiaries, including without limitation (and the following relate solely to the Class A Properties and Class A Property Subsidiaries) (a) all cash operating expenses (including all fees, commissions, expenses and allowances paid to any third party or paid or reimbursed to any Member or any of its Affiliates pursuant to any contract or otherwise as permitted hereunder), (b) all debt service payments solely attributable to the Class A Properties including debt service on any loans made to the Company by the Members or any of their Affiliates, (c) all expenditures which are treated as capital expenditures (as distinguished from expense deductions) under GAAP, (d) all real estate taxes, personal property taxes and sales taxes, and (e) all costs and expenditures related to any acquisition, sale, lease, disposition, financing, refinancing, monetization or securitization of the Class A Properties; provided, however, that Class A Property Expenses shall not include (i) any expenditure properly attributable to the liquidation of the Company and not specifically related to the Class A Properties, (ii) non-cash expenses such as depreciation or amortization, or (iii) any Class B Property Expenses or Class C Property Expenses.

"Class A Property Net Cash Flow" means, for any period, the excess of (a) Class A Property Revenues for such period over (b) Class A Property Expenses for such period.

"Class A Property Net Profit" or "Class A Property Net Loss" means, for any taxable year or portion thereof, Net Profit or Net Loss, as the case may be, determined by reference only to Profit and Loss attributable to the Class A Properties.

"Class A Property Payout Percentages" means with regard to each Member, the percentages set forth below opposite its name as follows (subject to adjustment as provided in this Agreement):

Member	Class A Property Payout Percentage
CLI MEMBER	98.958 %
GALE/SLG MEMBER	1.042 %

"Class A Property Percentage Interests" means with respect to each Member, the percentage set forth below opposite its name (subject to adjustment as provided in this Agreement):

CLI MEMBER	98.958 %
GALE/SLG MEMBER	1.042 %

"Class A Property Revenues" means, for any period, the sum of the total gross cash revenues received by the Company and/or the Class A Property Subsidiaries during such period relating solely to, or derived solely from, the Class A Properties, including, without limitation, all receipts of the Company from (a) proceeds from the sale or disposition of all or any portion of any Class A Properties or the issuance or sale by the Company of any securities or additional interests in the Company which relate solely to the Class A Properties, (b) rent (including additional rent and percentage rent) paid to the Company from Class A Properties, (c) concessions, (d) expense reimbursements, (e) condemnation or casualty proceeds related to the condemnation of or casualty loss with regard to all or any portion of the Class A Properties (including any and all insurance awards with regard thereto), (f) proceeds from rent or business interruption insurance, if any, from the Class A Properties, (g) proceeds from the financing, refinancing, monetization or securitization of any of the Class A Properties, or any interest therein and (h) other revenues and receipts realized by the Company, including, without limitation, distributions and other payments and amounts received directly or indirectly from the Class A Property Subsidiaries.

"Class A Property Subsidiary" or "Class A Property Subsidiaries" means any direct or indirect property-owning subsidiaries of the Company organized to directly or indirectly hold, or hold interests in, any of the Class A Properties.

"Class B Overpayment" means (a) the payment by the Class B Pool Owner of amounts in respect of Debt Service in excess of its Allocated Percentage thereof and (b) the payment by the Class B Pool Owner, by application of common reserve funds held by the Loan Lender or otherwise, of amounts incurred by or otherwise properly allocable to the Class A Pool Owner.

"Class B Pool Default" means any Event of Default (as defined in the Pool Loan Documents) occasioned or caused by the action or inaction of the Class B Pool Owner or its direct or indirect beneficial owners, or a condition or state of facts with respect to the Class B Pool Property.

"Class B Pool Owner" means 75 Livingston SPE LLC.

"Class B Pool Property" means the Property owned by the Class B Pool Owner.

"Class B Properties" means the properties identified on Exhibit A as Class B Properties.

"Class B Property Capital Contribution" means, with respect to any Member, the Initial Class B Property Equity Value of such Member and the contributions to the capital of the Company made by such Member pursuant to Sections 4.01, 4.02, 4.03 and 4.04 of this Agreement.

"Class B Property Expenses" means, for any period, the sum of the total gross cash expenditures of the Company during such period relating solely to, or derived solely from, the Class B Properties or the operations of the Company, the GP and the OP, including without limitation (a) all cash operating expenses (including all fees, commissions, expenses and

allowances paid to any third party or paid or reimbursed to any Member or any of its Affiliates pursuant to any contract or otherwise as permitted hereunder), (b) all debt service payments solely attributable to the Class B Properties including debt service on the CLI Loan and any other loans made to the Company by the Members or any of their Affiliates, (c) all expenditures which are treated as capital expenditures (as distinguished from expense deductions) under GAAP, (d) all real estate taxes, personal property taxes and sales taxes, (e) all deposits to the Company's Reserve Accounts pursuant to Section 9.05, (f) all costs and expenditures related to any acquisition, sale, lease, disposition, financing, refinancing, monetization or securitization of the Class B Properties, (g) all Class B Property Uncontrollable Expenses and (h) all Class B Property Necessary Expenses; provided, however, that Class B Property Expenses shall not include (i) any payment or expenditure to the extent such payment or expenditure is paid out of any Reserve Account, (ii) non-cash expenses such as depreciation or amortization, or (iii) any Class A Property Expenses or Class C Property Expenses. For the avoidance of doubt, the Members shall use all reasonable efforts to determine which expenses of the Company should be categorized as Class A Property Expenses, Class B Property Expenses and Class C Property Expenses. Any expenses, however, which are not Class A Property Expenses or Class C Property Expenses shall be Class B Property Expenses.

"Class B Property IRR" means, with respect to a Member, the distribution of Class B Property Net Cash Flow to such Member equal to all of such Member's Aggregate Class B Property Capital Contributions and an internal rate of return on such Aggregate Class B Property Capital Contributions at the applicable percentage per annum, based on a 365 or 366-day year, as the case may be, commencing on the date or dates that such Member's Class B Property Capital Contribution(s) is (or are) received by the Company, taking into account the timing and amounts of all such distributions of Class B Property Net Cash Flow from the Company to such Member. Class B Property IRR shall be computed by assuming that such Class B Property Capital Contribution(s) made by a Member, and all such distributions received by a Member, occur on the day on which they are actually made or received. Class B Property IRR shall be calculated on a quarterly basis in arrears to achieve the effective rates described in the definition of Class B Property Payout Percentages.

"Class B Property Necessary Expenses" means expenses of the Company and/or the Subsidiaries to fund (a) debt service payments on the Company's and/or the Class B Property Subsidiaries' financing (including expenses of curing any defaults thereunder) of the Class B Properties, (b) real estate taxes, assessments and utility charges on the Class B Properties, (c) any repairs necessary to protect the life, health or safety of any Person or to prevent or mitigate material damage to the Class B Properties, (d) other immediately necessary expenditures, regular periodic maintenance and repairs, and additions or modifications to the Class B Properties to comply with applicable laws or insurance requirements, (e) legal compliance and reporting requirements in connection with the Class B Properties, compliance with any final orders, judgments or other proceedings and all costs and expenses related thereto relating to the Class B Properties, and (f) all other costs and expenses set forth in any approved Budget and Operating Plan.

"Class B Property Net Cash Flow" means, for any period, the excess of (a) Class B Property Revenues for such period over (b) Class B Property Expenses for such period.

"Class B Property Net Profit" or "Class B Property Net Loss" means, for any taxable year or portion thereof, Net Profit or Net Loss, as the case may be, determined by reference only to Profit and Loss attributable to the Class B Properties (including deductions with respect to Priority Loans under Section 4.03).

"Class B Property Payout Percentages" means with regard to each Member, the percentages set forth below opposite its name in the circumstances described below (in each case, subject to adjustment as provided in this Agreement), with such percentages being determined as of the moment each dollar of distribution is made to the Members, as the same may vary from time-to-time as each dollar of distribution is made to the Member:

(a) Until such time as the CLI Member and the Gale/SLG Member shall have received aggregate distributions of Class B Property Net Cash Flow pursuant to Section 6.03(b)(ii) of this Agreement in an amount equal to a Class B Property IRR of 10% per annum compounded quarterly, the Class B Property Payout Percentages of the Members shall be as follows:

Member	Class B Property Payout Percentage
CLI MEMBER	50 %
GALE/SLG MEMBER	50 %

(b) Then, until such time as the Gale/SLG Member shall have received aggregate distributions of Class B Property Net Cash Flow pursuant to Section 6.03(b)(ii) of this Agreement in an amount equal to $5,000,000, the Class B Property Payout Percentages of the Members shall be as follows:

Member	Class B Property Payout Percentage
CLI MEMBER	0 %
GALE/SLG MEMBER	100 %

(c) Then, until such time as the CLI Member shall have received aggregate distributions of Class B Property Net Cash Flow pursuant to Section 6.03(b)(ii) of this Agreement in an amount equal to $7,500,000, the Class B Property Payout Percentages of the Members shall be as follows:

Member	Class B Property Payout Percentage
CLI MEMBER	75 %
GALE/SLG MEMBER	25 %

(d) Thereafter, the Class B Property Payout Percentages of the Members will be as follows:

Member	Class B Property Payout Percentage
CLI MEMBER	50 %
GALE/SLG MEMBER	50 %

"Class B Property Percentage Interests" means with respect to each Member, the percentage set forth below opposite its name which related solely to the Class B Properties (subject to adjustment as provided in this Agreement):

CLI MEMBER	50 %
GALE/SLG MEMBER	50 %

"Class B Property Return of Capital Distributions" means, for any Member, that portion of the aggregate distributions made to such Member pursuant toSection 6.03(b)(ii) that constitute a return of Class B Property Capital Contributions of such Member as distinguished from a return thereon. For this purpose, distributions made to a Member pursuant to Section 6.03(b)(ii) shall be deemed to constitute first a return on the Aggregate Class B Property Capital Contributions of such Member until such Member shall have received from all such distributions a Class B Property IRR of ten percent (10%) per annum, compounded quarterly, on such Aggregate Class B Capital Contributions and thereafter shall constitute a return of Class B Property Capital Contributions. For example, assume that the Class B Capital Contributions of a Member were $1,000X contributed on January 1, 2006. On December 31, 2006, such Member receives a Distribution under Section 6.03(b)(ii) in the amount of $150X. In such case, the first $103.81 of the Distribution represents the 10% per annum return on the $1,000X compounded quarterly. The remaining $46.19 of the Distribution therefore constitutes a Class B Property Return of Capital Distribution.

"Class B Property Revenues" means, for any period, the sum of the total gross cash revenues received by the Company during such period relating solely to, or derived solely from, the Class B Properties, including all receipts of the Company from (a) proceeds from the sale or disposition of all or any portion of any Class B Properties or the issuance or sale by the Company of any securities or additional interests in the Company which relate solely to the Class B Properties, (b) rent (including additional rent and percentage rent) paid to the Company from Class B Properties, (c) concessions, (d) expense reimbursements, (e) condemnation or casualty proceeds related to the condemnation of or casualty loss with regard to all or any portion of the Class B Properties (including any and all insurance awards with regard thereto), (f) proceeds from rent or business interruption insurance, if any, from Class B Properties, (g) funds made available to the extent such funds are withdrawn from the Company's Reserve Accounts and deposited into the Company's operating accounts relating solely to the Class B Properties, (h) proceeds from the financing, refinancing, monetization or securitization of the Company or any of the Class B Properties, or any interest therein and (i) other revenues and receipts realized by the Company, including, without limitation, distributions and other payments and amounts received directly or indirectly from the Class B Property Subsidiaries; provided, however, that Class B Property Revenues shall not include any revenue or receipt realized by the Company incident to the liquidation of the Company or any Class A Property Revenue or Class C Property Revenue. For the avoidance of doubt, the Members shall use all reasonable efforts to determine which revenues of the Company should be categorized as Class A Property Revenues, Class B

Property Revenues and Class C Property Revenues. Any revenues, however, which are not Class A Property Revenues or Class C Property Revenues shall be Class B Property Revenues.

"Class B Property Subsidiary" or "Class B Property Subsidiaries" means Portfolio TRS and any direct or indirect property-owning subsidiary of the Company organized to directly or indirectly hold, or hold interests in, any of the Class B Properties.

"Class B Property Subsidiary Notice" has the meaning set forth in Section 7.12(b) hereof.

"Class B Property Uncontrollable Expenses" means expenses of the Company related to the Class B Properties and/or the Class B Property Subsidiaries to fund (a) uncontested real estate taxes, assessments and utility charges, (b) any repairs necessary to protect the life, health and safety of any Person or to prevent or mitigate material damage to the Class B Properties, (c) salaries and other payroll costs and expenses incurred in accordance with applicable union and collective bargaining agreements relating to the Class B Properties, and (d) all other costs and expenses which (in the best judgment of the Manager) the failure to pay (i) would result in a material default pursuant to any material contract or agreement to which the Company and/or any Class B Property Subsidiary is a party or (ii) would have a material adverse effect upon the value of or cause material damage to the Class B Properties or (iii) would result in a material risk of loss of life or serious bodily injury to any Person.

"Class C Properties" means the properties identified on Exhibit A as Class C Properties.

"Class C Property Capital Contribution" means, with respect to any Member, the Initial Class C Property Equity Value of such Member and the cash contributions to the capital of the Company made by such Member pursuant to Section 4.06 of this Agreement.

"Class C Property Expenses" means, for any period, the sum of the total gross cash expenditures of the Company and/or the Class C Property Subsidiaries during such period relating solely to, or derived solely from, the Class C Properties and Class C Property Subsidiaries, including without limitation (and the following relate solely to the Class C Properties and Class C Property Subsidiaries) (a) all cash operating expenses (including all fees, commissions, expenses and allowances paid to any third party or paid or reimbursed to any Member or any of its Affiliates pursuant to any contract or otherwise as permitted hereunder), (b) all debt service payments solely attributable to the Class C Properties including debt service on any loans made to the Company by the Members or any of their Affiliates, (c) all expenditures which are treated as capital expenditures (as distinguished from expense deductions) under GAAP, (d) all real estate taxes, personal property taxes and sales taxes, and (e) all costs and expenditures related to any acquisition, sale, lease, disposition, financing, refinancing, monetization or securitization of the Class C Properties; provided, however, that Class C Property Expenses shall not include (i) any expenditure properly attributable to the liquidation of the Company and not specifically related to the Class C Properties, (ii) non-cash expenses such as depreciation or amortization, or (iii) any Class A Property Expenses or Class B Property Expenses.

"Class C Property Net Cash Flow" means, for any period, the excess of (a) Class C Property Revenues for such period over (b) Class C Property Expenses for such period.

"Class C Property Net Profit" or "Class C Property Net Loss" means, for any taxable year or portion thereof, Net Profit or Net Loss, as the case may be, determined

by reference only to Profit and Loss attributable to the Class C Properties.

"Class C Property Payout Percentages" means with regard to each Member, the percentages set forth below opposite its name as follows (subject to adjustment as provided in this Agreement):

Member	Class C Property Payout Percentage
CLI MEMBER	1.042 %
GALE/SLG MEMBER	98.958 %

"Class C Property Percentage Interests" means with respect to each Member, the percentage set forth below opposite its name (subject to adjustment as provided in this Agreement):

CLI MEMBER	1.042 %
GALE/SLG MEMBER	98.958 %

"Class C Property Revenues" means, for any period, the sum of the total gross cash revenues received by the Company and/or the Class C Property Subsidiaries during such period relating solely to, or derived solely from, the Class C Properties, including, without limitation, all receipts of the Company from (a) proceeds from the sale or disposition of all or any portion of the Class C Properties or the issuance or sale by the Company of any securities or additional interests in the Company which relate solely to the Class C Properties, (b) rent (including additional rent and percentage rent) paid to the Company from Class C Properties, (c) concessions, (d) expense reimbursements, (e) condemnation or casualty proceeds related to the condemnation of or casualty loss with regard to all or any portion of the Class C Properties (including any and all insurance awards with regard thereto), (f) proceeds from rent or business interruption insurance, if any, from the Class C Properties, (g) proceeds from the financing, refinancing, monetization or securitization of any of the Class C Properties, or any interest therein and (h) other revenues and receipts realized by the Company, including, without limitation, distributions and other payments and amounts received directly or indirectly from the Class C Property Subsidiaries.

"Class C Property Subsidiary" or "Class C Property Subsidiaries" means any direct or indirect property-owning subsidiaries of the Company organized to directly or indirectly hold, or hold interests in, any of the Class C Properties.

"CLI" means Mack-Cali Realty Corporation, a Maryland corporation.

"CLI Loan" has the meaning set forth in Section 4.02 hereof.

"CLI Member" has the meaning set forth in the Preamble of this Agreement.

"CLI Member Indemnity Share" of any amount means the difference between (a) the OP Percentage Interest, times the CLI Member's Class A Property Percentage Interest, times the

Gale/SLG Member's Class B Property Percentage Interest, times such amount, and (b) the OP Percentage Interest, times the Gale/SLG Member's Class A Property Percentage Interest, times the CLI Member's Class B Property Percentage Interest, times such amount.

"Code" means the Internal Revenue Code of 1986, as amended. Any reference herein to any specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future laws.

"Company" means Mack-Green-Gale LLC, the limited liability company formed pursuant to the Certificate of Formation and operated pursuant to the terms of this Agreement.

"Company Accountant" has the meaning set forth in Section 9.04 hereof.

"Company Minimum Gain" means "partnership minimum gain" as defined in Treasury Regulation Section 1.704-2(d).

"Confidential Information" has the meaning set forth in Section 14.16(a) hereof.

"Contributed Interest" means 100% of the membership interests in the GP and 32,427,292 limited partnership units of the OP.

"Contributing Member" has the meaning set forth in Section 4.04(b) hereof.

"Contribution and Sale Agreement" has the meaning set forth in Section 2.05(a)(i) hereof.

"Contribution and Subscription Agreements" has the meaning set forth in the Contribution and Sale Agreement.

"Deadlock" has the meaning set forth in Section 7.13(a).

"Deadlock Advance" has the meaning set forth in Section 4.03 hereof.

"Deadlock Advancing Member" has the meaning set forth in Section 4.03 hereof.

"Deadlock Non-Advancing Member" has the meaning set forth in Section 4.03 hereof.

"Deadlock Notice" has the meaning set forth in Section 7.13(a).

"Debt Service" means any payment of principal or interest on the Pool Note, together with payment of any fees required by the Pool Loan Documents (other than fees associated with a default or Event of Default (as defined in the Pool Loan Documents) or fees chargeable to a particular Pool Owner by reason of any request for consent, withdrawals from reserves or escrows or similar matters).

"Defaulting Member" has the meaning set forth in Section 13.01 hereof.

"Delaware Act" means the Delaware Limited Liability Company Act, as amended from time-to-time.

"Drag-Along Notice" has the meaning set forth in Section 10.06(a) hereof.

"Drag-Along Period" has the meaning set forth in Section 10.06(a) hereof.

"Drag-Along Right" has the meaning set forth in Section 10.06(a) hereof.

"Eastdil Commission" means the commission due Eastdil Realty in connection with the transactions contemplated by the Contribution and Sale Agreement.

"Electing Member" has the meaning set forth in Section 7.09(b) hereof.

"Election" has the meaning set forth in Section 8.01(b) hereof.

"Electronic Participation" has the meaning set forth in Section 7.02(f) hereof.

"Embargoed Person" has the meaning set forth in Section 14.01(a)(x) hereof.

"Event of Default" has the meaning set forth in Section 13.01 hereof.

"Executive Committee" means the committee formed and operated by representatives of the Managers pursuant to Sections 7.01 and 7.02 hereof.

"Expenses" means any of the Class A Property Expenses, Class B Property Expenses and Class C Property Expenses.

"Expert" has the meaning set forth in Section 7.13(h) hereof.

"Expert Determination" has the meaning set forth in Section 7.13(h) hereof.

"Final Fair Market Value" has the meaning set forth in Section 7.12(b) hereof.

"Final Lease Proposal" has the meaning set forth in Section 7.01(a)(xv) hereof.

"Formation Costs" has the meaning set forth in Section 4.01 hereof.

"GAAP" has the meaning set forth in Section 9.02 hereof.

"Gale/SLG Member" has the meaning set forth in the Preamble of this Agreement.

"Gale/SLG Member Indemnity Share" of any amount means the difference between (a) the OP Percentage Interest, times the Gale/SLG Member's Class B Property Percentage Interest, times CLI Member's Class A Property Percentage Interest, times such amount, and (b) the OP Percentage Interest, times the CLI Member's Class B Property Percentage Interest, times the Gale/SLG Member's Class A Property Percentage Interest, times such amount.

"GP" means Gale SLG NJ GP LLC, a Delaware limited liability company and the general partner of the OP.

"Indemnified Party" has the meaning set forth in Section 11.02 hereof.

"Initial Budget" has the meaning set forth in Section 9.06 hereof.

"Initial Class A Property Equity Value" means, with respect to any Member, the equity value attributable to the Class A Properties in connection with the contribution by such Member of the Retained Interest or the Sold Interest, as the case may be, as described in Section 4.01.

"Initial Class B Property Equity Value" means, with respect to any Member, the equity value attributable to the Class B Properties in connection with the contribution by such Member of the Retained Interest or the Sold Interest, as the case may be, as described in Section 4.01.

"Initial Class C Property Equity Value" means, with respect to any Member, the equity value attributable to the Class C Properties in connection with the contribution by such Member of the Retained Interest or the Sold Interest, as the case may be, as described in Section 4.01.

"Initial Operating Plan" has the meaning set forth in Section 9.06 hereof.

"Interest" means, with respect to any Member at any time, the interest of such Member in the Company at such time, including the right of such Member to any and all of the benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all of the terms and provisions of this Agreement.

"Lease Proposal" has the meaning set forth in Section 7.01(a)(xv) hereof.

"Lender" has the meaning set forth in Section 8.01(c) hereof.

"LIBOR Business Day" shall mean any day other than a Saturday, Sunday or any other day on which commercial banks in London, England are not open for business.

"LIBOR" means with respect to each calendar month during any part of which any principal is advanced and outstanding under the CLI Loan, the rate (expressed as a percentage per annum and rounded upward, if necessary, to the next nearest 1/1000 of 1%) for deposits in U.S. dollars, for a one-month period, that appears on Telerate Page 3750 (or the successor thereto) as of 11:00 a.m., London time, on the first LIBOR Business Day of such month. If such rate does not appear on Telerate Page 3750 as of 11:00 a.m., London time, on such determination date, the LIBOR Rate shall be the arithmetic mean of the offered rates (expressed as a percentage per annum) for deposits in U.S. dollars for a one month period that appear on the Reuters Screen Libor Page as of 11:00 a.m., London Time, on such determination date, if at least two such offered rates so appear.

"Liquidating Member" means the Member designated as such by the Executive Committee from time-to-time;provided, however, that any Member that causes the dissolution of the Company under Section 12.01(d) hereof or with respect to which an Event of Default has occurred shall not serve as the Liquidating Member.

"Loan Lender" means the lender under the Pool Loan.

"Loss" means, for each taxable year or other period, an amount equal to the Company's items of taxable deduction and loss for such year or other period, determined in accordance with

Section 703(a) of the Code (including all items of loss or deduction required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

(a) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures under Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Loss, will be considered an item of Loss;

(b) Loss resulting from any disposition of any assets of the Company with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Book Basis of such property, notwithstanding that the adjusted tax basis of such property may differ from its Book Basis;

(c) In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there will be taken into account depreciation for the taxable year or other period as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g);

(d) Any items of deduction and loss specially allocated pursuant to Section 6.08 shall not be considered in determining Loss; and

(e) Any decrease to Capital Accounts as a result of any adjustment to the Book Basis of Company assets pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f) shall constitute an item of Loss.

"Losses" means all damages, losses, liabilities, claims, costs or expenses (including, without limitation, attorneys' fees, expenses, disbursements and court costs) suffered or incurred.

"LP Claim" has the meaning set forth in Section 11.05(a).

"Major Decision" has the meaning set forth in Section 7.01(a) hereof.

"Management Agreement" has the meaning set forth in Section 7.06(a) hereof.

"Manager" means the CLI Member and any other Person who, from time-to-time, is appointed as a Manager of the Company in accordance with this Agreement, so long as such Person continues as a Manager of the Company.

"Material Disagreement" means a material irreconcilable dispute among the Members regarding the management, operations or strategic direction of the Company and/or its Subsidiaries that continues to be in effect for a period of not less than thirty (30) calendar days.

"Material Notices" has the meaning set forth in Section 14.03 hereof.

"Mediation" has the meaning set forth in Section 7.13(c) hereof.

"Mediator" has the meaning set forth in Section 7.13(c) hereof.

"Member" or "Members" means one or more (as the case may be) of the CLI Member or the Gale/SLG Member and any other Person who, from time-to-time, is admitted as a member of the Company in accordance with this Agreement and applicable law, so long as such Person continues as a member of the Company.

"Member Minimum Gain" means the Company's "partner nonrecourse debt minimum gain" as defined in Treasury Regulation Section 1.704-2(i)(2).

"Member Nonrecourse Deductions" means "partner nonrecourse deductions" as defined in Treasury Regulation Section 1.704-2(i)(2).

"Net Cash Flow" means any of the Class A Property Net Cash Flow, the Class B Property Net Cash Flow and the Class C Property Net Cash Flow.

"Net Loss" means, for any period, the excess of items of Loss over items of Profit, if applicable, for such period determined without regard to any items of Profit or Loss allocated pursuant to Section 6.02 hereof.

"Net Profit" means, for any period, the excess of items of Profit over items of Loss, if applicable, for such period determined without regard to any items of Profit or Loss allocated pursuant to Section 6.02 hereof.

"Non-Contributing Member" has the meaning set forth in Section 4.04(b) hereof.

"Non-Defaulting Member" has the meaning set forth in Section 13.02 hereof.

"Nonrecourse Deductions" has the meaning set forth in Treasury Regulation Section 1.704-2.

"Notice" has the meaning set forth in Section 7.09(b) hereof.

"Offeree" has the meaning set forth in Section 8.01 hereof.

"Offeror" has the meaning set forth in Section 8.01 hereof.

"OP" means Gale SLG NJ Operating Partnership, L.P., a New Jersey limited partnership.

"OP Percentage Interest" has the meaning set forth in the Contribution and Sale Agreement.

"Operating Plan" means the overall and annual consolidated strategic and comprehensive operating plan for the Company, the GP, the OP and the Class B Property Subsidiaries covering the Company's, the GP's, the OP's and the Class B Property Subsidiaries' anticipated operations, as approved by the Executive Committee and in effect from time-to-time pursuant to Section 9.06 hereof. The Operating Plan will generally include no less than those matters described in Section 9.06(b) hereof and no less than the details and other matters of the type set forth on Exhibit B attached hereto and such other matters as are reasonably requested by the Members.

"Ordinary Course" has the meaning set forth in Section 7.01(a)(xxviii) hereof.

"Owner" means a property-owning Subsidiary which is the owner of a Property.

"Payout Percentages" means the Class A Property Payout Percentages, the Class B Property Payout Percentages and the Class C Property Payout Percentages.

"Percentage Interest" means, as applicable, a Class A Property Percentage Interest, Class B Property Percentage Interest or Class C Property Percentage Interest.

"Person" means any individual, partnership, corporation, limited liability company, trust or other entity.

"Pool Debt Service" means any payment of principal or interest on the Pool Note, together with payment of any fees required by the Pool Loan Documents (other than fees associated with a default or Event of Default or fees chargeable to a particular Pool Owner by reason of any request for consent, withdrawals from reserves or escrows or similar matters).

"Pool Loan" means the loan evidence by the Pool Note.

"Pool Loan Documents" means any and all documents evidencing or securing the Pool Loan.

"Pool Owners" means the Class A Pool Owners and the Class B Pool Owner.

"Pool Note" means that certain Promissory Note, dated July 30, 2004, in the principal amount of $72,955,000.00 made by Pool Owners to Wachovia Bank, National Association.

"Portfolio TRS" means Gale SLG NJ TRS Corp., a Delaware corporation.

"Priority Loans" means (i) with respect to any Contributing Member, any advance made by such Contributing Member and designated or characterized by the Contributing Member as a Priority Loan pursuant to Section 4.03, including both the Non-Contributing Member's share of such amount advanced by the Contributing Member pursuant to Section 4.04(b)(ii) and the Contributing Member's share of such amount advanced by the Contributing Member pursuant to Section 4.02 hereof or (ii) with respect to any Deadlock Advancing Member, any advance made by such Deadlock Advancing Member and designated or characterized by the Deadlock Advancing Member as a Priority Loan pursuant to Section 4.03 hereof.

"Priority Loans IRR" means, with respect to a Member, the distribution of Class B Property Net Cash Flow to such Member equal to the principal amount of all of such Member's Priority Loans and an internal rate of return on such Member's Priority Loans at the applicable percentage per annum, based on a 365 or 366-day year, as the case may be, commencing on the date or dates that such Member's Priority Loan(s) is (or are) received by the Company, taking into account the timing and amounts of all such distributions of Class B Property Net Cash Flow from the Company to such Member. Priority Loans IRR shall be computed by assuming that such Priority Loan(s) made by a Member, and all such distributions received by a Member, occur

on the day on which they are actually made or received. Priority Loans IRR shall be calculated on a quarterly basis in arrears to achieve the effective rates described in Section 6.03(b)(i).

"Profit" means, for each taxable year or other period, an amount equal to the Company's taxable income and gain for such year or other period, determined in accordance with Section 703(a) of the Code (including all items of income and gain required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profit or Loss will be added to taxable income;

(b) Gain resulting from any disposition of any assets of the Company (including the Property) with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Book Basis of such property, notwithstanding that the adjusted tax basis of such property may differ from its Book Basis;

(c) Any items specially allocated pursuant to Section 6.08 shall not be considered in determining Profit; and

(d) Any increase to Capital Accounts as a result of any adjustment to the Book Basis of Company assets pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f) shall constitute an item of Profit.

"Properties" means the Class A Properties, Class B Properties and Class C Properties.

"Property Subsidiary" means a Class A Property Subsidiary, Class B Property Subsidiary or Class C Property Subsidiary.

"Proposing Member" has the meaning set forth in Section 7.09(a) hereof.

"Purchaser" means any third-party prospective purchaser or purchasers of all or any portion of the Interests of a Member which is not a Related Person of such Member.

"Qualified Manager" means a reputable and experienced professional management organization which manages, together with its Affiliates, at least ten (10) properties of a type, quality and size similar to the Properties, totaling at least, in the aggregate, no less than 5,000,000 square feet.

"Readily Marketable Securities" means those securities that (a) are (i) debt or equity securities of or other interests in any Person that are traded on a national security exchange, reported on by the National Association of Securities Dealers Automated Quotation System or otherwise actively traded over the counter or (ii) debt securities of an issuer that has debt or equity securities that are so traded or so reported on and that a nationally recognized securities firm has agreed to make a market in and (b) are not subject to restrictions on transfer as a result of any applicable contractual provisions or the provisions of the Securities Act of 1933, as amended.

"Reasonable Period" means, with respect to any Defaulting Member, a period of thirty (30) calendar days after such Defaulting Member receives written notice of its default from the Non-Defaulting Member; provided, however, that if such breach can be cured but cannot reasonably be cured within such 30-day period, the period shall continue, if such Defaulting Member commences to cure the breach within such 30-day period, for so long as such Defaulting Member diligently prosecutes the cure to completion up to a maximum of one hundred eighty (180) calendar days.

"REIT" means a real estate investment trust as defined under the Code.

"REIT Requirements" has the meaning set forth in Section 6.09(a) hereof.

"Related Persons" means, as to any Person, its Affiliates, members, partners, directors, officers, shareholders and employees.

"Required Capital Call" has the meaning set forth in Section 4.02 hereof.

"Reserve Accounts" has the meaning set forth in Section 9.05 hereof.

"Response Period" has the meaning set forth in Section 7.09(b) hereof.

"Retained Interest" has the meaning set forth in Section 4.01 hereof.

"ROFO Class B Property Interests" has the meaning set forth in Section 7.09(a) hereof.

"ROFO Trigger Sale" has the meaning set forth in Section 7.09(a) hereof.

"Sale" has the meaning set forth in Section 10.05 hereof.

"Shortfall" has the meaning set forth in Section 4.02 hereof.

"Similar CLI/Gale Properties" has the meaning set forth in Section 7.07(c) hereof.

"SLG" means SL Green Realty Corp. a Maryland corporation.

"Sold Interest" has the meaning set forth in Section 4.01 hereof.

"Status Reports" means those monthly status reports and other information provided for in Section 7.03(d)(vii) hereof.

"Subsidiaries" means the GP, the OP, the Class A Property Subsidiaries, the Class B Property Subsidiaries and the Class C Property Subsidiaries.

"Tag-Along Right" has the meaning set forth in Section 10.05(b) hereof.

"Target Account" means, with respect to any Member for any taxable year of the Company, the excess of (a) an amount (which may be either a positive balance or a negative balance) equal to the hypothetical distribution (or contribution) such Member would receive (or contribute) if all assets of the Company, including cash, were sold for cash equal to their Book

Basis (taking into account any adjustments to Book Basis for such year), all liabilities (including prepayment penalties, yield maintenance fees and similar costs) of the Company were then satisfied according to their terms (except that if the nonrecourse liabilities secured by an asset exceed the Book Basis of such asset, such calculation shall be made assuming that the asset were transferred to the lender in satisfaction of the debt) and all remaining proceeds from such sale were distributed pursuant to Section 6.03 over (b) such Member's share of Company Minimum Gain and Member Minimum Gain immediately prior to such sale.

"Target Class B Property Subsidiary" has the meaning set forth in Section 7.12(b) hereof.

"Target Interest" has the meaning set forth in Section 10.02(e)(i) hereof.

"Tax Matters Partner" has the meaning set forth in Section 6.07 hereof.

"Transfer" has the meaning set forth in Section 10.01 hereof.

"Transfer Election" has the meaning set forth in Section 10.02(e) hereof.

"Transfer Response Period" has the meaning set forth in Section 10.02(e) hereof.

"Transfer ROFO Notice" has the meaning set forth in Section 10.02(e) hereof.

"Treasury Regulation" or "Regulation" means, with respect to any referenced provision, such provision of the regulations of the United States Department of the Treasury or any successor provision.

"U.S. Government Blacklists" shall mean, (i) the two (2) lists maintained by the United States Department of Commerce (Denied Persons and Entities; the Denied Persons), (ii) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (iii) the list by the United States Department of State (Terrorist Organizations and Debarred Parties).

1.02 Other Terms. As used in this Agreement, unless otherwise specified, (a) all references to Sections, Articles or Exhibits are to Sections, Articles or Exhibits of this Agreement, (b) each accounting term has the meaning assigned to it in accordance with GAAP, (c) all Exhibits, Schedules, Addenda and other attachments to this Agreement are specifically incorporated into and made a part of this Agreement by any reference thereto in this Agreement, (d) the terms "include" and "including" shall be construed as if followed by the phrase "without limitation", and (e) all terms used in this Agreement which are not defined in this Article I shall have the meaning set forth elsewhere in this Agreement.

II. ORGANIZATION

2.01 Formation. The Gale/SLG Member has formed the Company by the filing of the Certificate of Formation with the Secretary of State of the State of

Delaware on [March] , 2006. From and after the date of this Agreement, the Members hereby agree that the Company shall be a limited liability company under and pursuant to the Delaware Act, upon and subject to the terms and conditions set forth in this Agreement. The Manager, or any other Person

authorized by the Executive Committee, is hereby authorized to file and record any amendments to the Certificate of Formation and such other documents as may be required or appropriate under the Delaware Act or the laws of any other jurisdiction in which the Company may conduct business or own property.

(a) [ ], is hereby designated as an "authorized person" within the meaning of the Delaware Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his powers as an "authorized person" ceased, and the Manager thereupon became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Delaware Act. The Manager shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in the State of New Jersey and in any other jurisdiction in which the Company may wish to conduct business.

2.02 Name and Principal Place of Business.

(a) The name of the Company shall be Mack-Green-Gale LLC. The Executive Committee may change the name of the Company from time-to-time and may adopt one or more fictitious names for use by the Company. All business of the Company shall be conducted under such name, and title to all assets of the Company shall be held in such name.

(b) The principal place of business and office of the Company shall be initially located at the offices of the Manager, c/o Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey. The Executive Committee may from time-to-time change such principal office and place of business or may change or establish such additional offices or places of business of the Company as it may deem necessary or appropriate for the operation of the Company's business. The Manager may from time to time change its place of business or may change or establish such substitute or additional offices or places of business as it may deem necessary or appropriate, so long as any such additional offices or places of business are in the State of New Jersey.

2.03 Term. The term of the Company commenced on the date of the filing of the Certificate of Formation pursuant to the Delaware Act and shall continue in full force and effect until the dissolution and termination of the Company pursuant to Article 12 or, unless sooner terminated by the unanimous written consent of the Members.

2.04 Registered Agent, Registered Office and Foreign Qualification. The name of the Company's registered agent for service of process shall be Corporation Service Company, and the address of the Company's registered agent and the address of the Company's registered office in the State of Delaware shall be [ ]. Such agent and such office may be changed from time-to-time by the Executive Committee. The Manager, or any other Person authorized by the Executive Committee, is hereby authorized, for the purpose of authorizing or qualifying the Company to do business in any state, territory or dependency of the United States in which it is necessary or expedient for the Company to transact business, to

do any and all acts and things necessary to obtain from such state, territory or dependency any such authorization or qualification.

2.05 Purpose. (a) The purpose of the Company shall be:

(i) To accept and hold the Contributed Interest at closing under that certain Contribution and Sale Agreement dated as of March , 2006 (as such agreement may be amended from time to time, the "Contribution and Sale Agreement") by and among the Gale/SLG Member, Gale SLG NJ MEZZ LLC, Gale SLG Ridgefield MEZZ LLC and MACK-CALI VENTURES L.L.C.;

(ii) To acquire, own, hold, lease, operate, manage, mortgage, encumber, finance, refinance, sell, redevelop, rehabilitate, improve and otherwise deal with and dispose of, directly or indirectly through one or more direct or indirect subsidiaries, the Properties;

(iii) To conduct all activities reasonably necessary or desirable to accomplish the foregoing purposes and to do anything necessary or incidental to any of the foregoing, which in each case, is not a breach of this Agreement or in violation of the Delaware Act or the laws of any other jurisdiction in which the Company transacts or conducts its business; and

(iv) To engage in any other business or activity approved by the Executive Committee (and the Members acknowledge and agree that each of the foregoing matters in clauses (i) - (iii) is part of the ordinary business of the Company).

(b) The Company shall not engage in any other business or activity without the approval of the Executive Committee.

III. MEMBERS

3.01 Admission of Members. The CLI Member and the Gale/SLG Member are the initial Members of the Company. Except as expressly permitted by this Agreement, no other Person shall be admitted as a Member of the Company, and no additional Interests shall be issued, without the prior written approval of the Executive Committee.

3.02 Limitation on Liability.

(a) Except as otherwise expressly provided in the Delaware Act, the debts, obligations and liabilities of the Company or any Subsidiary, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company or the applicable Subsidiary, and no Member shall be obligated personally for any such debt, obligation or liability of the Company, solely by reason of being a member of the Company. Except as otherwise expressly provided in the Delaware Act or as provided in Section 11.02(b) hereof, but subject to the provisions of subparagraph (b) of this Section 3.02, the liability of each Member shall be limited to the amount of Capital Contributions made by such Member in accordance with the provisions of this Agreement, but only when and to the extent the same shall become due and payable pursuant to the provisions of this Agreement. Further, no member of the Executive

Committee, general or limited partner of any Member, shareholder, member or other holder of any equity or other ownership or beneficial interest of any Member, or any officer, director or employee of any of the foregoing or any of their Related Persons shall be obligated personally for any debt, obligation or other liability of the Company or any Subsidiary solely by reason of their being a member of the Executive Committee, general or limited partner of any Member, shareholder or member or other holder of any

equity interest of any Member, or officer, director or employee of any of the foregoing or any of their Related Persons. Further, failure of the Company or any Subsidiary to observe any corporate or other formalities or requirements relating to the exercise of its powers or the management of its business or affairs under either this Agreement or the Delaware Act shall not be grounds for the Manager, any Member, member of the Executive Committee, general or limited partner of any Member, shareholder or member or other holder of any equity interest of any Member, or any officer, director or employee of any of the foregoing or any of their Related Persons to be held liable or obligated for any debt, obligation or other liability of the Company or any Subsidiary.

(b) Notwithstanding any other provision of this Agreement to the contrary (including the provisions of Section 11.02(b) hereof) (i) each Member's liability under this Agreement is explicitly limited to the assets of such Member, and (ii) neither the Company nor any Member shall have any recourse against any assets of any Related Person of another Member (unless such Related Person is itself a Member) or any past, present or future officers, agents, shareholders, incorporators, directors, principals (direct or indirect), affiliates, partners, members or representatives of another Member (unless the same is itself a Member) or any of the assets or property of any of the foregoing, for the payment or collection of any amount, judgment, judicial process, arbitration award, fees or costs or for any other obligation or claim arising out of or based upon this Agreement.

(c) The provisions of this Section 3.02 shall survive the termination or expiration of this Agreement.

3.03 Third-Party Debt Liability. The parties intend that no Member, or any of its Related Persons, shall have any liability under or in connection with any third-party debt, including liability with regard to any environmental matters, recourse carve-outs, fraud, intentional misconduct, theft or other commonly called "bad-boy acts" or with regard to any other matter, unless otherwise approved by the Executive Committee.

IV. CAPITAL

4.01 Initial Capital Contributions. (a) The Gale/SLG Member shall be treated, for all purposes of this Agreement, as having sold to the CLI Member a portion of the Contributed Interest (the "Sold Interest") on the date hereof and retained the balance of the Contributed Interest (the "Retained Interest"), immediately following which the Gale/SLG Member contributed the Retained Interest and the CLI Member contributed the Sold Interest to the Company. The parties agree that the fair market value of the Sold Interest as of the date hereof, and thus its initial Gross Asset Value, is $ and the fair market value of the Retained Interest as of the date hereof, and thus its initial Gross Asset Value, is $. The parties further agree that the initial Gross Asset Value of the Retained Interest is composed of $ equity value attributable to the Class A Properties, $ equity value attributable to the Class B Properties and $ equity value attributable to the Class C Properties and that the initial Gross Asset Value of the Sold Interest is composed of $ equity value attributable to the

Class A Properties, $ equity value attributable to the Class B Properties and $ equity value attributable to the Class C Properties. Set forth on Exhibit A is the Gross Asset Value for each of the Properties. **[Note: Final values to be determined at Closing.]**

(b) Subject to Section 7.08 hereof, the Initial Class B Capital Contributions include funds to pay $ **[Note: Amount to be agreed at Closing]** related to the Eastdil Commission and to pay (or reimburse each Member to the extent already paid by such Member) the estimated formation costs, including legal, and other professional fees, as agreed to by the Members (collectively, "Formation Costs").

4.02 Additional Class B Property Capital Contributions. Subject to the provisions of Section 7.01(a) of this Agreement, in the event that at any time or from time-to-time additional funds are required by the Company for any purpose relating to the Class B Properties or the operations of any Class B Property Subsidiary in excess of the Initial Class B Capital Contributions, reserves held by or on behalf of the Company and available cash flow (a "Shortfall"), such funds, up to $10,000,000, shall be provided by the CLI Member to the Company, pursuant to an unsecured floating rate line of credit bearing interest at LIBOR plus 400 basis points per annum (the "CLI Loan"). Notwithstanding Section 6.0(b), the Company shall not make any distributions of Class B Property Net Cash Flow if any amount of the CLI Loan shall be outstanding. If the CLI Loan is insufficient to cover all of the Shortfall, the Executive Committee shall have the option to request in writing that the Members make Additional Class B Property Capital Contributions to the Company in the amount of the excess of such Shortfall over the principal amount of the CLI Loan (a "Required Capital Call"). If so requested by the Executive Committee, each Member shall, within fifteen (15) Business Days thereafter, contribute its pro rata share (based upon its then Class B Property Percentage Interest) of the amount of the applicable Shortfall. If within such fifteen (15) Business Day period, any Non-Contributing Member fails to contribute the foregoing amount to the Company, the Contributing Member may exercise any one of the remedies set forth in Section 4.04(b).

4.03 Deadlock Advances. To the extent reserves held by or on behalf of the Company, available cash flow and the CLI Loan are insufficient to pay Class B Property Necessary Expenses and the Executive Committee is unable or unwilling for any reason for more than five (5) Business Days after the written request by any Member or any member of the Executive Committee to make a Required Capital Call from the Members to pay Class B Property Necessary Expenses, either Member will have the option (but not the obligation), in its sole and absolute discretion, to advance (a "Deadlock Advance") to the Company the amount of such Class B Property Necessary Expenses which are unfunded by reserves, available cash flow and the CLI Loan; provided, however, the aggregate amount advanced by the Member to the Company pursuant to the provisions of this Section 4.03 for Class B Property Necessary Expenses (including, in each case, Deadlock Advances designated or recharacterized as Priority Loans as set forth below) may not exceed an aggregate amount which, when added to the amounts previously advanced by such Member to the Company pursuant to the provisions of this Section 4.03 (excluding any Deadlock Advances designated or recharacterized as Additional Class B Property Capital Contributions), exceeds an aggregate amount equal to five (5%) percent of the aggregate amount of the Initial Class B Capital Contributions of all of the Members to the

Company. Upon making a Deadlock Advance, the Member making such Deadlock Advance (the "Deadlock Advancing Member") will notify the non-advancing Member (the "Deadlock Non-Advancing Member") in writing of the amount of such Deadlock Advance. Within fifteen (15) calendar days after receipt of such notice, the Deadlock Non-Advancing Member may advance to the Company an amount of cash equal to the amount of such Deadlock Advance multiplied by its then Class B Property Percentage Interest. Any amount advanced pursuant to the preceding sentence will be immediately distributed to the Deadlock Advancing Member. If, within such fifteen (15) calendar-day period, the Deadlock Non-Advancing Member advances the foregoing amount to the Company, then (i) neither the amount initially advanced by the Deadlock Advancing Member, nor the amount subsequently advanced by the Deadlock Non-Advancing Member shall be deemed a Deadlock Advance, (ii) each of the Deadlock Advancing Member and Deadlock Non-Advancing Member shall be deemed to have made Additional Class B Property Capital Contributions equal to the product of their then-respective Class B Property Percentage Interest and the amount of the Deadlock Advance initially contributed by the Deadlock Advancing Member, and (iii) such Additional Class B Property Capital Contributions shall be used by the Company to pay the applicable Class B Property Necessary Expenses.

4.04 Class B Property Capital Contributions and Remedies.

(a) All Class B Property Capital Contributions or advances required by or provided for in this Article IV shall be made by wire transfer of funds to the Company account designated by the Executive Committee, and any reimbursements or distributions to any Member required by or provided in this Agreement shall be made by wire transfer of funds to such account as designated by such Member.

(b) If either Member (the "Non-Contributing Member") fails to timely make any Class B Property Capital Contribution (or any portion thereof) in accordance with Sections 4.01, 4.02 or 4.03 hereof, and the other Member (the "Contributing Member") has made its pro rata share of such Class B Property Capital Contribution, then the Contributing Member may, at its election, cause any one (but only one) of the following actions to be taken by delivery of written notice to such effect

to the Company and the Non-Contributing Member:

(i) The Contributing Member may advance the Non-Contributing Member's pro rata share of such required Class B Property Capital Contributions, and the Contributing Member may designate all of the Class B Property Capital Contributions made by the Contributing Member in respect of the related request therefor (including both the Contributing Member's and the Non-Contributing Member's pro rata portion thereof) as a Priority Loan; or

(ii) The Contributing Member may contribute the Non-Contributing Member's pro rata share of such requested or required Class B Property Capital Contributions and elect to decrease the Class B Property Percentage Interest of the Non-Contributing Member (but not below zero) such that, immediately after such decrease, the Class B Property Percentage Interest of the Non-Contributing Member shall be a percentage equal to the Class B Property Percentage Interest immediately prior to such decrease less a percentage expressed as a fraction, the numerator of which is 175% multiplied by the amount of the Class B Property Capital Contribution that such Member

failed to contribute, and the denominator of which is the aggregate amount of the Class B Property Capital Contributions (other than those characterized as Priority Loans) made by all of the Members prior to or as of such default (including the applicable Additional Class B Property Capital Contributions), and concomitantly, the Class B Property Percentage Interest of the Contributing Member shall be increased by the same amount. In addition, the Class B Property Payout Percentages of each Member shall be adjusted (increased or decreased) in the same proportions as such Member's Class B Property Percentage Interest is adjusted pursuant to the foregoing provisions.

(c) Each Member acknowledges and agrees that the other Member would not be entering into this Agreement were it not for (i) the members agreeing to make the Capital Contributions provided for in Sections 4.01, 4.02 and 4.03 of this Agreement, and (ii) the remedy provisions above in this Section 4.04. Each Member acknowledges and agrees that in the event any Member fails to make its Capital Contributions pursuant to this Agreement, the other Member will suffer substantial damages and the remedy provisions set forth above are fair, just and equitable in all respects and administratively superior to any other method for determining such damages. For example:

		Initial Capital	Class B Property Percentage Interest
1.	**Percentage Interest Before Change**		
	CLI Member	$ 5,000,000	50.00%
	Gale/SLG Member	$ 5,000,000	50.00%
		$ 10,000,000	
2.	**Change in Percentage Interests**		
	($500,000 x 1.75) / ($10,000,000+$1,000,000)		
	CLI Member		8.00%
	Gale/SLG Member		-8.00%
3.	**Percentage Interests after Change**		
	CLI Member	$ 6,000,000	58.00%
	Gale/SLG Member	$ 5,000,000	42.00%
	(Gale/SLG diluted by 8.00%)		**100 %**

Gale/SLG Member fails to contribute its pro rata share of a $1,000,000 Class B Property Capital Call of $500,000. CLI Member contributes its pro rata share of the Class B Property Capital Call and contributes Gale/SLG Member's pro rata share of such capital call.

4.05 Class A Property Capital Contributions. In the event that at any time or from time-to-time additional funds are required by the Company or any Class A Property Subsidiary, for any purpose relating to the Class A Properties or the operations of any Class A Property Subsidiary, the CLI Member may request that each of the CLI Member and the Gale/SLG Member make Class A Property Capital Contributions to the Company in proportion to their Class A Property Percentage Interest or make loans to the Company for such amounts. If, within fifteen (15) calendar days following a request for such a Class A Property Capital Contribution, the Gale/SLG Member fails to make its pro rata share of such requested Class A Property Capital Contribution and the CLI Member shall have made its pro rata share of such requested Class A Property Capital Contribution in full (and not sought its return or treated it as a loan to the Company), the CLI Member may contribute the Gale/SLG Member's pro rata share of such requested Class A Property Capital Contributions and elect to decrease the Gale/SLG Member's Class A Property Percentage Interest (but not below zero), such that, immediately after such decrease, the Gale/SLG Member's Class A Property Percentage Interest shall be a percentage equal to the Class A Property Percentage Interest immediately prior to such decrease less a percentage expressed as a fraction, the numerator of which is 175% multiplied by the amount of the Class A Property Capital Contribution that the Gale/SLG Member failed to contribute, and the denominator of which is the aggregate amount of the Class A Property Capital Contributions made by all of the Members prior to or as of such default, and concomitantly, the Class A Property Percentage Interest of the CLI Member shall be increased by the same amount. In addition, the Class A Property Payout Percentages of each Member shall be adjusted (increased or decreased) in the same proportions as such Member's Class A Property Percentage Interest as adjusted pursuant to the foregoing provisions. See example set forth in Section 7.04(b)(ii). After such Class A Property Capital Contributions shall have been made, the CLI Member shall direct the Company and the Class A Property Subsidiaries as to the manner in which such funds shall be used. In addition, if the CLI Member shall treat its share of such Class A Property Capital Contribution as a loan to the Company, the Company shall use only Class A Property Net Cash Flow to pay principal and interest on such loan.

4.06 Class C Property Capital Contributions. In the event that at any time or from time-to-time additional funds are required by the Company or any Class C Property Subsidiary, for any purpose relating to the Class C Properties, the Gale/SLG Member may request that each of the Gale/SLG Member and the CLI Member make Class C Property Capital Contributions to the Company in proportion to its Class C Property Percentage Interest or make loans to the Company for such amounts. If, within fifteen (15) calendar days following a request for a Class C Property Capital Contribution, the CLI Member fails to make its pro rata share of such requested Class C Property Capital Contributions and the Gale/SLG Member shall have made its pro rata share of such requested Class C Property Capital Contribution in full (and not sought its return or treated it as a loan to the Company), the Gale/SLG Member may contribute the CLI Member's pro rata share of such requested Class C Property Capital Contributions and elect to decrease the CLI Member's Class C Property Percentage Interest (but not below zero), such that, immediately after such decrease, the CLI Member's Class C Property

Percentage Interest shall be a percentage equal to the Class C Property Percentage Interest immediately prior to such decrease, less a percentage expressed as a fraction, the numerator of which is 175% multiplied by the amount of the Class C Property Capital Contribution that the CLI Member failed to contribute, and the denominator of which is the aggregate amount of the Class C Property Capital Contributions made by all of the Members prior to or as of such default, and

concomitantly, the Class C Property Percentage Interest of the Gale/SLG Member shall be increased by the same amount. In addition, the Class C Property Payout Percentages of each Member shall be adjusted (increased or decreased) in the same proportions as such Member's Class C Property Percentage Interest as adjusted pursuant to the foregoing provisions. See example set forth in Section 7.04(b)(ii). After such Class C Property Capital Contributions shall have been made, the Gale/SLG Member shall direct the Company and the Class C Property Subsidiaries as to the manner in which such funds shall be used. In addition, if the Gale/SLG Member shall treat its share of such Class C Property Capital Contribution as a loan to the Company, the Company shall use only Class C Property Net Cash Flow to pay principal and interest on such loan.

4.07 Capital Accounts. A separate Capital Account will be maintained for each Member in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). Consistent therewith, the Capital Account of each Member will be determined and adjusted as follows:

(a) Each Member's Capital Account will be credited with:

(i) Any contributions of cash made by such Member to the capital of the Company and fair market value of any property contributed by such Member to the capital of the Company (net of any liabilities to which such property is subject or which are assumed by the Company);

(ii) The Member's distributive share of Net Profit and items thereof; and

(iii) Any other increases required by Treasury Regulation Section 1.704-1(b)(2)(iv).

(b) Each Member's Capital Account will be debited with:

(i) Any distributions of cash made from the Company to such Member (including all amounts paid or distributed pursuant to the provisions of Section 6.03 hereof other than distributions made pursuant to Section 6.03(b)(i)) plus the fair market value of any property distributed in kind to such Member (net of any liabilities to which such property is subject or which are assumed by such Member);

(ii) The Member's distributive share of Net Loss and items thereof; and

(iii) Any other decreases required by Treasury Regulation Section 1.704-1(b)(2)(iv).

The provisions of this Section 4.07 relating to the maintenance of Capital Accounts have been included in this Agreement to comply with Section 704(b) of the Code and the Treasury Regulations promulgated thereunder and will be interpreted and applied in a manner consistent with those provisions. In the event the Tax Matters Partner shall determine that it is prudent to modify the manner in which the Capital Accounts or any debts or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or

distributed property or which are assumed by the Company or any Members) are computed in order to comply with such Regulations, the Executive Committee may make such modification, provided that it is not likely to have a material effect on the amounts distributed to any Member pursuant to Section 6.04 hereof upon the dissolution of the Company.

4.08 No Further Capital Contributions. Except as expressly provided in this Agreement or with the prior written consent of all the Members, no Member shall be required or entitled to contribute any other or further capital to the Company, nor shall any Member be required or entitled to loan any funds to the Company (it being understood, however, that amounts properly incurred by a Member which are reimbursable by the Company pursuant to and in accordance with the terms of this Agreement shall not be deemed loans). No Member will have any obligation to restore any negative or deficit balance in its Capital Account upon liquidation or dissolution of the Company (and for purposes of this Section 4.08, Capital Account shall be deemed to also include the capital account of any Member for financial or book purposes or as set forth in the Delaware Act or under common law). Notwithstanding any other provision of this Agreement to the contrary, nothing contained herein will, or is intended or will be deemed to benefit any creditor of the Company or any Subsidiary or any creditor of any Member, and no such creditor shall have any rights, interests or claims hereunder, be entitled to any benefits or be entitled to require the Company, the Executive Committee or any Member to demand, solicit or accept any loan, advance or additional Capital Contribution for or to the Company or any Subsidiary or to enforce any rights which the Company, any Subsidiary or any Member may have against any other Member or which any Member may have against the Company or Subsidiary, pursuant to this Agreement or otherwise.

4.09 Book Basis Adjustments. The Book Basis of all assets will be adjusted to equal their respective fair market values, as agreed to by the Members, upon the events set forth in Treasury Regulation § 1.704-1(b)(2)(iv)(f)(5)(i) and (ii).

4.10 Reconciliation. The Members recognize that, although they are entitled under Article VI to indirect shares of Net Cash Flow from the different Classes of Properties based on their applicable Payout Percentages with respect to each Class, it is possible that Net Cash Flow of any Class (a "Payor Class") may be expended by the OP to satisfy Expenses of another Class (a "Payee Class"), in which case: (i) the amount of Net Cash Flow of the Payor Class actually distributed by the OP and the GP to the Company and thus available for distribution to the Members under Article VI in accordance with the Payout Percentages of the Payor Class may be reduced; (ii) the amount Net Cash Flow actually distributed to a Member by the Company with respect to such Payor Class may be less than such Member would have otherwise received had Net Cash Flow not been expended to satisfy Expenses of another Class; and (iii) the amount of additional funds required to be advanced under the CLI Loan or called for pursuant to Sections 4.02 through 4.06 as additional Capital Contributions with respect to the Payee Class may be reduced. The Members hereby agree and acknowledge that it is the intent of the Members to implement the provisions of Article IV and Article VI as if the OP determined and segregated the Net Cash Flow of each Class, such that Net Cash Flow of one Class was not expended to satisfy Expenses of any other Class. In furtherance of such intent, the Manager shall cause the Company Accountant no less frequently than annually to conduct a reconciliation accounting (a "Reconciliation") for the period (a "Reconciliation Period") beginning on the day following the end of the prior Reconciliation Period (or, in the case of the first Reconciliation Period,

beginning on the Closing Date) and ending within one year of the first day of such Reconciliation Period, pursuant to which it shall determine (i) the Net Cash Flow of each Class for such Reconciliation Period, (ii) whether, taking into account all transactions of the OP and the Subsidiaries during such Reconciliation Period, Net Cash Flow of any Class was expended by the OP to satisfy Expenses of any other Class (a "Reconciliation Event") and (iii) any consequences described in paragraphs (a) through (d) below with respect to such Reconciliation Period. Additional Reconciliations shall be performed at the request of either Member up to three (3) times in any calendar year by either

Member, provided that the first Reconciliation requested by a Member during any calendar year shall be performed at the cost of the Company and any additional Reconciliations performed at the request of such Member shall be performed at the cost of such requesting Member. The Company Accountant shall issue a written report of its Reconciliation within ten (10) calendar days after the later of the end of the Reconciliation Period or the date on which the Reconciliation was requested. If it is determined pursuant to such Reconciliation that a Reconciliation Event occurred, then for all purposes of this Agreement:

(a) each Member shall be deemed to have received a Distribution on the last day of the calendar quarter during which the Reconciliation Event occurred (the "Deemed Distribution Date") with respect to each Payor Class equal to the aggregate amount of additional Distributions such Member would have received pursuant to Section 6.03 with respect to such Payor Class during such Reconciliation Period had the OP not expended Net Cash Flow of such Payor Class to satisfy Expenses of any Payee Class during such Reconciliation Period;

(b) if the Class B Properties is a Payee Class for such Reconciliation Period, then the CLI Member shall be considered to have advanced funds to the Company under the CLI Loan on the date of the Reconciliation Event in the amount that it would have been required to advance under the CLI Loan had there been a Shortfall, as defined in Section 4.02 hereof, equal to the OP Percentage Share of the Net Cash Flow of a Payor Class expended by the OP to satisfy Class B Property Expenses;

(c) each Member shall be deemed to have made a Capital Contribution on the Deemed Distribution Date with respect to each Payee Class equal to the OP Percentage Share of the amount of Capital Contributions that such Member would have been called to make with respect to such Payee Class pursuant to Sections 4.02 through 4.06 during such Reconciliation Period (if the Class B Properties is a Payee Class, after the application of paragraph (b) above) had the OP not expended Net Cash Flow of a Payor Class to satisfy Expenses of such Payee Class during such Reconciliation Period; and

(d) notwithstanding anything in this Agreement to the contrary, any Member that is deemed pursuant to paragraph (b) or (c) above to make a CLI Loan advance or a Capital Contribution during such Reconciliation Period shall pay to the other Member, within five (5) calendar days after the Company Accountant issues the report of the Reconciliation, the excess, if any, of (i) the sum of all such CLI Loan advances or Capital Contributions deemed made by such Member during such Reconciliation Period over (ii) the sum of the amount of any Distributions deemed received by such Member pursuant to paragraph (a) during such Reconciliation Period, together with interest at the CLI Loan rate calculated on such excess for the

period beginning on the Deemed Distribution Date and ending on the last day of the Reconciliation Period.

An example of the application of the foregoing provisions is attached as Exhibit D attached hereto.

V. INTERESTS IN THE COMPANY

5.01 Percentage Interests. With regard to each Member separately, the initial Percentage Interest and the Payout Percentages of each Member will be as set forth in Section 1.01 hereof (in each case, subject to adjustment as provided in this Agreement). The Percentage Interests and the Payout Percentages of the Members may be adjusted only as set forth in this Agreement.

5.02 Return of Capital. No Member shall be liable for the return of the Capital Contributions (or any portion thereof) of any other Member, it being expressly understood and agreed that any such return shall be made solely from the assets of the Company. No Member shall be entitled to withdraw or receive a return of any part of its Capital Contributions or Capital Account, to receive interest on its Capital Contributions or Capital Account or to receive any distributions from the Company, except as expressly provided for in this Agreement or under applicable law (and for purposes of this Section 5.02, Capital Account shall be deemed to also include the Capital Account of any Member for financial or book purposes or as set forth in the Delaware Act or under common law).

5.03 Ownership. All assets of the Company shall be owned by the Company, subject to the terms and provisions of this Agreement.

5.04 Waiver of Partition; Nature of Interests in the Company. Except as otherwise expressly provided for in this Agreement, each of the Members hereby irrevocably waives any right or power that such Member might have:

(a) To cause the Company, the Subsidiaries or the assets of the Company or the Subsidiaries to be partitioned;

(b) To cause the appointment of a receiver for all or any portion of the assets of the Company or any Subsidiary;

(c) To compel any sale of all or any portion of the assets of the Company or any Subsidiary pursuant to any applicable law; or

(d) To file a complaint or to institute any proceeding at law or in equity, to cause the termination, dissolution or liquidation of the Company or any Subsidiary.

Each of the Members has been induced to enter into this Agreement in reliance upon the waivers set forth in this Section 5.04, and without such waivers no Member would have entered into this Agreement. No Member shall have any interest in any specific assets of the Company (including the Property). The interests of all Members in this Company are personal property.

VI. ALLOCATIONS AND DISTRIBUTIONS

6.01 Allocations. For each Company taxable year or portion thereof, Net Profit and Net Loss shall be allocated as follows:

(a) Class A Property Allocations. Class A Property Net Profit and Class A Property Net Loss shall be allocated (after all allocations pursuant to Section 6.02 have been made) to the Members in accordance with the Members' respective Class A Property Percentage Interests (adjusted as may be necessary to reflect any change in the Class A Property Percentage Interests during such taxable year or portion thereof).

(b) Class B Property Allocations.

(i) Class B Property Net Profit shall be allocated (after all allocations pursuant to Section 6.02 have been made) as follows:

(A) first, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the cumulative amount of Class B Property Net Loss previously allocated to such Member under Section 6.01(b)(ii)(E) over (ii) the cumulative amount of Class B Property Net Profit previously allocated to such Member under this Section 6.01(a)(i)(A);

(B) second, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the sum of

(x) the cumulative amount distributed or distributable to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (a) of the definition thereof (other than Class B Property Return of Capital Distributions) and (y) the Class B Property Net Loss previously allocated to such Member under Section 6.01(b)(ii)(D), over (ii) the cumulative amount of Class B Property Net Profit previously allocated to such Member under this Section 6.01(b)(i)(B);

(C) third, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the sum of (x) the cumulative amount distributed or distributable to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (b) of the definition thereof and (y) the Class B Property Net Loss previously allocated to such Member under Section 6.01(b)(ii)(C), over (ii) the cumulative amount of Class B Property Net Profit previously allocated to such Member under this Section 6.01(b)(i)(C);

(D) fourth, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the sum of (x) the cumulative amount distributed or distributable to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (c) of the definition thereof and (y) the Class B Property Net Loss previously allocated to such Member under Section 6.01(b)(ii)(B), over (ii) the cumulative amount of Class B Property Net Profit previously allocated to such Member under this Section 6.01(b)(i)(D); and

(E) fifth, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the sum of (x) the cumulative amount distributed or distributable to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (d) of the definition thereof and (y) the Class B Property Net Loss previously allocated to such Member under Section 6.01(b)(ii)(A), over (ii) the cumulative amount of Class B Property Net Profit previously allocated to such Member under this Section 6.01(b)(i)(E).

(ii) Class B Property Net Loss shall be allocated (after all allocations pursuant to Section 6.02 have been made) as follows:

(A) first, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the cumulative amount of Class B Property Net Profit previously allocated to such Member under Section 6.01(b)(i)(E) over (ii) the sum of (x) the cumulative amount distributed to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (d) of the definition thereof and (y) the cumulative amount of Class B Property Net Loss previously allocated to such Member under this Section 6.01(b)(ii)(A);

(B) second, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the cumulative amount of Class B Property Net Profit previously allocated to such Member under Section 6.01(b)(i)(D) over (ii) the sum of (x) the cumulative amount distributed to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (c) of the definition thereof and (y) the cumulative amount of Class B Property Net Loss previously allocated to such Member under this Section 6.01(b)(ii)(B);

(C) third, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the cumulative amount of Class B Property Net Profit previously allocated to such Member under Section 6.01(b)(i)(C) over (ii) the sum of (x) the cumulative amount distributed to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (b) of the definition thereof and (y) the cumulative amount of Class B Property Net Loss previously allocated to such Member under this Section 6.01(b)(ii)(C);

(D) fourth, to the Members, to the extent of and in proportion to the respective excess (if any), for each Member, of (i) the cumulative amount of Class B Property Net Profit previously allocated to such Member under Section 6.01(b)(i)(B) over (ii) the sum of (x) the cumulative amount distributed to such Member under Section 6.03(b)(ii) in accordance with the Class B Property Payout Percentage described in clause (a) of the definition thereof and (y) the cumulative amount of Class B Property Net Loss previously allocated to such Member under this Section 6.01(b)(ii)(D); and

(E) fifth, to the Members, in proportion to their respective Class B Property Percentage Interests.

(c) Class C Property Allocations. Class C Property Net Profit and Class C Property Net Loss shall be allocated (after all allocations pursuant to Section 6.02 have been made) to the Members in accordance with the Members' respective Class C Property Percentage Interests (adjusted as may be necessary to reflect any change in the Class C Property Percentage Interests during such taxable year or portion thereof).

6.02 Special Allocations and Compliance with Section 704(b). The following special allocations shall, except as otherwise expressly provided in this Agreement, be made in the following order:

(a) Notwithstanding any other provision of this Article VI, if there is a net decrease in Company Minimum Gain or in any Member Minimum Gain during any taxable year of the Company, prior to any other allocation pursuant hereto, such Member shall be specially allocated items of Profit for such year (and, if necessary, subsequent years) in an amount and manner required by Treasury Regulation Sections 1.704-2(f) or 1.704-2(i)(4). The items to be so allocated shall be determined in accordance with Treasury Regulation Section 1.704-2.

(b) Any Member who unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which causes or increases a negative balance in his or its adjusted Capital Account shall be allocated items of Profit sufficient to eliminate such increase or negative balance caused thereby, as quickly as possible, to the extent required by such Treasury Regulation.

(c) Nonrecourse Deductions for any taxable year of the Company or other period with respect to the Class A Properties, the Class B Properties or the Class C Properties shall be allocated (as nearly as possible) under Treasury Regulation Section 1.704-2 to the Members, pro rata in proportion to their respective Class A Property Percentage Interests, Class B Property Percentage Interests or Class C Property Percentage Interests, as the case may be.

(d) Any Member Nonrecourse Deductions for any taxable year of the Company or other period shall be allocated to the Member that made, or guaranteed or is otherwise liable with respect to the loan to which such Member Nonrecourse Deductions are attributable in accordance with principles under Treasury Regulation Section 1.704-2(i).

(e) No allocation of Loss or Net Loss shall be made to any Member if, as a result of such allocation, such Member would have an Adjusted Capital Account Deficit.

6.03 Distributions. Except as provided in Section 6.04, and subject to Sections 6.05 and 6.10 hereof, the Company shall make distributions or payments as follows:

(a) As soon as reasonably practical (but no less often than monthly), make distributions or payments of Class A Property Net Cash Flow (to the extent and if available) to the Members first to pay off any principal and interest on any loans the Members may have made to the Company pursuant to Section 4.05 and next in accordance with and in proportion to each Member's Class A Property Payout Percentages, determined as of the moment each dollar of such distribution is made (as such

Class A Property Payout Percentages may vary from time-to-time as each dollar of such Class A Property Net Cash Flow is distributed to the Members);

(b) As soon as reasonably practical (but no less often than monthly), make distributions or payments of Class B Property Net Cash Flow (to the extent and if available) to the Members in the following manner and order of priority:

(i) First, an amount of such Class B Property Net Cash Flow shall be paid to the Members in respect of all Priority Loans made by the Members until each of the Members shall have received payments of Class B Property Net Cash Flow, pursuant to this Section 6.03(b)(i), in an aggregate amount (for the current period and all previous periods) equal to a Priority Loans IRR of 12% per annum, compounded quarterly, until such all such Priority Loans shall have been repaid in full; and

(ii) Thereafter, any remaining Class B Property Net Cash Flow shall be distributed to the Members in accordance with and in proportion to their respective Class B Property Payout Percentages, determined as of the moment each dollar of such distribution is made (as such Class B Property Payout Percentages may vary from time-to-time as each dollar of such Class B Property Net Cash Flow is distributed to the Members).

(c) As soon as reasonably practical (but no less often than monthly), make distributions or payments of Class C Property Net Cash Flow (to the extent and if available) to the Members first to pay off any principal and interest on any loans the Members may have made to the Company pursuant to Section 4.06 in accordance with and in proportion to their respective Class C Property Payout Percentages, determined as of the moment each dollar of such distribution is made (as such Class C Property Payout Percentages may vary from time-to-time as each dollar of such Class C Property Net Cash Flow is distributed to the Members).

6.04 Distributions in Liquidation. Upon the dissolution and winding-up of the Company, the proceeds of sale and other assets of the Company distributable to the Members under Section 12.02(c)(iii) shall be distributed, not later than the latest time specified for such distributions pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2) to the Members in accordance with Section 6.03. With the approval of the Managers, a pro rata portion of the distributions that would otherwise be made to the Members under the preceding sentence may be distributed to a trust established (for the benefit of the Members) for the purposes of liquidating Company and Subsidiary assets, collecting amounts owed to the Company or any Subsidiary and paying any contingent or unforeseen liabilities or obligations of the Company and the Subsidiaries arising out of or in connection with the Company or the Subsidiaries. The assets of any trust established under this Section 6.04 will be distributed to the Members from time-to-time by the trustee of the trust upon approval of the Managers in the same proportions as the amount distributed to the trust by the Company would otherwise have been distributed to the Members under this Agreement.

6.05 Reinvestment of Cash Flow. Notwithstanding the provisions of Section 6.03(b), at the discretion of the Executive Committee, the Company may retain Class B Property Net Cash Flow of the Company for any purpose, including, without limitation, the funding of operations of the Company, the GP, the OP and the Class B Property Subsidiaries and capital improvements on the Class B Properties, but not for the purpose of funding the Class A

Properties, the Class A Property Subsidiaries, the Class C Properties or the Class C Property Subsidiaries.

6.06 Tax Matters. The Members intend for the Company to be treated as a partnership under the Code. The Executive Committee shall make all applicable elections, determinations and other decisions under the Code, including, without limitation, the deductibility of a particular item of expense and the positions to be taken on the Company's tax return, and shall approve the settlement or compromise of all audit matters raised by the Internal Revenue Service affecting the Members generally. The Members shall each take reporting positions on their respective federal, state and local income tax returns consistent with the positions determined for the Company by the Executive Committee. The Manager shall cause all federal, state and local income and other tax returns to be timely filed by the Company.

6.07 Tax Matters Partner. The CLI Member shall be the tax matters partner within the meaning of Section 6231(a)(7) of the Code ("Tax Matters Partner") and, subject to Section 6.06, shall exercise all rights, obligations and duties of a tax matters partner under the Code. The Executive Committee may in its discretion designate any other Member as a substitute or alternative tax matters partner by written notice thereof to all Members. The Executive Committee and the CLI Member, in its capacity as Tax Matters Partner, shall oversee the Company tax affairs in the overall best interests of the Company and shall comply with the requirements of Sections 6221 through 6232 of the Code and regulations promulgated thereunder, and the Members further agree as follows:

(a) The Tax Matters Partner shall have a continuing obligation to provide the Internal Revenue Service with sufficient information so that proper notice can be mailed to all Members as provided in Section 6223 of the Code.

(b) The Tax Matters Partner shall keep the Members informed of all administrative and/or judicial proceedings for the adjustment of partnership items (as defined in Section 6231(a)(3) of the Code and regulations promulgated thereunder). Without limiting the generality of the foregoing sentence, (i) within fifteen (15) days of receiving any written or oral notice of the time and place of a meeting or other proceeding from the Internal Revenue Service regarding the Company (and in any event, within a reasonable time prior to such meeting or proceeding), the Tax Matters Partner shall furnish a copy of such written communication or notice or inform the Members in writing of the substance of any such oral communication, and (ii) within fifteen (15) days of receiving any other significant written or oral communication from the IRS regarding the Company, the Tax Matters Partner shall furnish a copy of such written communication or inform the Members of the substance of any such oral communication.

(c) Neither the Executive Committee nor the Tax Matters Partner may extend or waive the statute of limitations or enter into any settlement or compromise agreement relating to any Company item of income, gain, loss, deduction or credit for any Fiscal Year without receiving the prior written consent of each Member.

(d) The Tax Matters Partner may from time to time request that a Member provide such documents and information necessary for the Tax Matters Partner to perform its duties and obligations as Tax Matters Partner. Each Member shall reasonably cooperate with

any such request by the Tax Matters Partner with respect to any such document or other information that may be in such Member's possession.

6.08 Section 704(c). In accordance with Section 704(c) of the Code and the applicable Treasury Regulations thereunder, income, gain, loss, deduction and tax depreciation with respect to any property contributed to the capital of the Company, or with respect to any Property which has a Book Basis different than its adjusted tax basis, shall, solely for federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted tax basis of such property to the Company and the Book Basis of such property. The Company shall use the "traditional method" without curative allocations.

6.09 REIT Compliance.

(a) Notwithstanding anything herein to the contrary, the Members hereby acknowledge the status of CLI and SLG (Affiliates of, respectively, the CLI Member and the Gale/SLG Member) as REITs. The Members further agree that the Company and the Properties shall be managed in a manner so that: (a) the Company's gross income meets the tests provided in Section 856(c)(2) and (3) of the Code as if the Company were a REIT; (b) the Company's assets meet the tests provided in Section 856(c)(4) of the Code as if the Company were a REIT; and (c) the Company minimizes federal, state and local income and excise taxes that may be incurred by CLI or SLG, or any of their Affiliates, including taxes under Section 857(b), 860(c) or 4981 of the Code. The Members hereby acknowledge, agree and accept that, pursuant to this Section 6.09(a), the Company may be precluded from taking, or may be required to take, an action which it would not have otherwise taken, even though the taking or the not taking of such action might otherwise be advantageous to the Company and/or to one or more of the Members (or one or more of their Affiliates). After consultation with the Members, if the Tax Matters Partner determines that a taxable REIT subsidiary (as described in Section 856(l) of the Code) (a "TRS") should be established in order to meet the requirements of this Section 6.09(a), the Tax Matters Partner may form such TRS only if it (i) provides at least ten (10) days prior written notice thereof to CLI and SLG and (ii) prepares forms for joint elections under Section 856(l)(l)(B) of the Code (in accordance with guidance issued by the Internal Revenue Service) for both CLI and SLG and causes the TRS to execute such election forms and forward them to CLI and SLG within seven (7) days after formation of the TRS, for execution and filing by CLI and SLG if they so choose. If a TRS is formed to serve as the lessee of space that will be subleased to a party with respect to which CLI or SLG would own an interest of ten percent (10%) or more for purposes of Section 856(d)(2)(B) of the Code, then CLI Member or Gale/SLG Member, as the case may be, will bear all net costs associated with the formation and operation of such TRS (including any federal income tax liability of such TRS).

(b) The Members acknowledge that each of SLG and CLI is a REIT and agree to formulate each Budget and Operating Plan in a manner that recognizes the status of each of SLG and CLI as a REIT and the income, asset and operating requirements of the Code which are applicable to a REIT (the "REIT Requirements"). Each Budget and Operating Plan will include leasing guidelines consistent with the REIT Requirements, and the Manager will not knowingly enter into leases in contravention of such lease guidelines and will not knowingly provide or allow the Company or any Subsidiary to provide any services to any tenant that is not required by such tenant's lease (except, in each case, as approved by the Executive Committee).

(c) Notwithstanding any other provision of this Agreement to the contrary, neither the Manager, the Executive Committee nor any Member will require the Company to take any material action which may, in the opinion of SLG's or CLI's independent auditors or legal counsel, result of the loss of either of SLG's or CLI's status as a REIT. Furthermore, the Manager shall use its reasonable efforts to structure its transactions to minimize any prohibited transaction tax or other taxes applicable to any Member, CLI and SLG.

VII. MANAGEMENT

7.01 Management.

(a) Except as otherwise expressly provided in this Agreement (including Sections 7.04 and 7.05), the business and affairs of the Company and, indirectly, the Subsidiaries, shall be controlled by the Members. The Members shall act by means of and through their authorized representatives appointed in writing pursuant to Section 7.02 hereof, who shall serve as members of an Executive Committee of the Members. Subject to Sections 7.04 and 7.05, the members of the Executive Committee shall have responsibility for supervising, directing and overseeing the activities of the Manager, establishing the policies and operating procedures of the Company, the GP, the OP and the Class B Property Subsidiaries, managing the business and affairs of the Company, the GP, the OP and the Class B Property Subsidiaries, and making all decisions as to all matters which the Company, the GP, the OP or any Class B Property Subsidiary has authority to perform, as fully as if all the Members were themselves making such decisions in lieu thereof. Subject to Sections 7.04 and 7.05, all decisions made with respect to the management and control of the Company, the GP, the OP or any Class B Property Subsidiary and approved by the Executive Committee (except for decisions which by the express terms of this Agreement require the approval of all Members or the Manager) shall be binding on the Company, the Subsidiaries and all Members. The Executive Committee may, unless otherwise determined by the Executive Committee, delegate certain administrative functions to the Manager. The Manager shall be responsible for performing, or for causing to be performed, the duties described in Section 7.03 hereof. The Executive Committee may also delegate such other of their powers, duties, responsibilities and management functions, as it may from time-to-time determine, to the Manager, or to any officer, employee or agent of any Member, the Company, the GP, the OP or any Class B Property Subsidiary. Except as otherwise expressly provided in this Agreement (including as provided in Sections 7.04 and 7.05 hereof), the Manager of the Company shall conduct the business of the Company, the GP, the OP and any Class B Property Subsidiary on a day-to-day basis except the following matters (each a "Major Decision") may only be taken upon the affirmative vote or consent of the Executive Committee:

(i) The making of any decision or the implementing of any decision to acquire any real property (or any interest in any real property, directly or indirectly);

(ii) The approval of Budgets, any significant capital expenditures by the GP, the OP or the Class B Property Subsidiaries, Operating Plans and any amendments or modifications thereto;

(iii) Subject to the terms of any Operating Plan approved by the Executive Committee, any financing (including, without limitation, acquisition, interim, permanent, development or construction financing), refinancing or securitization involving the Company, the GP, the OP and the Class B Properties or any Class B Property Subsidiary, and the execution and delivery of any documents, agreements or instruments evidencing, securing or relating to any such financing, including the terms, conditions and provisions of any guaranties and the approval of any modification, extension, renewal or any recasting of any such financing and the execution and delivery of any documents, agreements or instruments related thereto;

(iv) Except as provided in Section 7.09 hereof and other than with regard to obsolete equipment, fixtures and personal property and other equipment, fixtures and personal property removed or replaced in connection with ordinary repairs and maintenance, any sale, transfer or other disposition of all or any portion of the Class B Properties, the Company's interest in any Class B Property Subsidiary or any property of the Company, the GP, the OP or any Class B Property Subsidiary, or any merger, consolidation or other business combination transaction involving the Company, the GP, the OP or any Class B Property Subsidiary;

(v) The establishment of working capital and any other cash reserves, determination of the amount of available Class B Property Net Cash Flow and making of distributions to Members;

(vi) Except as provided in Section 4.10(d), the making of any request that the Members make any Additional Class B Property Capital Contribution to the Company;

(vii) The entering into or consummation of any transaction or arrangement with any Member or any Related Persons of any Member, or any other transaction involving an actual or potential conflict of interest, other than the Management Agreement and as expressly provided for in this Agreement;

(viii) The institution of any legal proceedings in the name of the Company, the GP, the OP or any Class B Property Subsidiary, settlement of any legal proceedings against the Company, the GP, the OP or any Class B Property Subsidiary, and confession of any judgment against the Company, the GP, the OP, any Class B Property Subsidiary, or the property of the Company (other than the Class A Properties and the Class C Properties), the GP, the OP or any Class B Property

Subsidiary other than as contemplated or provided for in the Operating Plan, provided that Executive Committee approval shall not be required for (A) the institution or settlement of any eviction or similar proceedings or any other lease enforcement proceedings or (B) the institution or settlement of any legal proceedings, or the confession of any judgment, where the amounts in dispute or to be settled or confessed shall not exceed $200,000 and, with respect to any settlement or confession of judgment, the Company or the relevant Subsidiary shall have sufficient funds to pay such settlement or judgment and continue to pay ordinary course Class B Property Expenses without seeking Additional Class B Property Capital Contributions from the Members;

(ix) Any change in the Company Accountant or the selection of any other auditor or independent accounting firm for the Company, the GP, the OP or any Class B Property Subsidiary or the making of any decision to change any other auditor or independent accounting firm of the Company, the GP, the OP or any Class B Property Subsidiary;

(x) The making of any decision and the implementing of any decision to form a subsidiary of the Company or to assign, transfer or convey all or any portion of the Class B Properties to such subsidiary, and any decision to capitalize such subsidiary with equity or loans, and the execution and delivery of any documents, agreements or instruments implementing, evidencing or relating to any such decision or action (including any organizational documents relating to such subsidiary);

(xi) The making of any decision to develop, redevelop, rehabilitate or construct any material improvements upon any of the Class B Properties (or any material variation of any decision previously approved by the Executive Committee), the implementation of any such decision, the execution and delivery of any material documents, agreements or instruments, implementing, evidencing or relating to any such decision or action, including the entering into, amendment, modification, extension or termination of any construction contracts, development agreements or any construction management or development management agreement (or any documents or agreements relating to the financing of any of the foregoing) with regard to the Company, the GP, the OP or any Class B Property Subsidiary, or the Class B Properties, and determining the amount of any construction, development or any construction or development management fees and the parties to share in such fees, and, subject to the provisions of Section 7.01(a)(vii), the expending of any funds in connection with any such activity, unless in each case, the same has been previously approved in writing by the Executive Committee or is provided for or contemplated in a Budget and, to the extent applicable, provided for in the Operating Plan;

(xii) The approval of the initial and any subsequent plans and specifications with regard to the development, redevelopment, rehabilitation, or construction of any material improvements with regard to the Class B Properties and the approval of or consent to any material modification or variation thereof (including any material change orders), unless the same has been previously approved in writing by the Executive Committee or is provided for or contemplated in a Budget and, to the extent applicable, provided for in the Operating Plan (or to the extent such approval rights are waived or modified in connection therewith);

(xiii) The making of any expenditure or the incurrence of any obligation by or on behalf of the Company, the GP, the OP or any Class B Property Subsidiary that varies materially from the Budget and Operating Plan, the entering into of any agreement not provided for or contemplated in the Budget and Operating Plan or the amendment or modification of any agreement which would cause a material variance from the Budget and Operating Plan or which would cause such agreement to not comply with the provision of the Budget and Operating Plan (for purposes of this Section 7.01(a)(xiii), such a material variance shall be (A) expenditures or obligations involving an amount

that is in excess of any individual major line item expenditure amount (year-to-date) set forth in the Budget and Operating Plan for the applicable fiscal year by more than 5% of such individual major line item expenditure amount, or (B) expenditures or obligations involving the incurrence of an expenditure or obligation for the Company, the GP, the OP or any Class B Property Subsidiary or the Class B Properties or for any transaction or any series of related transactions when taken with all prior expenditures or obligations during the particular fiscal year related thereto exceeds the maximum expenditure amount provided in the current Budget and Operating Plan for such particular transaction or series of transactions for such fiscal year by 5% of such maximum expenditure amount for such fiscal year;

(xiv) The entering into of any agreement that is not terminable (without penalty) by the Company, the GP, the OP or the applicable Class B Property Subsidiary on thirty (30) calendar days or less written notice to the other parties, unless the same has been approved in writing by the Executive Committee or is provided for or contemplated in a Budget and provided for in the Operating Plan (or to the extent such approval rights are waived or modified in connection therewith);

(xv) Any lease of any portion of the Class B Properties or any improvements existing or constructed thereon, or any amendment or modification thereto, which is either (A) greater than 10,000 square feet per building or (B) not in accordance with lease guidelines for the Class B Properties included in the Operating Plan (regardless of the amount of square feet), or any extension, termination or buyout thereof (other than extensions, terminations or buyouts of leases within the policies established in the Operating Plan). The Manager shall submit a request for approval to the Executive Committee of the terms of any such lease being proposed ("Lease Proposal"), which Lease Proposal shall include (i) a summary of the material lease terms; (ii) a copy of the proposed form of lease and (iii) a budget for all costs required to be paid by the Company in connection with such lease including, without limitation, leasing commissions, tenant improvement costs, tenant concessions, projected legal fees and expenses and all other projected out-of-pocket costs. If the Executive Committee fails to respond to any such Lease Proposal within ten Business Days of its receipt of a written request for the approval thereof, the Manager shall submit a second Lease Proposal (which second Lease Proposal shall specify changes to the proposed leasing transaction, if any, since the initial Lease Proposal) to the Executive Committee for its approval. If the Executive Committee fails to respond to the second Lease Proposal (y) within three (3) Business Days if there were no changes from the first Lease Proposal to the second Lease Proposal and (z) six (6) Business Days if there were changes from the first Lease Proposal to the second Lease Proposal, such second Lease Proposal shall be deemed to be approved by the Executive Committee. If after a Lease Proposal is approved or deemed approved in accordance with this paragraph, there are any material changes negotiated to the lease form included in the Lease Approval, the Manager shall submit a request for approval to the Executive Committee of the revised lease form ("Final Lease Proposal"), which Final Lease Proposal shall include a copy of the proposed form of lease marked to show the changes from the previously approved lease. If the Executive Committee fails to respond to any such Final Lease Proposal within five (5) Business Days of its receipt of a written request for the approval thereof, the Manager shall submit a second Final Lease Proposal

to the Executive Committee for its approval. If the Executive Committee fails to respond to the second Final Lease Proposal within three (3) Business Days, such second Final Lease Proposal shall be deemed to be approved by the Executive Committee. Any approval, or deemed approval, of a Lease Proposal(or, if applicable, a Final Lease Proposal) shall also be deemed to be the Executive Committee's approval of a request that Members make an Additional Class B Property Capital Contribution in the amount of the budget set forth in the Lease Proposal (or, if applicable, the Final Lease Proposal);

(xvi) The approval of a standard lease form to be utilized with regard to the Class B Properties, any material changes to such standard lease form and the entering into, consummation of or approval of the terms of any lease which materially varies from such standard lease form (or any modification which causes

such lease to materially vary from such standard lease form), unless the same has been approved in writing by the Executive Committee (or to the extent such approval rights are waived or modified in connection therewith or in connection with the applicable lease guidelines included in the Operating Plan);

(xvii) The entering into, amendment, modification, extension or termination of any asset or property management or leasing agreement with regard to the Company, any Class B Property Subsidiary or the Class B Properties or the property of any Class B Property Subsidiary, unless the same has been approved in writing by the Executive Committee or is provided for or contemplated in a Budget and provided for in the Operating Plan (or to the extent such approval rights are waived or modified in connection therewith);

(xviii) The selection of environmental consultants and the adoption of and implementation of any operation and maintenance program or any other program to remove or otherwise remediate hazardous materials (other than as provided for in the Operating Plan);

(xix) The possession of any assets of the Company, the GP, the OP or any Class B Property Subsidiary (including any portion of the Class B Properties) for other than Company purposes;

(xx) Any issuance or sale by the Company, the GP, the OP or any Class B Property Subsidiary of any debt or equity securities or of additional ownership interests in the Company, the GP, the OP or any Class B Property Subsidiary, any monetization transaction or activities and any valuation of assets or pricing of securities related to the foregoing;

(xxi) The filing of any voluntary petition in bankruptcy on behalf of the Company, the GP, the OP or any Class B Property Subsidiary, the consenting to the filing of any involuntary petition in bankruptcy against the Company, the GP, the OP or any Class B Property Subsidiary, the filing of any petition seeking, or the consenting to, reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, on behalf of the Company, the GP, the OP or any Class B Property Subsidiary, the consenting to the appointment of a receiver, liquidator, assignee, trustee,

sequestrator (or other similar official) for the Company, the GP, the OP or any Class B Property Subsidiary or the Class B Properties, the making of any assignment for the benefit of creditors on behalf of the Company or any Class B Property Subsidiary, the admission in writing of the Company's, the GP's, the OP's or any Class B Property Subsidiary's inability to pay its debts generally as they become due, or the taking of any action by the Company, the GP, the OP or any Class B Property Subsidiary in furtherance of any such action;

(xxii) The engagement of any sales or placement agent or broker for the disposition, financing or refinancing of the Company, the GP, the OP, the Class B Properties or any Class B Property Subsidiary other than in accordance with Section 7.04(d) hereof, to the extent applicable;

(xxiii) Determining the amount of overhead and other reimbursements or any compensation payable to any Member or any of its Related Persons pursuant to the terms hereof or any separate agreement between the Company, the GP, the OP or any Class B Property Subsidiary and a Member or any of its Related Persons, and determining the amount of compensation, benefits or other remunerations payable to any employees of the Company, the GP, the OP or any Class B Property Subsidiary;

(xxiv) Determining the types of and amounts of insurance coverage on the Class B Properties, and the deductibles and underwriters with regard thereto, other than as provided for in the Operating Plan;

(xxv) Obligating the Company, the GP, the OP or any Class B Property Subsidiary as a surety, guarantor, indemnitor or accommodating party to any obligation;

(xxvi) Lending funds belonging to the Company, the GP, the OP or any Class B Property Subsidiary to any third Person or extending to any Person credit on behalf of the Company, the GP, the OP or any Class B Property Subsidiary other than in the Ordinary Course;

(xxvii) The adoption or amendment, or permitting the Company, the GP, the OP or any Class B Property Subsidiary, to adopt or amend, any plan, program, arrangement, fund, policy, practice, agreement or contract and any medical, dental and health insurance plans, workers compensation, severance pay plans, savings plans, pension plans and retirement plans through or under which the Company, the GP, the OP or any Class B Property Subsidiary provides benefits, compensation or assurances with respect to employment to or on behalf of one or more employees or former employees of the Company, the GP, the OP or any Class B Property Subsidiary;

(xxviii) Any material amendment, modification, extension or termination of any agreement or other arrangement which itself would have been a Major Decision at the time such agreement or arrangement was entered into, other than as included in or contemplated under any current Budget and Operating Plan;

(xxix) The admission of any Person as a Member (other than the admission of any transferee in connection with any Interest Transfer by one Member

which (a) pursuant to the express terms of this Agreement, does not require the consent of the other Member, or (b) has already been consented to, or deemed consented to, by the other Member);

(xxx) In the case of an election by a Member under Section 7.11 to cause an in-kind distribution to be made by the OP, whether the in-kind distribution takes the form described in clause (i) or clause (ii) of Section 7.11.

(xxxi) Any amendment, modification or waiver of the terms of this Agreement;

(xxxii) With regard to the GP, the OP or any Class B Property Subsidiary, the making of any decision, taking any action or providing any consent or approval with regard to any matter which if made or taken by the Company would have been a Major Decision as set forth in this Agreement or which requires the consent or approval of the limited partners of the OP or the shareholders, board of directors, executive committee, managing members, general partners or similar management body of any other Person in which the Company, the GP, the OP or such Class B Property Subsidiary holds an equity interest; and

(xxxiii) The approval, determination or any other action expressly reserved to the Executive Committee under this Agreement, including, without limitation, any material modification, amendment, or renewal of any matter previously requiring the approval of the Executive Committee.

(b) Other than as set forth above and subject to the terms and limitations of this Agreement and the limitations imposed by law, the Manager (acting on behalf of the Executive Committee) shall have all of the same powers as a general partner of a general partnership under the laws of the State of Delaware, including without limitation, the power and authority to: (i) acquire, hold, improve, operate, sell, transfer, assign, convey, exchange, lease, sublease, mortgage or otherwise dispose of or deal

with all or any part of the Class B Properties, (ii) in furtherance of the Company's, the GP's, the OP's or any Class B Property Subsidiary's purposes and business, borrow money, whether on a secured or unsecured basis, refinance, recast, modify, amend, extend, compromise or otherwise deal with any such loan, and in connection therewith, issue evidences of such indebtedness and secure the same by mortgages, deeds of trust, security agreements or other similar documents affecting the assets of the Company, (iii) authorize other persons to execute and deliver such documents on behalf of the Company, the GP, the OP or any Class B Property Subsidiary as the Executive Committee may deem necessary or desirable for the Company's, the GP's, the OP's or any Class B Property Subsidiary's business, including without limitation, guarantees and indemnities; (iv) perform, or cause to be performed, all of the Company's, the GP's, the OP's or any Class B Property Subsidiary's obligations under any agreement to which the Company, the GP, the OP or any Class B Property Subsidiary is a party; (v) enter into contracts on behalf of the Company, the GP, the OP or any Class B Property Subsidiary and make expenditures as are required to operate and manage the Company, the GP, the OP the Class B Property Subsidiaries and the Class B Properties; and (vi) do any act which is necessary or desirable to carry out any of the purposes of the Company, the GP, the OP or any Class B Property Subsidiary.

(c) The Executive Committee may, on behalf of the Company, the GP, the OP or any Class B Property Subsidiary, employ, engage or retain any Persons (including any Related Persons of any Member) to act as property or asset managers, leasing agents, developers, brokers, accountants, attorneys, engineers or in such other capacities as the Executive Committee may determine are necessary or desirable in connection with the Company's, the GP's, the OP's or any Class B Property Subsidiary's business, and the Manager and the members of the Executive Committee shall be entitled to rely in good faith upon the recommendations, reports and advice given them by any such Persons in the course of their professional engagement.

(d) Except as otherwise set forth in Sections 7.04 and 7.05, no Member, other than the Manager, shall have any right or power to participate in or have any control over the Company's, the GP's, the OP's or any Class B Property Subsidiary's business, affairs or operations or to act for or to bind the Company or any Class B Property Subsidiary in any matter whatsoever and no Member other than the Manager shall be required or permitted to consent to, acquiesce in, vote on or approve any action or act taken or decision made by the Manager or the Executive Committee, except as otherwise expressly provided in this Agreement and except with regard to such Member's right to appoint one or more members of the Executive Committee, if any.

(e) To the extent the Company shall obtain and maintain insurance on the Class B Properties that is not separate and distinct from any insurance policy maintained by any Member or their Affiliates, then the allocated premiums payable for such insurance by the Company shall be agreed upon by the Executive Committee and the Company shall not pay any amounts for such insurance in excess of such agreed upon amounts.

(f) None of the CLI Member, the Gale/SLG Member and the Manager shall take any action or cause the GP to take any action with respect to a Class B Property if such action is in violation of any of the obligations of the OP and the GP pursuant to the Contribution and Subscription Agreements or which would give rise to any claim of damages by the parties protected thereunder.

7.02 Members of the Executive Committee.

(a) The Executive Committee initially shall be comprised of six (6) members, three (3) of whom shall be appointed by the CLI Member and three (3) of whom shall be appointed by the Gale/SLG Member. In connection with the determination of any and all matters presented to the Executive Committee for action, the Members agree and acknowledge that each member of the Executive Committee will be acting as the representative of the Member that appointed such member of the Executive Committee. Therefore, each member of the Executive Committee may act, and to the fullest extent permitted by law, will be protected from acting, at the discretion and control of, or in the manner that the member of the Executive Committee believes is in the best interest of, the Member that appointed such member of the Executive Committee, without regard to the interest of any other Member, the Company or any Subsidiary, and each Member therefore waives, to the fullest extent permitted by law, any claim or cause of action against the Manager or any member of the Executive Committee for any breach of any fiduciary duty, duty of care or any other duty, breach of the Delaware Act, or breach of any duty created by special circumstances, with regard to or arising as a result of this

Agreement, the Company or any Subsidiary; provided, however, the foregoing will not limit any Member's obligation under or liability for breach of the express terms and provisions of this Agreement. Each Member may, by written notice to the others, remove any member of the Executive Committee appointed by such Member and appoint a substitute therefor; provided, however, that any new member appointed to the Executive Committee by any Member must either be a partner, member, officer, director or employee of such Member or of an Affiliate of such Member or, if not, be approved by the Executive Committee members appointed by the other Member, such approval not to be unreasonably withheld or delayed. Any appointing Member may, by written instrument and by delivering written notice to the Executive Committee members of the other Member, delegate any or all of the duties of one or more of its representatives on the Executive Committee to (x) another of its representatives on the Executive Committee or to an alternate member or (y) any other representative on the Executive Committee of any other Member or any employee of such Member or any of its Affiliates (and such delegate shall also be an agent of and operate at the sole discretion of the appointing Member), and any decisions or actions taken by such delegate shall be fully binding upon the Company and the Members as if taken by the member of the Executive Committee for whom such delegate was acting. One Person may not represent more than one Member on the Executive Committee.

(b) The initial members of the Executive Committee appointed by the CLI Member are Mitchell Hersh, Michael Grossman and Mark Yeager. The initial members of the Executive Committee appointed by the Gale/SLG Member are Marc Holliday, Andrew Mathias and Andrew S. Levine.

(c) The number of members of the Executive Committee may be increased or decreased from time-to-time by the Executive Committee, so long as half of the members of the Executive Committee shall represent and shall have been appointed by the CLI Member and half of the members of the Executive Committee shall represent and shall have been appointed by the Gale/SLG Member.

(d) A majority (in number) of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting of the Executive Committee, provided that if less than a majority of such number of members of the Executive Committee are present at said meeting, a majority of the members of the Executive Committee present at such meeting may act solely to adjourn the meeting without further notice. The act or affirmative vote of a majority (in number) of the members of the Executive Committee present at a meeting at which a quorum is present shall be the act of the Executive Committee, unless the act of a greater number is required by this Agreement; provided at least two-thirds of the members of the Executive Committee appointed by the CLI Memberand at least two-thirds of the members of the Executive Committee appointed by the Gale/SLG Member shall have consented to such action.

(e) Any action required to be taken at a meeting of the Executive Committee or any other action which may be taken at a meeting of the Executive Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the number of members of the Executive Committee required to approve such action at a properly called and constituted meeting of the Executive Committee at which all of the members of the Executive Committee were present and voting. Any such consent signed by the number of the

members of the Executive Committee indicated above in the immediately preceding sentence shall be a valid and proper act of the Executive Committee at a properly called and constituted meeting of the Executive Committee at which all of the members of the Executive Committee were present and voting.

(f) The members of the Executive Committee may participate in and act at meetings of the Executive Committee through the use of a conference telephone or other communications equipment or system by means of which all persons participating in the meeting can hear each other ("Electronic Participation"). Participation in such meeting shall constitute attendance in person at the meeting of the person or persons so participating.

(g) Regular meetings of the Executive Committee shall be held at such times and places as shall be designated from time-to-time by resolution of the Executive Committee, provided the Executive Committee shall meet no less frequently than quarterly and provided such regular meetings of the Executive Committee shall be as often as necessary or desirable to carry out its management functions.

(h) Special meetings of the Executive Committee may be called by or at the request of the Manager for any reasonable purpose. Special meetings of the Executive Committee shall be held at a location mutually agreed to by the members of the Executive Committee, and should they fail to agree, at the office of the Manager, as specified in the notice regarding such special meeting.

(i) Notice of any meeting of the Executive Committee shall be given no fewer than five (5) Business Days and no more than twenty (20) Business Days prior to the date of the meeting (unless such notice is waived in writing). Notice of any meeting of the Executive Committee shall specify the date, time and place of the proposed meeting and the agenda for the meeting. Notice shall be delivered in the manner set forth in Section 14.03 hereof. The attendance (whether in person or by Electronic Participation) of a member of the Executive Committee at a meeting of the Executive Committee (as reflected in the minutes of the meeting) shall constitute a waiver of notice of such meeting, except where a member of the Executive Committee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened.

(j) The Executive Committee may, by resolution, designate one or more individuals as officers, employees or agents of the Company, the GP, the OP or any Class B Property Subsidiary. No officer, employee or agent need be a Member of the Company or a Class B Property Subsidiary. Each officer, employee or agent shall have the authority and shall perform the duties as designated by the Executive Committee from time-to-time. Any officer, employee or agent appointed by the Executive Committee may be removed by the Executive Committee, with or without cause, whenever, in their judgment, the interest of the Company, the GP, the OP or any Class B Property Subsidiary would be served.

(k) A written record of all meetings of the Executive Committee and all decisions made by it shall be made by the Manager, as Secretary of the Executive Committee, or such other member of the Executive Committee or officer appointed by the Executive Committee, and kept in the records of the Company and shall be initialed, signed or confirmed

by electronic means from a verifiable, identifiable source by at least one member of the Executive Committee appointed by the CLI Member and at least one member of the Executive Committee appointed by the Gale/SLG Member. The approval of any Budget and Operating Plan will be evidenced by the signing or initialing of a copy of the approved version by at least the members required of the Executive Committee as set forth in Section 7.02(d). Minutes and/or resolutions of the Executive Committee when initialed or signed as indicated above shall be binding and conclusive evidence of the decisions reflected therein and any authorizations granted thereby.

(l) Except as otherwise determined by the Executive Committee, no member thereof shall be entitled to receive any salary or other remuneration or expense reimbursement from the Company, the GP, the OP or any Class B Property Subsidiary for his services as a member of the Executive Committee.

7.03 Manager.

(a) The Executive Committee may designate one of the Members to act as the Manager of the Company to implement the decisions of the Executive Committee. Subject to the provisions of Section 7.01, 7.04, 7.05 and the other provisions of this Agreement, the Manager shall (i) conduct the business of the Company, the GP, the OP and any Class B Property Subsidiary on a day-to-day basis, (ii) perform the duties assigned to it hereunder and (iii) carry out all decisions and resolutions of the Executive Committee, in each case in accordance with the standard of care required of prudent and experienced third-party asset or property managers, as the case may be, performing similar functions, in accordance with customary industry standards and in accordance with the current Budget and Operating Plan and such other guidelines as shall be adopted by the Executive Committee. Except as set forth below (including as set forth in Section 7.08 hereof) or in any separate written agreement approved in writing by the Executive Committee, the Manager shall not be entitled to receive any fees or other compensation in respect of its activities as the Manager, and will not receive reimbursement for compensation payable to any of its employees or other direct or indirect overhead which may be attributable to the performance of its duties as the Manager. The Manager shall, however, receive reimbursement for all out-of-pocket costs and expenses incurred by it for third-party accountants and auditors engaged to perform year-end audits and prepare year-end audited financial statements and tax returns and reports, to the extent such out-of-pocket costs and expenses are provided for or contemplated in the current Budget, and to the extent applicable, provided for in the Operating Plan. The initial Manager shall be the CLI Member, which shall remain the Manager until changed by unanimous action of all of the members of the Executive Committee or unless the CLI Member is terminated as the Manager pursuant to Section 7.03(f) hereof. The CLI Member, as the initial Manager, shall not resign as Manager until a successor Manager shall have been appointed by the Executive Committee, so long as none of the Company or any of the Class B Subsidiaries is in default under the relevant Management Agreement. In the event that the CLI Member or any other Person should retire or resign (with the consent of the other Member) or be removed as the Manager, the Executive Committee may (but shall be under no obligation to) appoint a replacement thereof (including any third-party acceptable to the Executive Committee and at such rates of compensation as determined appropriate by the Executive Committee).

(b) Except as otherwise expressly provided in this Agreement, the Manager, on behalf of the Company, the GP, the OP and each Class B Property Subsidiary, shall be authorized, without any further consent or approval of the Members or the Executive Committee, to (i) enter into contracts, leases and otherwise act on behalf of the Company, the GP, the OP and each Class B Property Subsidiary, to the extent the same is provided for or contemplated in the current Budget and, to the extent applicable, provided for in the Operating Plan, or (ii) make expenditures as are required to implement such Budget and to perform (or cause the Company to perform) the obligations, and to enforce (or cause the Company to enforce) the rights, of the Company under the contracts, leases and other agreements entered into in accordance with this Agreement, but in each case only to the extent that any such expenditures and amounts required to be paid by the Company, the GP, the OP or any Class B Property Subsidiary, including expenditures and amounts required to be paid by the Company, the GP, the OP or any Class B Property Subsidiary under any such contracts, leases or other instruments and documents, are not in excess of the limitations provided for in Section 7.01(a)(vii) unless such excess has been approved in writing by the Executive Committee or is attributable to Class B Property Uncontrollable Expenses; provided, however, with regard to any excess attributable to Class B Property Uncontrollable Expenses, to the extent reasonably practical, prior to expending such excess, the Manager shall provide the Executive Committee with written notice of its intention to expend such funds, together with the Manager's best estimate of the amount of such excess, prior to the expending of such funds, and in the event such prior written notice is not practical, the Manager shall thereafter give the other Manager prompt written notice of the expenditure of any such excess amount. To the extent any Major Decision has been approved in writing by the Executive Committee or is provided for or contemplated in the Budget and, to the extent applicable, provided for in the Operating Plan (or to the extent such approval rights are waived or modified in connection therewith), except as otherwise expressly provided for in this Agreement, the Manager shall be authorized, without any further consent or approval of the Executive Committee, to act in accordance therewith.

(c) Notwithstanding the foregoing, the Manager shall have no power or authority to authorize or approve any Major Decision or to take any material action or make any material decision with regard thereto, unless the same has been approved in writing by the Executive Committee, and provided for or contemplated in the Budget and, to the extent applicable, provided for in the Operating Plan, unless (in the best commercially reasonable judgment of the Manager) the failure to take any such action (i) would result in a material default pursuant to any material contract or agreement to which the Company, the GP, the OP or any Class B Property Subsidiary is a party or (ii) would result in a material risk of loss of life or serious bodily injury to any Person (in which case, the Manager is authorized, without any further consent or approval of the Executive Committee, to the extent reasonably necessary in accordance therewith; provided, however, such authorization shall not be applicable if the Manager has sufficient time to notify the Executive Committee of such circumstances prior to the taking of such action. In addition, if at the beginning of any calendar year the Budget and Operating Plan, or any item or portion thereof, shall not have been approved in writing by the Executive Committee, then:

(i) Any items or portions of such Budget and Operating Plan and amounts of expenses provided therein which have been so approved shall become

operative immediately and the Manager shall be entitled to expend funds in accordance with those operative portions;

(ii) The Manager shall be entitled to expend, in connection with Class B Property Uncontrollable Expenses, an amount equal to the actual Class B Property Uncontrollable Expenses incurred by the Company, the GP, the OP or any Class B Property Subsidiary and the Manager shall notify the Executive Committee as promptly as practicable after making such Class B Property Uncontrollable Expenses; and

(iii) The Manager shall be entitled to expend, in respect of other noncapital, recurring expenses in any fiscal quarter of the then-current calendar year, an amount equal to the lesser of actual expenses incurred by the Company, the GP, the OP or any Class B Property Subsidiary or the budgeted amount for the corresponding fiscal quarter of the immediately preceding calendar year plus, so long as the Company does not seek any Additional Class B Property Capital Contributions, three percent (3%), as set forth on the immediately preceding calendar year Budget and Operating Plan, after giving effect to any dispositions or other material changes to the Class B Properties during the prior or current year (and the Manager shall notify the Executive Committee as promptly as practicable after making such excess expense); provided, however, that if any contract approved by the Executive Committee provides for an automatic increase in costs thereunder after the beginning of the then current calendar year, then the Manager shall be entitled to expend the amount of such increase.

(d) In addition to and without limiting any other duties set forth in this Agreement, the Manager, subject to Sections 7.04 and 7.05, shall:

(i) Promptly take all proper and necessary actions reasonably required to fully advise and apprise the Executive Committee with regard to all material matters relating to the business of the Company, the GP, the OP, the Class B Property Subsidiaries and the Class B Properties and for which the Manager has knowledge;

(ii) Oversee the operations and management on a day-to-day basis of the Class B Properties in accordance with the Budget and Operating Plan (including property management, leasing, consulting, development, disposition and tenant services and management of both capital improvements and tenant improvements);

(iii) Pay in a timely manner all non-disputed operating expenses of the Company, the GP, the OP and each Class B Property Subsidiary in accordance with the terms of the Budget and Operating Plan or as otherwise provided herein;

(iv) Obtain and maintain insurance coverage on the Class B Properties as required and approved by the Executive Committee, and pay all non-disputed taxes, assessments, charges and fees payable in connection with the ownership, use and occupancy of the Class B Properties;

(v) Deliver to the Executive Committee promptly upon the receipt or sending thereof, copies of any material correspondence with any municipality and all notices, reports and communications between the Company, the GP, the OP or any Class

B Property Subsidiary and any landlord or tenant under any lease or any lender under any mortgage loan or any holder of a mortgage affecting all or any portion of the Class B Properties which relates to any existing or pending default thereunder or to any financial or operational information required by such Person;

(vi) With regard to any disposition of any Class B Property previously approved by the Executive Committee in accordance with the terms of this Agreement, prepare and deliver to all the members of the Executive Committee, at the expense of the Company, monthly updates and monthly status reports to advise and apprise the members of the Executive Committee of the status of such disposition ("Status Reports"). Such Status Reports shall include such additional information as shall be reasonably requested by the Executive Committee and shall be delivered to the members of the Executive Committee as soon as reasonably practicable after the end of such monthly period;

(vii) Maintain, or cause to be maintained, the books and records provided for in Article IX and promptly deliver to the Executive Committee the reports, financial statements and other information provided for in Article IX hereof;

(viii) Unless otherwise required by applicable loan agreements, deposit all receipts from the operations of the Class B Properties into an account established and maintained by the Manager in the name of the Company, the GP, the OP or the applicable Class B Property Subsidiary and shall not commingle those receipts with any other funds or accounts of the Manager or any other Person;

(ix) If the Manager subcontracts with, or delegates to, third parties or any of its Related Persons for the performance of any of the services to be performed by the Manager, supervise and oversee the performance of the services performed by such third parties or Related Persons (in the event of any such subcontract, references in this Agreement to actions taken or to be taken by the Manager shall include actions taken or to be taken by such subcontractors); and

Advising the Executive Committee with regard to the amount and timing of any Class B Property Capital Contribution which may be required by the Company or necessary to the operations of the Company and each Class B Property Subsidiary.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Manager shall not be obligated to make any expenditures or advance any funds on behalf of the Company, the GP, the OP or any Class B Property Subsidiary, except from the accounts of funds of the Company, the GP, the OP or the applicable Class B Property Subsidiary, nor shall the Manager be obligated to perform its duties and obligations hereunder if the Company, the GP, the OP or Class B Property Subsidiary funds are not available in amounts required to perform such duties and obligations.

(f) In the event the Company (or any Subsidiary) has the right to terminate any management, leasing, development, construction, development or construction management or other agreement with the CLI Member or any of its Related Persons (including the Management Agreement) pursuant to the terms of this Agreement, the Management Agreement

or pursuant to the terms of any other management, leasing, construction, development, development or construction management or other agreement with the CLI Member or any of its Related Persons (and the Company or any such Subsidiary are not otherwise in breach or default under any such agreement), then, notwithstanding any other provision of this Agreement to the contrary (including any other provisions of this Article VII), the exercise of any such right upon the occurrence of the event or circumstance giving rise thereto, including the giving of any notice with regard thereto (on behalf of the Company or any Subsidiary) shall be controlled by the Gale/SLG Member (subject to any applicable grace and cure period). In addition, if an event or circumstance occurs giving rise to the Company (or any Subsidiary) having the right to terminate any management, leasing, construction, development, construction or development management or other agreement with the CLI Member or any of its Related Persons (including the Management Agreement) pursuant to the terms of this Agreement, the Management Agreement or pursuant to the terms of any other management, leasing, construction, development, construction or development management or other agreement with the CLI Member or any of its Related Persons, provided any required notice is given in accordance therewith and subject to any applicable grace and cure period (regardless of whether such right of termination is exercised), notwithstanding any other provision of this Agreement to the contrary (including any other provision of this Article VII), then in such event the Gale/SLG Member (on behalf of the Company and the Subsidiaries) shall also have the absolute right, power and authority at any time thereafter, upon thirty (30) days prior written notice, to terminate any such management, leasing, construction, development, construction or development management agreement or other agreement with the CLI Member or its Related Persons (including, if applicable, the Management Agreement), and, if necessary pursuant to a termination of the Management Agreement (as determined by the Gale/SLG Member), to appoint a successor Manager (including, any third party acceptable to the Gale/SLG Member) at such rates of compensation as determined appropriate by the Gale/SLG Member.

(g) Notwithstanding any other provision of this Agreement to the contrary, the Manager, as such, shall have no authority to act on behalf of the Company with respect to the Class A Properties or the Class C Properties unless otherwise specifically directed by the Executive Committee.

(h) The Members agree that the Manager may cause each Class A Property Subsidiary and each Class B Property Subsidiary to appoint a non-Member manager designated by Manager and hire or retain one or more Persons to implement at such Class A Property Subsidiary and Class B Property Subsidiary, as the case may be, the duties, responsibilities and actions of the Manager hereunder. The Members will cause the GP to cause the OP to implement the duties, responsibilities and actions of the Manager hereunder and to implement the transactions hereunder.

7.04 Management of the Class A Properties. Notwithstanding any other provision of this Agreement to the contrary, the CLI Member shall have the sole, complete and absolute authority and discretion to authorize and approve all matters pertaining to the Class A Properties (including any disposition thereof) and to control, conduct and manage the business and affairs of the Company, and to cause the GP to control, conduct and manage the business and affairs of the OP, with respect to (i) the Class A Properties and (ii) the Class A Subsidiaries. The CLI Member shall have the power and authority to do any and all acts necessary or convenient to or

for the furtherance of the purposes described herein, including all powers and authorities, statutory or otherwise, possessed by members of limited liability companies under the laws of the State of Delaware. In connection with the foregoing, the CLI Member is hereby authorized and empowered to act through its officers and employees and other persons designated by the CLI Member in carrying out any and all of its powers and authorities to any of its officers and employees and to any other person designated by the CLI Member. Notwithstanding the foregoing, the CLI Member shall not take any action or cause the GP to take any action with respect to a Class A Property if such action is in violation of any of the obligations of the OP and the GP pursuant to the Contribution and Subscription Agreements or which would give rise to any claim of damages by the parties protected thereunder.

7.05 Management of the Class C Properties. Notwithstanding any other provision of this Agreement to the contrary, the Gale/SLG Member shall have the sole, complete and absolute authority and discretion to authorize and approve all matters pertaining to the Class C Properties (including any disposition thereof) and to control, conduct and manage the business and affairs of the Company, and to cause the GP to control, conduct and manage the business and affairs of the OP, with respect to (i) the Class C Properties and (ii) the Class C Subsidiaries. The Gale/SLG Member shall have the power and authority to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers and authorities, statutory or otherwise, possessed by members of limited liability companies under the laws of the State of Delaware. In connection with the foregoing, the Gale/SLG Member is hereby authorized and empowered to act through its officers and employees and other persons designated by the Gale/SLG Member in carrying out any and all of its powers and authorities to any of its officers and employees and to any other person designated by the Gale/SLG Member. Notwithstanding the foregoing, the Gale/SLG Member shall not take any action or cause the GP to take any action with respect to a Class C Property if such action is in violation of any of the obligations of the OP and the GP pursuant to the Contribution and Subscription Agreements or which would give rise to any claim of damages by the parties protected thereunder.

7.06 Services and Fees; Affiliate Transactions.

(a) The Company will cause the Owners of the Class B Properties to enter into (i) property management agreements with the CLI Member or one of its Affiliates, providing for property management fees of 3.0%, (ii) leasing agreements with the CLI Member or one of its Affiliates, providing for leasing commissions of 5.0% of fixed base minimum rent, with an additional 1.5% override if a third-party broker is involved, and (iii) from time to time as required, construction management agreements with the CLI Member or one of its Affiliates, providing for construction management fees of 4.0%, all substantially in the forms attached hereto as Exhibit C (collectively, the "Management Agreement"), which Management Agreement, is hereby deemed approved by the Executive Committee. No acquisition fees shall be paid to any of CLI or SLG or any of their respective Affiliates in connection with the acquisition by the Company of its indirect interests in the Properties. Any changes in the form of the Management Agreement or any amendments or modifications thereto, or any changes in the schedule of fees previously approved by the Executive Committee, must be approved by the Executive Committee.

(b) Any agreements with any Member or a Related Person of any Member with respect to the Class B Properties must be approved by the Executive Committee, and no fees or compensation will be paid by the Company, the GP, the OP or any Class B Property Subsidiary to any Member or any of its Related Persons, unless the same has been approved by the Executive Committee or contemplated in an approved Budget and Operating Plan.

(c) In addition and notwithstanding the foregoing provisions of this Section 7.06, the Executive Committee may determine that it is appropriate for the Company to enter into agreements with one or more third parties to sell, or provide other professional services with respect to, the Class B Properties, the Company, the GP, the OP or any Class B Property Subsidiary, which agreements shall be subject to the approval of the Executive Committee. The fees for services from such third parties shall not exceed the prevailing competitive fees being charged for such services for similar properties in the market where the Properties are located.

(d) The Members agree that SLG will assist the Company, the OP the GP and the Class B Property Subsidiaries in arranging third party financing and sale arrangements with respect to the Class B Properties, including lines of credit, third-party mezzanine investments, securitized debt, portfolio sales and equity offerings, in each case as may be approved by the Executive Committee. SLG will receive such fees for such services to be determined on as case by case basis and as may be approved by the Executive Committee.

7.07 Duties and Conflicts.

(a) The Manager and appointed members of the Executive Committee shall devote such time to the business of the Company, the GP, the OP and the Class B Subsidiaries as they deem to be necessary or desirable in connection with their respective duties and responsibilities hereunder. Except as otherwise expressly provided in this Agreement or as otherwise approved by the Executive Committee, no Member nor any member, partner, shareholder, officer, director, employee, agent or representative of any Member shall receive any salary or other remuneration for its services rendered pursuant to this Agreement with respect to the Class B Properties.

(b) Each of the Members recognizes that the other Member and its members, partners, shareholders, officers, directors, employees, agents, representatives and Related Persons, has or may in the future have other business interests, activities and investments, some of which may be in conflict or competition with the business of the Company, and that the other Member and its members, partners, shareholders, officers, directors, employees, agents, representatives and Related Persons, are entitled to carry on such other business interests, activities and investments. Subject to the restrictions on certain leasing conduct on the part of the CLI Member and its Related Persons set forth in the Management Agreement, each of the Members may engage in or possess an interest in other business ventures of any nature and description, independently or with others, including, but not limited to, the ownership, financing, acquiring, leasing, promoting, improving, operation, management, syndication, brokerage and/or development of real property other than the Properties, including, but not limited to, property in the area which the Property is located, on its own behalf or on behalf of other entities with which any of the Members is affiliated or otherwise, and each of the Members may engage in any such activities, whether or not competitive with the Company or any Subsidiary, without any

obligation to offer any interest in such activities to the Company or any Subsidiary or to the other Member. Neither the Company, the Subsidiaries nor the other Member shall have any right, by virtue of this Agreement in or to such activities, or the income or profits derived therefrom, and the pursuit of such activities, even if competitive with the business of the Company or any Subsidiary, shall not be deemed wrongful or improper.

(c) Each of the CLI Member and the Gale/SLG Member hereby agrees that it will present in a fair and equitable manner all available lease space in the Properties in the same manner which it presents available lease space for properties which it or its respective Affiliates own, or for which the CLI Member, the Gale/SLG Member or their respective Affiliates provide management or leasing services ("Similar CLI/Gale Properties") to existing and prospective tenants. In addition, each of the CLI Member and the Gale/SLG Member hereby agrees that it will not provide internal or third party brokers or leasing agents with any additional incentives or preferences with respect to leasing one available space versus another in a manner that is not fair and equitable across all available space in the Properties and the Similar CLI/Gale Properties, without first offering to provide to the Company the same incentives and preferences for the Class B Properties. Each of the CLI Member and the Gal/SLG Member agree that they shall not approach and attempt to move existing tenants away from the Class B Properties but may negotiate with such an existing tenant concerning other than Class B Properties if approached by such tenant.

7.08 Company Expenses. (a) Except as otherwise expressly provided in this Agreement or in the Management Agreement and except for any costs to be borne by any third party under any agreement with the Company, the Company shall be responsible for paying, and shall pay, all direct costs and expenses related to the business of the Company and any Subsidiary and of acquiring, holding, owning, developing, redeveloping, operating, managing and leasing the Properties, including, without limitation, transfer taxes in connection with the acquisition of the Properties (or interests in the applicable Subsidiaries), all fees payable under Section 7.06, costs of financing, fees and disbursements of attorneys, financial advisors, accountants, appraisers, brokers and engineers, and all other fees, costs and expenses directly attributable to the business and operations of the Company or any Subsidiary. In the event any such costs and expenses are or have been paid by any Member, such Member shall be entitled to be reimbursed for such payment so long as such payment is reasonably necessary for Company or any Subsidiary business or operations and has been approved by the Executive Committee or set forth in the Budget and Operating Plan (solely with respect to the Class B Properties), approved by the CLI Member (solely with respect to the Class A Properties), approved by the Gale/SLG Member (solely with respect to the Class C Properties) or is expressly authorized in this Agreement. Anything in this Agreement to the contrary notwithstanding, Formation Costs shall be aggregated, allocated between the Gale/SLG Member and the CLI Member as provided in Section 4.01. Notwithstanding the foregoing, in no event shall the Company or any Subsidiary have any obligation to pay or reimburse any Member for (a) any direct or indirect general overhead expense of such Member, (b) the costs and expenses, including legal costs, relating to any employees, staff or other personnel necessary to conduct the day-to-day operations of the Company or any Subsidiary or to provide the financial reporting of the Company or any Subsidiary (other than those required by the express terms of this Agreement, or any other agreement, to be provided by third parties, including year-end audited financial statements and tax returns and reports prepared by third parties) or to oversee the operations of

the Properties, or (c) any travel expenses, unless in each such case the same have been approved by the Executive Committee or are expressly authorized in this Agreement or set forth in an approved Budget and Operating Plan.

(b) For the avoidance of doubt, the Members shall use all reasonable efforts to determine which expenses of the Company should be categorized as Class A Property Expenses, Class B Property Expenses and Class C Property Expenses. Any expenses, however, which are not Class A Property Expenses or Class C Property Expenses shall be Class B Property Expenses. Similarly, for the avoidance of doubt, the Members shall use all reasonable efforts to determine which revenues of the Company should be categorized as Class A Property Revenues, Class B Property Revenues and Class C Property Revenues. Any revenues, however, which are not Class A Property Revenues or Class C Property Revenues shall be Class B Property Revenues.

7.09 Sale of the Class B Properties.

(a) Member's Right to Sell. Subject to the provisions of subparagraph (b) below and provided the provisions of Article VIII or the provisions of Section 10.02(e) hereof have not been initiated, either Member (the "Proposing Member") may cause the sale of 100% of the Interests of the Members as such Interests relates solely to the Class B Properties (the "ROFO Class B Property Interests") at any time after the last day of the 30th month after the consummation of the transactions contemplated by the Contribution and Sale Agreement (a "ROFO Trigger Sale") without the consent of the other Member or the Executive Committee and without any other restriction or limitation as to the terms of such transactions (including a sale to any Related Person).

(b) Right of First Offer. In the event such Proposing Member desires to solicit, offer or enter into a ROFO Trigger Sale upon terms proposed by such Proposing Member and which such Proposing Member is in good faith willing to accept (an "Acceptable Offer"), prior to going to market to sell, exchange, transfer, assign or otherwise dispose of the ROFO Class B Property Interests, the Proposing Member shall deliver to the other Member (the "Electing Member") the terms of such Acceptable Offer in writing (the "Notice") including the proposed purchase price, the other economic terms and conditions and other material conditions of such Acceptable Offer (including, without limitation, whether the Proposing Member will be released from any existing guaranties or receive an indemnity from a Person with creditworthiness satisfactory to the Proposing Member in lieu thereof), and such Notice to the Electing Member shall contain and be accompanied by detailed computations setting forth the Proposing Member's best estimate of the amount of cash which would be received by each of the Members were such ROFO Trigger Sale consummated in accordance with the terms of such Acceptable Offer. The terms of such Acceptable Offer delivered to the Electing Member shall include a statement by the Proposing Member setting forth the cash amount of such purchase price stated in U.S. dollars only. In no event shall an Acceptable Offer consist of a purchase price less than the amount necessary to avoid an allocated loss to the Members based on the Members basis in the Class B Properties at the time of the closing pursuant to the ROFO Trigger Sale. At any time within forty-five (45) days of the date the Electing Member receives the Notice with respect to any ROFO Trigger Sale described above (the "Response Period"), the

Electing Member shall have the right, exercisable by delivery of notice in writing (the "Election") to the Proposing Member, to either:

(i) Approve the Acceptable Offer and authorize the Proposing Member to attempt to cause the ROFO Trigger Sale of the ROFO Class B Property Interests in accordance with the Acceptable Offer; or

(ii) Elect to purchase the ROFO Class B Property Interests of the Proposing Member for a cash purchase price equal to one-half the sum of 95% of the amount of cash (as set forth in the Acceptable Offer) which the Members would have received had the ROFO Class B Property Interests been sold pursuant to the Acceptable Offer as set forth in the Acceptable Offer and subject to the other terms and conditions of the Acceptable Offer. Such Election shall be made by (1) delivering to the Proposing Member the Election which shall affirmatively state that it is exercising such option, that it has established the escrow account or letter of credit called for below and provide the name, address and other details of such escrow agent or issuer and the escrow account or letter of credit and (2) depositing in an escrow account at a title insurance company or attorney in New York City a deposit equal to 5% of the cash portion of the purchase price (as set forth in the Acceptable Offer) which the Members would have received had the ROFO Trigger Sale been consummated pursuant to the Acceptable Offer, such 5% deposit to take the form of either cash (or a certified check) or delivery to the escrow agent of an irrevocable letter of credit drawn on a reputable and financially sound bank which is a member of the New York Clearing House payable to the Proposing Member; in which event, on the closing date set forth in the Election (such date to be not less than 15 and not more than 90 Business Days after the date such Election is delivered to the Proposing Member), the Proposing Member and the Electing Member shall close the purchase of the ROFO Class B Property Interests, and the Proposing Member shall convey title to the Proposing Member's ROFO Class B Property Interests to the Electing Member or to a designee of the Electing Member free and clear of all liens and other encumbrances, against receipt of payment of the purchase price.

(c) Authorization to Sell. If (i) the Electing Member shall have authorized the Proposing Member to attempt to sell the ROFO Class B Property Interests or (ii) by the expiration of the Response Period the Electing Member neither (A) authorizes the Proposing Member to attempt to sell the ROFO Class B Property Interests, nor (B) elects to purchase ROFO Class B Property Interests by delivering the Election and opening the escrow account called for above, then the Electing Member shall be deemed to have authorized and have approved the ROFO Trigger Sale to any party (including a Member or its Related Persons) for a price not less than ninety-five percent (95%) of the purchase price set forth in the Acceptable Offer and otherwise pursuant to terms no less favorable to the Members than those set forth in the Acceptable Offer. In the event the Electing Member authorizes or is deemed to have authorized the ROFO Trigger Sale pursuant to the terms described above, and the Proposing Member thereafter obtains or finalizes a bona fide offer for the purchase of the ROFO Class B Property Interests from any party (including any Member or its Related Persons) for a price which is not less than ninety-five percent (95%) of the purchase price set forth in the Acceptable Offer and otherwise upon terms no less favorable to the Members than those set forth in the Acceptable Offer, the Proposing Member may (on behalf of all the Members and the Company)

consummate the ROFO Trigger Sale on such terms, without the requirement of any consent or approval of the Executive Committee or any consent or approval of the Electing Member, provided the Proposing Member shall have entered into (on behalf of all the Members and the Company) a binding contract for the ROFO Trigger Sale within 180 calendar days after the date on which the Electing Member authorized or was deemed to have authorized such ROFO Trigger Sale, and such ROFO Trigger Sale must be consummated within 240 calendar days after the date on which the Electing Member authorized or was deemed to have authorized such ROFO Trigger Sale (in each case, subject to normal and customary extensions of not more than an additional 60 calendar days). The failure of the Proposing Member to enter into such binding contract within the 180-day period referred to in the immediately preceding sentence (as the same may be extended as set forth above) or the failure of such ROFO Trigger Sale to occur within the 240 calendar days referred to in the immediately preceding sentence (as the same may be extended as set forth above) shall require the Proposing Member to deliver to the Electing Member another Acceptable Offer in accordance with the terms of this Section 7.09 prior to going to market to sell, exchange, transfer, assign or otherwise dispose of the ROFO Class B Property Interests.

(d) Closing of ROFO. If the ROFO Class B Property Interests are to be conveyed or assigned to the Proposing Member pursuant to the foregoing provisions, the Electing Member shall convey its ROFO Class B Property Interests without representations and warranties about the Company or its assets. Transfer taxes, escrow fees and all other closing costs in connection with such conveyance or assignment shall be allocated between and paid by the purchaser and seller in the usual and customary manner (with each party being responsible for its own legal fees). The Electing Member shall be entitled to enforce its rights under this Section 7.09 by specific performance. The closing of any such sale shall be held at the offices of the Proposing Member.

(e) Default. In the event the Electing Member should default in its obligations to purchase ROFO Class B Property Interests pursuant to the terms of this Section 7.09, as the sole and exclusive remedy for such default, the following shall apply:

(i) the Electing Member shall cease to have any rights of first offer pursuant to Section 7.09(b) hereof and the Electing Member shall cease to have any right to deliver a Buy-Sell Offer pursuant to or otherwise initiate the provisions of Section 8.01 hereof; and

(ii) the escrow agent shall immediately deliver to the Proposing Member the escrow deposit delivered by the Electing Member (such amount shall not be deemed to be a distribution affecting the Capital Account, the Payout Percentages, the allocation provisions or any other equity provisions of this Agreement); and

(iii) thereafter, with regard to the Company, the Proposing Member may at any time (A) solicit, offer and sell, exchange, transfer, assign or otherwise dispose of its ROFO Class B Property Interests, without the consent or approval of the Electing Member and without the consent or approval of the Executive Committee (as would otherwise been required pursuant to the terms of this Agreement), notwithstanding that the dates or other circumstances entitling such Proposing Member to sell its ROFO Class B Property Interests may not have occurred, and without any other restrictions or

limitations as to the terms of such transaction, and (B) trigger or initiate the buy-sell provisions set forth in Section 8.01 hereof, notwithstanding that the dates or any other circumstances entitling the Proposing Member to trigger or initiate either of the Buy-Sell procedures may not have occurred.

7.10 Termination of Other Agreements. If any Member's Interest is purchased under this Article VII, all other agreements with such Member or its Related Persons with respect to the Class B Properties, will (at the election of the purchasing Member) be terminated on the date such Member's Interest is purchased.

7.11 Distributions in Kind. Notwithstanding anything to the contrary in this Agreement, no Member shall have the right to cause the OP, or to cause the GP to cause the OP, to distribute any Property or any interest in a Property Subsidiary, without the consent of the other Member, which may be withheld in the sole and absolute discretion of such other Member, provided that at any time on or after May 1, 2007, either the CLI Member or Gale/SLG Member shall have the right to elect to cause an in-kind distribution to be made by the OP of any of (i) all of the Class A Property Subsidiaries (in which case such distribution would be made in accordance with the Class A Property Payout Percentages) or (ii) both (A) all of the Class B Property Subsidiaries (in which case all of the OP's interests in the Class B Property Subsidiaries would first be contributed to a new limited liability company having terms identical to the terms contained in this Agreement with respect to the Class B Properties and the interests in

such new limited liability company would be distributed in accordance with the Class B Property Payout Percentages) and (B) all of the Class C Property Subsidiaries (in which case such distribution would be made in accordance with the Class C Property Payout Percentages). In the case of an election by any Member to cause an in-kind distribution pursuant to the preceding sentence, the Executive Committee shall determine whether the form of the distribution shall be as described in clause (i) or clause (ii), provided that in either case the Member electing to cause the in-kind distribution shall bear all the costs associated with such distribution. In the event of an in-kind distribution contemplated by this Section 7.11, the Members shall cause either (i) any CLI Loan to be paid off, in full, prior to such in-kind distribution of the Class B Property Subsidiaries, including by paying off any outstanding amount of such CLI Loan in accordance with their Class B Property Percentage Interests or (ii) any new limited liability company to which the Class B Property Subsidiaries are contributed to assume, in full, the liabilities of the Company with respect to such CLI Loan and the Company shall be released from any such liabilities.

7.12 CLI Special Right to Acquire Class B Property Subsidiary. (a) Right to Acquire Class B Property Subsidiary. Provided the provisions of Section 7.09, Article VIII or Section 10.02(e) hereof have not been initiated, from and after **[insert date one year after date of Agreement, but not earlier than May 1, 2007]** the CLI Member shall have the right, exercisable from time to time, to acquire the interests of the Gale/SLG Member in any Class B Property Subsidiary pursuant to and in accordance with the provisions of this Section 7.12.

(b) Valuation Determination. In the event the CLI Member desires to acquire the interests of the Gale/SLG Member in any Class B Property Subsidiary (the "Target Class B Property Subsidiary"), the CLI Member shall (1) provide written notice thereof to the Gale/SLG Member (a "Class B Property Subsidiary Notice"), which notice shall contain the CLI Member's good faith estimate of the fair market value of the Target Class B Property Subsidiary and

(2) deposit in an escrow account at a title insurance company or attorney in New York City a deposit equal to five percent (5)% of the fair market value of the Target Class B Property Subsidiary as specified in the Class B Notice, such five percent (5%) deposit to take the form of either cash (or a certified check) or delivery to the escrow agent of an irrevocable letter of credit drawn on a reputable and financially sound bank which is a member of the New York Clearing House payable to the Gale/SLG Member. If the Gale/SLG Member shall not, within thirty (30) calendar days after receiving the Class B Property Subsidiary Notice, deliver a written notice of objection to the fair market value of the Target Class B Property Subsidiary contained in the Class B Property Subsidiary Notice, then the Gale/SLG Member shall automatically be deemed to have accepted such fair market value for purposes of this Section 7.12. If, however, the Gale/SLG Member shall have delivered to the CLI Member a written notice objecting to the fair market value of the Target Class B Property Subsidiary contained in the Class B Property Subsidiary Notice, then, within thirty (30) calendar days after delivery of such notice of objection, the Members shall hire a mutually agreed upon appraisal firm to appraise the fair market value of the Class B Property Subsidiary. Such appraiser shall determine such fair market value of the Target Class B Property Subsidiary as a whole, without giving any consideration or value to who has control or management of the Target Class B Property Subsidiary. Such appraiser shall render its report within sixty (60) calendar days after being retained and such report of the appraiser shall be final and binding on the Members. For purposes of this Section 7.12, "Final Fair Market Value" shall be either (i) the fair market value of the Target Class B Property Subsidiary specified in the Class B Property Subsidiary Notice if the Gale/SLG Member shall not have delivered a timely notice of objection thereto as provided above or (ii) the fair market value of the Target Class B Property Subsidiary as determined by the appraiser as provided above.

(c) Distribution of Membership Interests of Target Class B Property Subsidiary. As promptly as practicable after the determination of the Final Fair Market Value (and, in any event, within thirty (30) days thereafter), the Members shall cause the GP and the OP to make a distribution in kind of the membership interests of the Target Class B Property Subsidiary to the partners of the OP in accordance with the limited partnership agreement of the OP (including causing the GP to distribute its distributed share of the membership interests of the Target Class B Property Subsidiary to the Company). Immediately thereafter, the Members shall cause the Company to make a distribution in kind of the membership interests of the Target Class B Property Subsidiary then held by the Company to the Members, with the CLI Member receiving one half of such membership interests and the Gale/SLG Member receiving the other half of such membership interests.

(d) Acquisition of Target Class B Property Subsidiary. Within five (5) Business Days after the distribution by the Company of the membership interests of the Target Class B Property Subsidiary to the Members, the Gale/SLG Member shall sell to the CLI Member, and the CLI Member shall purchase from the Gale/SLG Member, the membership interests in the Target Class B Property Subsidiary held by the Gale/SLG Member for a purchase price equal to ninety five percent (95%) of the Final Fair Market Value multiplied by a fraction, the numerator of which shall be the membership interests of the Target Class B Property Subsidiary held by the Gale/SLG Member and the denominator of which shall the total outstanding membership interests of the Target Class B Property Subsidiary (including those membership interests held by the limited partners of the OP). The closing of any such sale shall

be held at the offices of the Gale/SLG Member. In connection with such closing, the Members shall deliver such documents and instruments as may be reasonably required to convey to the CLI Member the membership interests of the Target Class B Property Subsidiary then held by the Gale/SLG Member and the CLI Member shall pay the purchase price as calculated above. Each of the CLI Member and the Gale/SLG Member shall be entitled to enforce its rights under this Section 7.12 by specific performance.

(e) Default. In the event the CLI Member should default in its obligations to purchase the membership interests of the Target Class B Property Subsidiary pursuant to the terms of this Section 7.12, as the sole and exclusive remedy for such default, the following shall apply:

(i) the CLI Member shall cease to have any rights with respect to any Class B Subsidiaries pursuant to this Section 7.12; and

(ii) the escrow agent shall immediately deliver to the Gale/SLG Member the escrow deposit delivered by the CLI Member (such amount shall not be deemed to be a distribution affecting the Capital Account, the Payout Percentages, the allocation provisions or any other equity provisions of this Agreement).

7.13 Resolution of Deadlock. (a) Deadlock Notice. At any time during the term of this Agreement, either Member may deliver to the other and the Executive Committee a written notice (a "Deadlock Notice") within forty five (45) calendar days after the occurrence of the following events (each such event being referred to herein as a "Deadlock"): (i) the Executive Committee is unable, after two (2) duly convened meetings of the Executive Committee to reach any approval or decision with respect to any of the matters set forth in Sections 7.01(a), (ii) if a quorum of members of the Executive Committee to vote on the matters set forth in Sections 7.01(a) is not obtained for two (2) consecutive meetings of the Executive Committee or (iii) there is a Material Disagreement.

(b) Resolution of Dispute. Promptly, but not later than ten (10) calendar days after receipt of a timely Deadlock Notice as provided above, the Executive Committee shall meet pursuant to the terms of such Deadlock Notice to discuss alternative solutions in order to resolve the Deadlock.

(c) Appointment of Mediator. If the Executive Committee fails to meet as provided above or fails to resolve the Deadlock within ten (10) calendar days after the receipt of the Deadlock Notice, each of the Members shall jointly select and appoint a mediator (the "Mediator") within the next twenty one (21) calendar days, who shall be familiar with the Business and who shall not have, or have had, any connection or affiliation, including as a director, employee, advisor, agent or attorney, with any Member or its Affiliates in order to mediate the difference of opinion and suggest solutions to the Deadlock that are acceptable to the Members (the "Mediation").

(d) Written Representations to Mediator. In advance of the Mediation, the Mediator shall give the Members the opportunity of making written representations to him or her and he or she shall make a decision after taking into account such representations and the

remaining provisions of this Section 7.13. The parties agree that, subject to the completion of reasonable and commercially acceptable confidentiality undertakings, the Mediator shall be given access to all such personnel, books, records and information as he or she may reasonably require.

(e) Duration of the Mediation. The Mediation shall last for a period of three (3) calendar days, or such other period as the parties may agree.

(f) Non-termination of the Mediation. No party may terminate the Mediation until each party has made its opening presentation and the Mediator has met each party separately for at least one (1) hour.

(g) Agreement Between the Parties. Any agreement reached between the Members as a result of the Mediation shall be final and binding on the Company and all Members.

(h) Expert Determination. If, after the three (3) day period (or such other period as the parties may agree) referred to in paragraph (e) above, no agreement has been reached by the Members, the Mediator shall be discharged and the Members shall, within the (10) Business Days appoint an expert (the "Expert"), who shall be familiar with the Business and who shall not have, or have had, any connection or affiliation, including as a director, employee, advisor, agent or attorney with any Member or its Affiliates to determine a resolution to the Deadlock (the "Expert Determination"). The procedure of the Expert Determination shall be agreed between Members, the details of which shall be contained in a joint letter addressed to the appointed Expert.

(i) Written Representations to Expert. The Expert shall give the parties the opportunity of making written representations to him or her and he or she shall make a decision after taking into account such representations and the remaining provisions of this Section 7.13. The parties agree that, subject to the completion of reasonable and commercially acceptable confidentiality undertakings, the Expert shall be given access to all personnel, books, records and information as he or she may reasonably require.

(j) Legal Advisers. The Expert may appoint his or her own legal advisers to advise on matters of legal interpretation on which the Members are not agreed and the expenses thereof shall be dealt with in accordance with paragraph (m) below.

(k) Final and Binding Decision. The Expert shall act as an expert and not an arbitrator and his or her reasoned decision in the absence of manifest error shall be final and binding on the Company and all of the Members.

(l) Determination of the Expert. The Expert shall determine a resolution to the Deadlock as soon as is practicable but in any event no later than one (1) month from the date the Expert is appointed (or such other period as the Members may agree).

(m) Costs. The fees and expenses of the Mediator and the Expert shall be borne one half by each Member, unless the Mediator or the Expert (as applicable) otherwise

determines. Each party will bear its own costs and expenses of its participation in the Mediation and Expert Determination.

VIII. BUY-SELL PROVISIONS

8.01 General Provisions. Either the CLI Member or the Gale/SLG Member (the "Offeror") may, in the event of a Material Disagreement commencing on or after the first anniversary of the consummation of the transactions contemplated by the Contribution and Sale Agreement, make an offer as described below (the "Buy-Sell Offer") to the other Member (the "Offeree"), as set forth below (unless the consummation of the Buy-Sell Offer would give rise to any claim of damages by the parties protected under the Contribution and Subscription Agreements).

(a) The Buy-Sell Offer shall be in writing and be signed by the Offeror, specify a cash purchase price (the "Buy-Sell Offer Price") at which the Offeror would purchase the Interests of the Offeree, specify the other major economic terms and conditions upon which the Offeror would be willing to purchase from the Offeree its Interest, including its interest in any loans to the Company (and, in such case, under the circumstances described below, those same terms and conditions shall apply to the sale by the Offeror to the Offeree of its Interest) consistent with the terms of the alternative elections set forth in Section 8.01(b).

(b) The Offeree shall have the right, exercisable by delivery of notice in writing (the "Election") to the Offeror within 75 calendar days after the receipt of the Buy-Sell Offer, to elect to either:

(i) sell to the Offeror all of the Offeree's rights, title and interests in and to its Interest in the Company, and interest in any loans to the Company, in each case free of all liens and encumbrances for a cash purchase price equal to the Buy-Sell Offer Price; or

(ii) purchase all of the Offeror's rights, title and interests in and to its Interest in the Company, and interest in any loans to the Company, for a cash purchase price equal to the Buy-Sell Offer Price.

Failure of the Offeree to give the Offeror notice of the Offeree's Election shall be deemed, upon the expiration of such 75-day period, to be an Election to sell under Section 8.01(b)(i).

(c) Within two (2) calendar days after the Offeree's Election or deemed Election, the purchasing Member under this Section 8.01 shall deposit in escrow with a title insurance company or attorney selected by the selling Member as escrowee an earnest money deposit in cash in an amount equal to 5% multiplied by the purchase price to be paid in connection with such purchase, and, if such purchasing Member fails to close such purchase as provided in this Section 8.01(c), then the selling Member may retain such deposit and either elect to purchase all of the right, title and interest of the purchasing Member in and to its Interest in the Company and in any loans to the Company, for a cash purchase price equal to the Buy-Sell Offer Price, or not cause the sale of such Interests and interests in any such loans. All closings of any purchase and sale under this Section 8.01 will be held at the Company's principal office and

shall take place no later than that date which is 60 calendar days after the later of the Offeree's Election or deemed Election. All transfer, stamp and recording taxes imposed on the transfer, and all other closing costs shall be allocated 50% to the selling Member and 50% to the purchasing Member. On or prior to the closing of the purchase under this Section 8.01(c), the selling Member shall receive, as applicable (i) a release from all liability under any guaranty and/or indemnity issued by the selling Member and/or its Related Persons (with respect to actions after the closing of the sale); provided, however, that if the lender under the applicable loan documents (the "Lender"), after request from either the selling Member or the purchasing Member, will not agree to release the selling Member and/or its Related Persons (with respect to actions after the closing of the sale), then the purchasing Member shall deliver to the selling Member an indemnity, in form and substance and from a Person with creditworthiness satisfactory to the

selling Member, indemnifying it and/or its Related Persons in the event of any liability on its (or their) part under the guaranty and/or indemnity for claims arising from and after the closing (but not for any claim made by the Lender under any such guaranty and/or indemnity that was asserted by the Lender prior to the closing); and (ii) an agreement, in mutually acceptable form, providing that a Person with creditworthiness satisfactory to the selling Member will indemnify and hold the selling Member (and its Related Persons) harmless against any post-closing liabilities it (or they) may incur as a result of the selling Member having been an indirect owner of the Properties (other than any liabilities arising out of the selling Member's (or the selling Member's Related Persons') gross negligence or willful misconduct.

(d) Each Member shall be entitled to enforce its rights under this Section 8.01 by specific performance. If the purchasing Member defaults under this Section 8.01, it shall have no right to make any future Buy-Sell Offer hereunder, to be a Proposing Member under Section 7.09 hereof or any rights under Section 10.02(e), 10.05 or 10.06 hereof. No Buy-Sell Offer may be made until all periods for making elections and performing obligations under any previous Buy-Sell Offer pursuant to this Section 8.01 shall have terminated.

(e) Any Member may freely assign its rights and obligations pursuant to this Section 8.01 to an Affiliate by delivering notice of such assignment to the other Member, provided that the assigning Member shall remain liable for any and all obligations of its assignee, as if such Member had not assigned its rights pursuant to this Section 8.01(e).

(f) Notwithstanding the foregoing, if the provisions of Section 10.02(e) or Section 7.09 of this Agreement have been initiated by any Member, then no Member may initiate the provisions of this Section 8.01 until the procedures set forth in such Sections 7.09 or 10.02(e), as applicable, have been completed or terminated pursuant to the provisions of such Sections 7.09 or 10.02(e), as the case may be.

8.02 Termination of Other Agreements. If any Member's Interest is purchased under this Article VIII, all other agreements with such Member or its Related Persons will (at the election of the purchasing Member) be terminated on the date such Member's Interest is purchased.

8.03 Power of Attorney. In the event that either the Offeror or the Offeree under Section 8.01 (as the selling Member) shall have failed or refused, within five (5) calendar days after receipt of a notice from the other Member requesting such Offeror or Offeree to execute,

acknowledge and deliver such documents, or cause the same to be done, as shall be required to effectuate the provisions of Sections 8.01, as applicable, then the purchasing Member may execute, acknowledge and deliver such documents for, on behalf of and in the stead of the selling Member, and such execution, acknowledgment and delivery by the purchasing Member shall be for all purposes effective against and binding upon the selling Member as though such execution, acknowledgment and delivery had been by the selling Member. Each Member does hereby irrevocably constitute and appoint other Member as the true and lawful attorney-in-fact of such Member and the successors and assigns thereof, in the name, place and stead of such Member or the successors or assigns thereof, as the case may be, to execute, acknowledge and deliver such documents in the event such Member shall be a selling Member under the circumstances contemplated by this Section 8.03. It is expressly understood, intended and agreed by each Member, for such Member and its successors and assigns, that the grant of the power of attorney to any other Member pursuant to this Section 8.03 is coupled with an interest, is irrevocable and shall survive the death, dissolution, termination or legal incompetency, as applicable, of such granting Member, or the assignment of the Interest of such granting Member, or the dissolution of the Company.

IX. BOOKS AND RECORDS

9.01 Books and Records. The Manager shall maintain, or cause to be maintained, at the expense of the Company, in a manner customary and consistent with good accounting principles, practices and procedures, a comprehensive system of office records, books and accounts (which records, books and accounts shall be and remain the property of the Company) in which shall be entered fully and accurately each and every financial transaction with respect to the operations of the Company and each Subsidiary and the ownership and operation of the Properties. Bills, receipts and vouchers shall be maintained on file by the Manager. The Manager shall maintain said books and accounts in a safe manner and separate from any records not having to do directly with the Company. The Manager shall cause audits to be performed and audited statements and income tax returns to be prepared as required by Section 9.03 hereof. Such books and records of account shall be prepared and maintained by the Manager at the principal place of business of the Company or such other place or places as may from time-to-time be determined by the Executive Committee. Each Member or its duly authorized representative shall have the right to inspect, examine and copy such books and records of account at the Company's office during reasonable business hours.

9.02 Accounting and Fiscal Year. The books of the Company and each Subsidiary shall be kept on the accrual basis in accordance with United States generally accepted accounting principles ("GAAP"), and the Company and each Subsidiary shall report its operations for tax purposes on the accrual method. The taxable year of the Company and each Subsidiary shall end on December 31 of each year, unless a different taxable year shall be required by the Code.

9.03 Reports.

(a) The Manager shall prepare or cause to be prepared at the Company's expense the financial reports and other information that the Executive Committee may determine are appropriate, including those provided for in Section 7.03(c). In any event, the Manager shall prepare or cause to be prepared at the expense of the Company and furnish to each of the

Members: (i) within thirty (30) calendar days after the close of each fiscal year of the Company, a preliminary and unaudited consolidated balance sheet of the Company and each Subsidiary dated as of the end of such fiscal year, a preliminary and unaudited statement of income and expense (with material budget variance explanations) and a preliminary and unaudited statement of changes in Members' capital for such fiscal year; (ii) as early as practicable but in no event later than ninety (90) calendar days after the close of each fiscal year of the Company, a consolidated balance sheet of the Company and each Subsidiary dated as of the end of the fiscal year, a related statement of income and expense (with material budget variance explanations), a statement of cash flow and a statement of changes in Members' capital for the Company for the fiscal year and information for the fiscal year as to the balance in each Member's Capital Account, and all other information reasonably required by each Member, all of which shall be certified to by the Manager as being, to the best of its knowledge, true and correct, and all of which shall be certified in the customary manner by the Company Accountant (which firm shall provide such balance sheet, statement of income and expense, statement of cash flow, statement of changes in Members' capital and other information in draft form to the Members for review prior to finalization and certification thereof); (iii) within thirty (30) days after the close of each fiscal quarter of the Company (other than the last fiscal quarter in any fiscal year), a consolidated balance sheet of the Company and each Subsidiary dated as of the end of the fiscal quarter, a related statement of income and expense (with material budget variance explanations), an estimated statement of cash flow and a statement of changes in Members' capital for the fiscal quarter and information for the fiscal quarter as to the balance in each Member's Capital Account, and all other information, including a market update, reasonably required by each Member, all of which shall be certified to by the Manager as being, to the best of its knowledge, true and correct; and (iv) within thirty (30) days after the end of each calendar month, a consolidated income statement (with material budget variance explanations) for the Company and each Subsidiary and a related estimated statement of cash flow, and a sales, marketing and development activity report indicating details with regard to any progress made in connection with the sale, marketing or development of the Properties (including a report of development expenditures, with budget variance explanations), marketing programs, sales contracts or construction contracts or letters of intent received, entered into or closed or terminated, new leases, renewals, extensions and terminations, and a report of capital expenditures, each for the previous calendar month, and an accounts receivable aging report and insurance certificate status report, each dated as of the end of the previous calendar month. The Manager will also promptly furnish to each Member, at the expense of the Company, copies of all reports required to be furnished to any lender of the Company or any Subsidiary. At the expense of the Company, the Manager shall, within thirty (30) days after the end of each calendar half-year, prepare (or cause to be prepared) and deliver to the Executive

Committee for approval semi-annual updates of the current year Budget and Operating Plan for review and approval by the Executive Committee within sixty (60) days after the end of each calendar half-year; it is specifically understood by the Members that the Manager by preparing such projections will not be deemed to be representing or warranting or guaranteeing that the projected returns on the Members' investments set forth therein will be attained, in whole or in part. In addition, promptly after the end of each fiscal year and at the expense of the Company, the Manager will cause the Company Accountant to prepare and deliver to each Member a report setting forth in sufficient detail all such information and data with respect to business transactions effected by or involving the Company and each Subsidiary during such fiscal year as will enable the Company and each Member to timely

prepare its federal, state and local income tax returns in accordance with the laws, rules and regulations then prevailing. The Manager will also cause the Company Accountant to prepare federal, state and local tax returns required of the Company, submit those returns to the Executive Committee for its approval as early as practicable but in no event later than ninety (90) calendar days following the end of the preceding fiscal year and will file or cause to be filed the tax returns after they have been approved by the Executive Committee. In the event the members of the Executive Committee shall not in good faith be able to approve any such tax return prior to the date required for the filing thereof, the Manager will timely obtain or cause to be obtained an extension of such date if such extension is available under applicable law or, if such extension is not available, file the tax return. The Manager shall prepare and distribute or cause to be prepared and distributed the reports and statements described in this Section 9.03.

(b) All decisions as to accounting principles shall be made by the Executive Committee, subject to the provisions of this Agreement.

9.04 The Company Accountant. The Company shall retain as the regular accountant and auditor for the Company and each Subsidiary (the "Company Accountant") a nationally-recognized accounting firm or any other accounting firm approved and designated by the Executive Committee. The fees and expenses of the Company Accountant shall be a Company expense. The initial Company Accountant shall be Price Waterhouse Coopers, until such time as the Executive Committee shall elect to change such Company Accountant.

9.05 Reserves. The Executive Committee may, in its discretion, subject to such conditions as it shall determine, establish cash reserves for the purposes and requirements as it may deem appropriate in connection with the Class B Properties (the "Reserve Accounts"). Such Reserve Accounts will be increased by any deposits thereto from time-to-time of amounts of the revenues of the Company from operations, the net proceeds from capital transactions, and contributions and other sources, before any distributions of such amounts to the Members, as determined reasonably necessary by the Executive Committee. Once established, such Reserve Accounts may be charged by the Manager with any expenditure for the operation of the Company, the GP, the OP, any Class B Property Subsidiary or the Class B Properties, the maintenance or repair of any item and the purchase, acquisition, repair, maintenance or construction of items at or on the Class B Properties and any contingent, unforeseen or other liabilities or obligations of the Company, the GP, the OP or any Class B Property Subsidiary, whether such items are treated as current expense deductions or as capital expenditures under GAAP. Nothing contained in this Section 9.05 shall in any way limit or restrict the right of the Executive Committee to use other assets or funds of the Company (other than deposits to the Reserve Accounts) for any such expenditures with respect to the Class B Properties.

9.06 The Budget and Operating Plan.

(a) The Manager shall be responsible for preparing and submitting to the Executive Committee for its approval a proposed budget and strategic operating plan with regard to the Class B Properties and/or the Class B Property Subsidiaries on a consolidated basis along with operations of the Company, the GP and the OP for each fiscal year. As soon as reasonably practical, but in any event within thirty (30) days after the date of this Agreement, the Manager shall prepare and submit to the Executive Committee, for its approval, (i) an initial Budget for

the Company, the GP, the OP and the Class B Property Subsidiaries (as approved by the Executive Committee, the "Initial Budget") and (ii) the initial proposed strategic operating plan for the Company, the GP, the OP and the Class B Property Subsidiaries (as approved by the Executive Committee, the "Initial Operating Plan"). In the absence of an approved Operating Plan (including in the absence of an approved Initial Operating Plan), no Member or Manager shall have any authority, with regard thereto, other than as provided in Section 7.03(c) hereof (if applicable), to authorize or approve or to take any action, expend any sum, make any decision or incur any obligation on behalf of the Company, the GP, the OP or any Class B Property Subsidiary with respect to any matter which by the express terms of this Agreement was contemplated to be included in the approved Operating Plan, without the consent or approval of the Executive Committee. Further, in the absence of an approved Budget (including in the absence of an approved Initial Budget), no Manager shall have any authority, with regard thereto, other than as provided in Section 7.03(c), hereof (if applicable), to authorize or approve or to take any action, expend any sum, make any decision or incur any obligation on behalf of the Company, the GP, the OP or any Class B Property Subsidiary, without the consent or approval of the Executive Committee. Each Budget and Operating Plan (including the Initial Budget and Initial Operating Plan) shall set forth all anticipated construction costs for any improvements or developments to be constructed on the Class B Properties and shall set forth on an annual basis all anticipated income, operating expenses, proposed and/or actual debt service terms and payments and capital and other costs and expenses of the Class B Properties for the Company, the GP, the OP and each Class B Property Subsidiary (including, without limitation, a projected 12-month expense budget, a 12-month capital plan and a 60-month strategic operating plan), all of which will be based on the strategic and comprehensive business plan designed to maximize the net operating income of the Company and the Company's returns on the Class B Properties. The Executive Committee will review the Initial Budget and Initial Operating Plan and each subsequent Budget and Operating Plan for the Class B Properties after six months of actual operating results and make such amendments or modifications thereto as the Executive Committee shall determine appropriate or necessary in its reasonable judgment. For each year thereafter, the Budget and Operating Plan shall be prepared in proposed form by the Manager and submitted by the Manager to the Executive Committee in draft form within thirty (30) days after the end of each of the fiscal year of the Company. The Budget and Operating Plan will include a comprehensive update of the initial projections with regard to the Class B Properties, the Company, the GP, the OP and each Class B Property Subsidiary. Until such time as the Budget and Operating Plan for any fiscal year has been approved by the Executive Committee, the Manager shall have no authority or power to enter into any contract or lease on behalf of the Company, the GP, the OP or any Class B Property Subsidiary or expend Company, GP, OP or Class B Property Subsidiary funds, other than to the extent approved by the Executive Committee or as expressly provided in this Agreement. Once the Budget and Operating Plan (including the Initial Budget and Operating Plan) has been approved by the Executive Committee, the manager shall be responsible for the day-to-day operations of the Company, the GP and the OP in accordance with such plans.

(b) In formulating the Operating Plan for the Company, the GP, the OP and all Class B Property Subsidiaries, to the extent reasonably feasible at the time of preparation thereof, the Manager will develop (for approval by the Executive Committee) proposed strategies regarding (i) plans for development, construction or rehabilitation of the Class B Properties, (ii) preparation and release of all promotion and advertising material relating to the

Class B Properties or concerning the Company and/or the Class B Property Subsidiaries, (iii) terms for any proposed sale or disposition of the Class B Properties, and (iv) selection of contractors, construction or other managers, legal counsel, accountants, structural and environmental engineers, appraisers and other consultants for the Company, the GP, the OP or any of the Class B Property Subsidiaries to efficiently implement the current Budget and Operating Plan.

(c) The Manager will also consider and make recommendations, to the extent it deems the same appropriate, regarding the amendment, modification,

alteration, change, cancellation, or prepayment of any indebtedness evidenced by any mortgage or mezzanine loan presently or hereafter affecting the Class B Property, and procurement of title insurance and other insurance for the Company, the GP, the OP or any Class B Property Subsidiary or any decrease, increase or other variance with regard to the insurance carried by or on behalf of the Company or any Class B Property Subsidiary. Prior to closing the sale of the Class B Properties, the Manager will consider and make recommendations regarding the amendment, modification, alteration and change of the existing Budget and Operating Plan to take into account the sale of the Class B Property. No amendment, modification, alteration or change of any Budget and Operating Plan will be effective until the same has been approved by the Executive Committee.

(d) In conjunction with the formulation of the Operating Plan for the Class B Properties, the Manager will also develop (for approval by the Executive Committee) proposed leasing and other operating guidelines for the Class B Properties for the upcoming fiscal year, which leasing and other operating guidelines shall include, to the extent reasonably feasible at the time of preparation thereof, (i) any changes to the standard form or forms of lease to be offered to prospective tenants, (ii) a rent schedule setting forth proposed terms and rentals for the current and upcoming fiscal year, (iii) a description of any proposed tenant inducements, concessions, improvements or allowance to be offered prospective tenants, (iv) a schedule of existing leases affecting the Class B Properties (including their termination dates), including and specifying those spaces which remain unleased and leases which are scheduled to expire during the current and upcoming fiscal year, (v) a proposed budget for the cost to be incurred for the balance of the projected development and/or lease-up period, (vi) a schedule of spaces that require significant remodeling, repairing or rehabilitation and a proposed budget for the cost to be incurred for the balance of the fiscal year with respect thereto and (vii) a summary of the proposed general content and methodology of presenting the advertising program to be implemented with respect to the Class B Properties. In addition, the Manager will include in each proposed Operating Plan for approval by the Executive Committee a schedule of the employees, if any, to be employed "on site" in the direct management of the Class B Properties and all job titles whose salaries or wages may from time-to-time be charged to the Company, GP, the OP or any Class B Property Subsidiary. Such schedules shall be updated from time-to-time but at least annually. The schedules shall include the name of such employees, their job description and title, their office address and their salary.

X. TRANSFER OF INTERESTS

10.01 No Transfer.

(a) Except as expressly permitted or contemplated by this Agreement: (i) no Member may, directly or indirectly, sell, assign, give, hypothecate, pledge, encumber or otherwise transfer ("Transfer") all or any portion of its Interest without the prior written consent of the other Member (which may be withheld or granted in the sole discretion of such other Member); (ii) CLI may not Transfer all or any portion of its equity interest in the CLI Member without the prior written consent of the Gale/SLG Member, which may be withheld or granted in the sole discretion of the Gale/SLG Member (it being understood this clause shall not apply to the direct or indirect equity owners of CLI); and (iii) no direct or indirect equity owner of the Gale/SLG Member (excluding the direct or indirect equity owners of SLG) may Transfer all or any portion of its equity interest in the Gale/SLG Member without the prior written consent of the CLI Member, which may be withheld or granted in the sole discretion of the CLI Member.

(b) Any Transfer in contravention of this Article X shall be null and void. No Member, without the prior written consent of the other Member, may resign from the Company, except as a result of such Member's involuntary dissolution or final adjudication as bankrupt or in connection with a permitted Transfer.

10.02 Permitted Transfers.

(a) Subject to the provisions of Section 10.07, the CLI Member may, from time-to-time and in its sole discretion, without the consent of the Gale/SLG Member, sell or assign its Interests in whole or in part to any wholly owned and controlled Affiliate of CLI; provided such transferee agrees to be bound by all the terms, conditions and provisions of this Agreement (including the provisions of this Article X). In connection with the foregoing, the CLI Member shall have the absolute right to assign to such Person the right to appoint one or more of the three Executive Committee members the CLI Member is entitled to appoint pursuant to the terms of Section 7.02 hereof. In addition, the CLI Member shall have the right to pledge or encumber its Interest with equity based financing from an institutional lender in an amount of up to 50% of its Adjusted Capital Account Balance. Furthermore, CLI may consummate a merger, consolidation or other business combination transaction with a third party, provided that, following any such merger, consolidation or other business combination transaction with a third party, the Management Agreement shall be amended, if so requested by the Gale/SLG Member, to reflect such agreed-upon terms and standards as the Members agree.

(b) Subject to the provisions of Section 10.07, the Gale/SLG Member may, from time-to-time and in its sole discretion, without the consent of the CLI Member, sell or assign its Interest in whole or in part to any wholly-owned and controlled Affiliate of Gale/SLG, provided such transferee agrees to be bound by all the terms, conditions and provisions of this Agreement (including the provisions of this Article X. In connection with the foregoing, the Gale/SLG Member shall have the absolute right to assign to such Person the right to appoint one or more of the three Executive Committee members the Gale/SLG Member is entitled to appoint pursuant to the terms of Section 7.02 hereof. In addition, the Gale/SLG Member shall have the right to pledge or encumber its Interest with equity based financing from an institutional lender in an amount of up to 50% of its Adjusted Capital Account Balance.

(c) Any permitted Transfer pursuant to subsection (a) or subsection (b) above shall not relieve the transferor of any of its obligations prior to such Transfer. Subject to

Sections 10.03 and 10.04, any transferee pursuant to this Section 10.02 shall become a substitute Member of the Company and each Member and its permitted transferee(s) shall be treated as one Member for all purposes of this Agreement. Except as set forth in the last sentence of Section 10.02(b) hereof, the provisions of this Section 10.02 will not apply to or be deemed to authorize or permit any collateral transfer of, or grant of a security interest in, a Member's interest in the Company, or in any Company property (which transfer or grant shall be subject to the other provisions of this Agreement).

(d) Notwithstanding the foregoing (including Section 10.01(a)), but subject to the provisions of Sections 10.02(c), 10.02(e), 10.03, 10.05, 10.06 and 10.07 hereof, from and after the earlier of the second anniversary of the formation of the Company or the termination of the Company pursuant to Article XII, the CLI Member may Transfer all or any part of its Interest to any Purchaser, without the prior written consent of the Gale/SLG Member, provided such transferee agrees to be bound by all of the terms, conditions and provisions of this Agreement, including the provisions of this Article X). Notwithstanding the foregoing, in no event shall the CLI Member sell or assign its Interest in whole or in part to either Reckson Associates, a Maryland corporation, Vornado Realty Trust, a Maryland corporation or any of their respective Affiliates, unless, in connection with such a Transfer, the SLG/Green Member shall have exercised its Tag-Along Right in accordance with the provisions of Section 10.05.

(e) (i) If the CLI Member desires to Transfer all or a part of its Interest (the "Target Interest") to a Purchaser in accordance with Section 10.02(d) upon terms proposed by such Purchaser and which the CLI Member is in good faith willing to accept ("Acceptable Transfer Terms"), the CLI Member shall deliver to the Gale/SLG Member notice of the terms of such Acceptable Transfer Terms ("Transfer ROFO Notice"), including the identification of the proposed transferee, the proposed consideration, other economic terms and conditions and all other material terms and conditions of such Acceptable Transfer Terms (including, without limitation, whether the CLI Member will be released from any existing guaranties or receive an indemnity from a Person with creditworthiness satisfactory to the CLI Member in lieu thereof). At any time within 30 calendar days after the date the Gale/SLG Member receives the Transfer ROFO Notice (the "Transfer Response Period"), the Gale/SLG Member shall have the right, exercisable by delivery of notice in writing (the "Transfer Election") to the CLI Member, to:

(A) approve the Acceptable Transfer Terms and authorize the CLI Member to sell or dispose of the Target Interest to the named proposed transferee in accordance with the Acceptable Transfer Terms and such other terms and conditions as determined appropriate in the reasonable discretion of the CLI Member; or

(B) to the extent the provisions of Section 10.05 hereof are applicable, approve the Acceptable Transfer Terms and authorize the CLI Member to sell or dispose of the Target Interest of the CLI Member and the Gale/SLG Member's Interest in accordance with such Acceptable Transfer Terms as set forth in Section 10.05 hereof; or

(C) elect to purchase all of the Target Interest for a cash purchase price equal to 95% of the consideration set forth in the Acceptable Transfer Terms (including any assumption of debt, if applicable) and subject to no other terms and conditions.

(ii) Any election pursuant to subparagraph (C) of Section 10.02(e)(i) above shall be made by (1) delivering to the CLI Member the Transfer Election, which shall affirmatively state that the Gale/SLG Member is exercising such option, and (2) depositing in an escrow account at a title insurance company or attorney selected by the CLI Member (the "Transfer Escrow Agent"), a deposit equal to 5% of the purchase price specified in subparagraph (C) of Section 10.02(e)(i) (the "Transfer Escrow Deposit"). In the event of a purchase pursuant to subparagraph (C) of Section 10.02(e)(i) above, on the later of the closing date set forth in the applicable Acceptable Transfer Terms or within 30 calendar days of the date of the Gale/SLG Member's election to purchase (pursuant to subparagraph (C) of Section 10.02(e)(i) above), the Gale/SLG Member and the CLI Member shall close the purchase of the Target Interest and the CLI Member shall assign the Target Interest to the Gale/SLG Member or to a designee of the Gale/SLG Member (pursuant to such documentation as shall be reasonably required by the Gale/SLG Member), against receipt of payment of the cash portion of the purchase price and assumption of any debt as aforesaid free and clear of all liens and other encumbrances. All closings of any purchase and sale under this Section 10.02(e) will be held at the Company's principal office and will take place no later than the closing date set forth in the applicable Acceptable Transfer Terms.

(iii) If during the Transfer Response Period, the Gale/SLG Member neither (A) authorizes the CLI Member to sell the applicable Target Interest as provided in Section 10.02(e)(i)(A) or (B) above or (B) elects to purchase the Target Interest of the CLI Member by following the procedures in Section 10.02(e)(i)(C) above, then the Gale/SLG Member shall be deemed to have authorized and approved a Transfer of the Target Interest pursuant to Section 10.02(e)(i)(A) hereof, for a purchase price not less than the purchase price set forth in the Acceptable Transfer Terms, and otherwise pursuant to such other terms, conditions and provisions as are determined appropriate in the reasonable discretion of the CLI Member. If the Gale/SLG Member shall have elected or have been deemed to have elected to authorize the CLI Member to sell the applicable Target Interest as provided in Section 10.02(e)(i)(A), the CLI Member shall enter into a binding contract for the Transfer of the Target Interest within 30 calendar days after the date on which the Gale/SLG Member authorized or was deemed to have authorized such Transfer, and such Transfer must be consummated within 60 calendar days after the date on which the Gale/SLG Member authorized or was deemed to have authorized such Transfer. The failure of the CLI Member to enter into such binding contract within the 30-day period referred to in the immediately preceding sentence or the failure of such Transfer to occur within the 60-day period referred to in the immediately preceding sentence shall require the CLI Member to again deliver to the Gale/SLG Member an additional Transfer ROFO Notice and to again follow the procedures set forth in this Section 10.02(e) hereof in order to Transfer all or part of its Interests.

(iv) In the event the Gale/SLG Member should default in its obligation to purchase any Target Interest pursuant to the terms of this Section 10.02(e), the following shall be the sole and exclusive remedy for such default:

(A) The Gale/SLG Member shall cease to have any rights of first offer or Tag-Along Rights pursuant to the provisions of both Section 10.02(e) and Section

10.05 hereof, respectively (including with regard to any future or subsequent Transfer of an Interest by the CLI Member); and

(B) The Interest Transfer Escrow Agent shall immediately deliver to the CLI Member the Transfer Escrow Deposit (such amount shall not be deemed to be a contribution or distribution of capital, or effect in any way the Capital Account of any Member or the Payout Percentages, the allocation provisions or any other equity provisions of this Agreement); and

(C) Thereafter, the CLI Member may at any time Transfer all or any portion of its Interest to any party without the prior written consent of the Gale/SLG Member or the Executive Committee and without having to comply with the provisions of either Sections 10.02(e) and 10.05 hereof (and in any such case, the transferee shall be deemed to be a permitted transferee pursuant to this Section 10.02 and shall become a substitute Member of the Company, and if applicable, an additional or substitute Manager of the Company).

(v) Notwithstanding the foregoing, if the provisions of Section 7.09 or Section 8.01 hereof have been initiated by any Member, then the CLI Member may not initiate the provisions of this Section 10.02(e) until the procedures set forth in Section 7.09 or Section 8.01 hereof have been completed or terminated pursuant to the provisions of Section 7.09 or Section 8.01 hereof.

10.03 Transferees. No transferee of all or any portion of any Interest shall be admitted as a substitute Member unless (i) such Interest is transferred in compliance with the applicable provisions of this Agreement, (ii) such transferee shall have furnished evidence of satisfaction of the requirements of Section 10.02 hereof, reasonably satisfactory to the remaining Member(s), and (iii) such transferee shall have executed and delivered to the Company such instruments as the remaining Member(s) reasonably deem necessary or desirable to effectuate the admission of such transferee as a Member and to confirm the agreement of such transferee to be bound by all the terms, conditions and provisions of this Agreement with respect to such Interest. At the request of any remaining Member, each such transferee shall also cause to be delivered to the Company at the transferee's sole cost and expense, a favorable opinion of legal counsel reasonably acceptable to the remaining Members, to the effect that (a) such transferee has the legal right, power and capacity to own the Interest proposed to be Transferred, (b) such Transfer does not violate any provision of any loan commitment or agreement or any mortgage, deed of trust or other security instrument encumbering all or any portion of the Property or any other asset of the Company, and (c) such Transfer does not violate any federal or state security laws and will not cause the Company to become subject to the Investment Company Act of 1940, as amended. As promptly as practicable after the admission of any Person as a Member, the books and records of the Company shall be changed to reflect such admission. All reasonable costs and expenses incurred by the Company in connection with any Transfer of any Interest and, if applicable, the admission of any transferee as a Member shall be paid by such transferee.

10.04 Admission of Additional Members.

(a) No person may be admitted as an additional Member of the Company (in contrast with admission as a substitute Member in connection with a permitted Transfer) without the consent of the Executive Committee.

(b) Any additional or substitute Member admitted to the Company shall execute and deliver documentation in form satisfactory to the Executive Committee accepting and agreeing to be bound by this Agreement, and such other documentation as the Executive Committee shall reasonably require in order to effect such Person's admission as an additional Member. The admission of any Person as an additional Member shall become effective on the date upon which the name of such person is recorded on the books and records of the Company following the consent of the Executive Committee to such admission.

10.05 Tag-Along Rights.

(a) Subject to the other provisions of this Article X, if the CLI Member proposes to sell, exchange or otherwise dispose of (a "Sale") all (but not less than all) of its Interest in the Company for cash, Cash Equivalents or Readily Marketable Securities or any combination thereof, to any Purchaser, and the Gale/SLG Member does not intend to approve such Sale in accordance with the provisions of Section 10.02(e)(i)(A) hereof or to exercise its right of first offer to purchase the Interest of the CLI Member pursuant to the provisions of Section 10.02(e)(i)(C) hereof, the Gale/SLG Member may, in its discretion, elect within the Transfer Response Period to require the CLI Member to sell, exchange or otherwise dispose of all of the Gale/SLG Member's Interest in the Company pursuant to such Sale for the same proportionate consideration and otherwise on the same terms and conditions upon which the CLI Member proposes to sell, exchange or otherwise dispose of its Interest. The consideration received in connection with such sale shall be allocated between the CLI Member and the Gale/SLG Member on the same basis and in the same proportions that such consideration would be distributed pursuant to Section 6.03 hereof if it had been paid to the Company. Subject to the other provisions of this Article X, if the CLI Member proposes a Sale of less than all of its Interest in the Company for cash, Cash Equivalents or Readily Marketable Securities or any combination thereof, in one transaction, to any Purchaser, and the Gale/SLG Member does not intend to approve such Sale in accordance with the provisions of Section 10.02(e)(i)(A) hereof or to exercise its right of first offer to purchase the Interest of the CLI Member pursuant to the provisions of Section 10.02(e)(i)(C) hereof, the Gale/SLG Member may, in its discretion, elect within the Transfer Response Period to require the CLI Member to sell, exchange or otherwise dispose of the same proportionate part of the Gale/SLG Member's Interest in the Company as the CLI Member is proposing to sell, for the same proportionate consideration and otherwise on the same terms and conditions upon which the CLI Member proposes to sell, exchange or otherwise dispose of a portion of its Interest. For example, if the CLI Member proposes to sell 40% of its Interest in the Company, then subject to the terms set forth above, the Gale/SLG Member may "tag along" and require the sale of 40% of its Interest in the Company. If the Gale/SLG Member shall have exercised its Tag-Along Right under this Section 10.05(a), the CLI Member shall not consummate any Sale that does not also include the Interests of the Gale/SLG Member.

(b) In connection with any proposed Sale, the CLI Member shall include in any Transfer ROFO Notice delivered pursuant to Section 10.02(e)(i) hereof (i) an offer to the Gale/SLG Member to have the Gale/SLG Member's Interest included in such Sale in accordance

with Section 10.05(a) hereof (the "Tag-Along Right") and (ii) all documents required to be executed by the Gale/SLG Member in order to include the Gale/SLG Member's Interest in such Sale, which documents shall be on terms no less favorable than the documents to be executed by the CLI Member. The Gale/SLG Member must exercise its Tag-Along Right by making the Transfer Election set forth in Section 10.02(e)(i)(B) hereof within the Transfer Response Period as provided in Section 10.02(e)(i) hereof. In such circumstances, the Transfer Election must include, and the Gale/SLG Member must execute and deliver to the CLI Member with the Transfer Election, the documents previously furnished to the Gale/SLG Member for execution in connection with the Sale. Delivery by the Gale/SLG Member of such documents shall constitute an irrevocable exercise by the Gale/SLG Member of its Tag-Along Rights with respect to the Sale. The failure of the Gale/SLG Member to timely execute the documents previously furnished to them for execution in connection with the Sale and to deliver such documents, together with the Transfer Election, in accordance with the provisions of Section 10.02(e)(i)(B) hereof shall constitute an irrevocable election by the Gale/SLG Member not to exercise their Tag-Along Rights with respect to the Sale.

(c) In connection with any such Sale pursuant to which the Gale/SLG Member shall have participated in accordance with its Tag-Along Rights as set forth above, the CLI Member shall, promptly after consummation of such Sale, notify the Gale/SLG Member to that effect, shall furnish evidence of such Sale (including the date and the time of sale) and of the terms thereof as the Gale/SLG Member may reasonably request and shall promptly (and in any event within 15 Business Days following the consummation of such Sale) cause to be remitted to the Gale/SLG Member the proceeds attributable to the sale of the Gale/SLG Member's Interest.

(d) Notwithstanding anything in this Section 10.05 to the contrary, there shall be no liability on the part of any Member to any other Member if any sale of Interest pursuant to this Section 10.05 is not consummated for whatever reason other than a failure to comply with the foregoing provisions. It is understood that the CLI Member, in its sole discretion, shall determine whether to effect a Sale to any third party pursuant to this Section 10.05.

10.06 Drag-Along Rights

(a) Subject to the other provisions of this Article X, if the CLI Member proposes a Sale of all (but not less than all) of its Interest in the Company for cash or Cash Equivalents or any combination thereof, to any Purchaser, and the Gale/SLG Member does not exercise its Tag-Along Rights pursuant to the provisions of Section 10.02(e)(i)(B) hereof or exercise its right of first offer to purchase the Interest of the CLI Member pursuant to the provisions of Section 10.02(e)(i)(C) hereof, the CLI Member may, in its discretion, elect, within the 15 calendar day period following the expiration of the Transfer Response Period (the "Drag-Along Period"), to require the Gale/SLG Member to sell, exchange or otherwise dispose of all of the Gale/SLG Member's Interest in the Company pursuant to such Sale for the same proportionate consideration and otherwise on the same terms and conditions upon which the CLI Member proposes to sell, exchange or otherwise dispose of its Interest. The consideration received in connection with such sale shall be allocated between the CLI Member and the Gale/SLG Member on the same basis and in the same proportions that such consideration would be distributed pursuant to Section 6.03 hereof if it had been paid to the Company. The CLI Member must exercise its rights under this Section 10.06(a) (the "Drag-Along Right") by

delivering written notice (the "Drag-Along Notice") of the exercise by the CLI Member of such Drag-Along Right to the Gale/SLG Member during the Drag-Along Period.

(b) In connection with the exercise of the CLI Member of the Drag-Along Right, the CLI Member shall include in any Drag-Along Notice delivered pursuant to Section 10.06(a) hereof all documents required to be executed by the Gale/SLG Member in order to include the Gale/SLG Member's Interest in such Sale (which documents shall be on terms that are identical to the terms of the CLI Member's Transfer, except that the Gale/Member shall not be required to make any representations, warranties, covenants or agreements other than its authority to sign such documents, its title to its Interests being sold and its obligation to Transfer its Interests). The Gale/SLG Member must promptly execute and deliver to the CLI Member the documents previously furnished to the Gale/SLG Member for execution in connection with the Sale. The failure of the Gale/SLG Member to timely execute the documents previously furnished to it for execution in connection with the Sale and to deliver such documents shall constitute an Event of Default by the Gale/SLG Member, so long as such documents are in conformity with the provisions of this Section 10.06.

(c) In connection with any such Sale pursuant to which the Gale/SLG Member shall be required to participate in accordance with the Drag-Along Rights as set forth above, the CLI Member shall, promptly after consummation of such Sale, notify the Gale/SLG Member to that effect, shall furnish evidence of such Sale (including the date and the time of sale) and of the terms thereof as the Gale/SLG Member may reasonably request and shall promptly (and in any event within 15 Business Days following the consummation of such Sale) cause to be remitted to the Gale/SLG Member the proceeds attributable to the sale of the Gale/SLG Member's Interest.

(d) Notwithstanding anything in this Section 10.06 to the contrary, there shall be no liability on the part of any Member to any other Member if any sale of Interest pursuant to this Section 10.06 is not consummated for whatever reason other than a failure to comply with the foregoing provisions. It is understood that the CLI Member, in its sole discretion, shall determine whether to effect a Sale to any third party pursuant to this Section 10.06.

10.07 Override on Permitted Transfers.

(a) It is expressly understood and agreed that any Transfer permitted pursuant to this Article X shall in all instances be prohibited (and, if consummated, shall be void *ab initio*) if such Transfer does not comply with all applicable laws, rules and regulations and other requirements of governmental authorities, including, without limitation, Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof.

(b) Each admitted Member shall be required to make the representations and warranties set forth in Section 14.01(a) of this Agreement to the other Member(s) and the Company as of the date of such Member's admission into the Company. Each Member shall be deemed to make the representations and warranties set forth in Section 14.01(a)(ix)-(xii) of this

Agreement to the Members and the Company on behalf of any Person that acquires a beneficial ownership interest in such Member as of the date of such acquisition.

(c) If any Member shall fail to remain in compliance with Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof, such failure shall constitute an "Event of Default" committed by such Member for purposes of Article XIII hereof.

(d) Notwithstanding anything to the contrary contained in this Agreement, no Transfer of all or any part of any Interest shall be made (a) except in compliance with all applicable securities laws or (b) if such Transfer would violate any loan commitment or agreement or any mortgage, deed of trust or other security instrument encumbering all or any portion of the Property or any other asset of the Company.

XI. EXCULPATION AND INDEMNIFICATION

11.01 Exculpation. Notwithstanding any contrary provision of the Delaware Act, no Member (and no Manager, member of the Executive Committee, general or limited partner of any Member, shareholder, member or other holder of an equity interest in such Member or officer, director or employee of any of the foregoing or any of their Affiliates) shall be liable to the Company, any Subsidiary or to any other Member or Manager for monetary damages for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it arising out of or in connection with this Agreement or the Company's or any Subsidiary's business or affairs; provided, however, such act or omission was taken in good faith, was reasonably believed to be in the best interests of the Company or the applicable Subsidiary and was within the scope of authority granted to such Person was not attributable in whole or in part to (a) a breach of this Agreement which has a material adverse effect upon the value of, or causes material damage to, the Company or the Properties, (b) a knowing violation of law which has a material adverse effect upon the value of, or causes material damage to, the Company or the Properties, (c) a transaction for which such Member received a personal benefit in violation or breach of the provisions of this Agreement, or (d) such Member's or Person's fraud, bad faith, willful misconduct or gross negligence, or in the case of the Manager or any Related Person, the Manager's or Related Person's fraud, bad faith, willful misconduct or gross negligence.

11.02 Indemnification.

(a) Except as set forth in Section 11.02(c) below, the Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless each Member, the Manager, each member of the Executive Committee and each general or limited partner of any Member, each shareholder, member or other holder of any equity interest in such Member or any officer, director or employee of any of the foregoing (each an "Indemnified Party"), against any losses, claims, damages or liabilities to which such Indemnified Party may become subject in connection with any matter arising out of or incidental to any act performed or omitted to be performed by any such Indemnified Party in connection with this Agreement or the Company's or any Subsidiary's business or affairs, including any action or omission constituting a breach of any fiduciary duties; provided, however, that such act or omission (i) was taken in good faith,

was reasonably believed by the applicable Indemnified Party to be in the best interest of the Company or the applicable Subsidiary and was within the scope of authority granted to such Member or applicable Indemnified Party, (ii) was not a transaction for which the Indemnified Party received a personal benefit in violation or breach of the provisions of this Agreement, (iii) was not attributable in whole or in part to such Indemnified Party's breach of this Agreement or a knowing violation of law, in either case which has a material adverse effect upon the value of, or causes material damage to, the Company or the Properties, or (iv) in the case of a Member or related Indemnified Party (other than in its capacity as the Manager), was not attributable in whole or in part to such Indemnified Party's fraud, bad faith, willful misconduct or gross negligence, or in the case of the Manager or related Indemnified Party, was not attributable in whole or in part to the Manager's or related Indemnified Party's fraud, bad faith, willful misconduct or gross negligence. If an Indemnified Party becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with this Agreement or the Company's or any Subsidiary's business or affairs, the Company shall reimburse such Indemnified Party for its reasonable legal and other reasonable out-of-pocket expenses (including the cost of any investigation and defense preparation) as they are incurred in connection therewith, provided that such Indemnified Party shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined that such Indemnified Party was not entitled to be indemnified by the Company in connection with such action, proceeding or investigation. If for any reason (other than the fraud or gross negligence, intentional misconduct, breach of this Agreement or a knowing violation of law by such Indemnified Party or a transaction for which such Indemnified Party received a personal benefit in violation or breach of the provisions of this Agreement) the foregoing indemnification is unavailable to such Indemnified Party, or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and such Indemnified Party on the other hand or, if such allocation is not permitted by applicable law, to reflect not only the relative benefits referred to above but also any other relevant equitable considerations. Any indemnity under this Section 11.02(a) shall be paid solely out of and to the extent of Company assets and shall not be a personal obligation of any Member and in no event will any Member be required or permitted, without the consent of the other Members, to contribute additional capital under Article IV to enable the Company to satisfy any obligation under this Section 11.02.

(b) Notwithstanding the provisions of Section 3.02(a) hereof, each Member shall indemnify and hold harmless the Company, the Subsidiaries and the other Member from and against any and all claims, demands, liabilities, costs, damages, expenses and causes of action of any nature whatsoever arising out of or incidental to (i) any act performed by or on behalf of any such Member (including acts performed as the Manager) or its designated Executive Committee members which is not performed in good faith or is not reasonably believed by such Member or its designated Executive Committee members to be in the best interests of the Company and the Subsidiaries and within the scope of authority conferred upon such Member or its designated Executive Committee members under this Agreement, (ii) the fraud, bad faith, intentional or willful misconduct or gross negligence of such Member or its designated Executive Committee members, or Manager, (iii) a breach of this Agreement or a knowing violation of law by such Member or its designated Executive Committee members, in

either case which has a material adverse effect upon the value of, or causes material damage to, the Company or the Properties, (iv) any transaction for which such Member or its designated Executive Committee members received a personal benefit in violation or breach of the provisions of this Agreement, or (v) the breach by the Company or any Subsidiary of any of its representations and warranties made under any purchase, loan or other agreement entered into in connection with the acquisition, development or sale of the Properties, which breach was the result of information or matters furnished by and relating to such Member.

(c) Notwithstanding any other provision of this Agreement, the CLI Member shall indemnify and hold harmless the Gale/SLG Member, the Company, the GP, the OP, the Class B Property Subsidiaries, the Class C Property Subsidiaries and any of their Affiliates from and against any and all claims, demands, liabilities, costs, damages, expenses and causes of action of any nature whatsoever arising out of or incidental to any act of the CLI Member (i) which caused the Company, the OP or the GP to breach any of the obligations of the OP and the GP under the Contribution and Subscription Agreements, or (ii) causes a violation of any REIT Requirements applicable to SLG.

(d) The provisions of this Section 11.02 shall survive for a period of four (4) years from the date of dissolution of the Company, provided that if at the end of such period there are any actions, proceedings or investigations then pending, an Indemnified Party may so notify the Company and the Members at such time (which notice shall include a brief description of each such action, proceeding or investigation and the liabilities asserted therein) and the provisions of this Section 11.02 shall survive with respect to each such action, proceeding or investigation set forth in such notice (or any related action, proceeding or investigation based upon the same or similar claim) until such date that such action, proceeding or investigation is finally resolved, and the obligations of the Company under this Section 11.02 shall be satisfied solely out of Company assets.

(e) Notwithstanding any other provision of this Agreement to the contrary, the obligations of the Company or any Member under this Section 11.02 shall be in addition to any liability which the Company or such Member may otherwise have and inure to the benefit of such Member, its Related Persons and their respective members, directors, officers, employees, agents and Affiliates and any successors, assigns, heirs and personal representatives of such Persons.

11.03 CLI Member Reimbursement; Indemnity.

(a) The CLI Member agrees to pay to the Gale/SLG Member from time to time on demand the Gale/SLG Member Indemnity Share of any Class B Overpayment.

(b) The CLI Member hereby indemnifies and holds the Gale/SLG Member harmless from the Gale/SLG Member Indemnity Share of any Losses incurred by the Class B Owner as a result of a Class A Pool Default.

11.04 Gale/SLG Member Reimbursement; Indemnity.

(a) The Gale/SLG Member agrees to pay to the CLI Member from time to time on demand the CLI Member Indemnity Share of any Class A Overpayment.

(b) The Gale/SLG Member hereby indemnifies and holds the CLI Member harmless from the CLI Member Indemnity Share of any Losses incurred by any Class A Pool Owner as a result of a Class B Pool Default.

11.05 Special Indemnities.

(a) The CLI Member acknowledges that certain of the Properties or interests therein which were contributed to the OP pursuant to the Contribution and Subscription Agreements are subject to certain tax protection provisions contained in such Agreements for the periods described therein. The CLI Member agrees that it will not take or cause or permit the Company, GP, OP, Gale SLG NJ Mezz LLC or any Class A Property Subsidiary or Class B Property Subsidiary to take any actions in violation of any of the obligations of the OP and the GP pursuant to the Contribution and Subscription Agreements or which would give rise to any claim (an **"**LP Claim**"**) of damages by any party protected under a Contribution and Subscription Agreement.

(b) The Gale/SLG Member hereby indemnifies CLI Member for any Losses that the CLI Member may incur, directly or as an indirect owner of a limited partnership interest in the OP or a membership interest in the GP, as a result of actions taken or omitted to be taken, prior to the date hereof, by the Gale/SLG Member or any of the Gale SLG Entities (as defined in the Contribution and Sale Agreement) in breach of a Contribution and Subscription Agreement. The maximum amount of the Gale/SLG Member's liability under this paragraph (b), together with its post closing liability with respect to Entity-Related Representations under and as defined in the Contribution and Sale Agreement, shall not exceed $100,000,000 in the aggregate.

(c) The Gale/SLG Member and the CLI Member agree that they shall each be liable for one-half of any Losses resulting from the transactions contemplated by the Contribution and Sale Agreement or by this Agreement being in breach, or claimed to be in breach, of a Contribution and Subscription Agreement.

(d) The Gale/SLG Member hereby indemnifies the CLI Member for any Losses resulting from any breach or claimed breach of any Contribution and Subscription Agreement caused by the actions or inactions of the Gale/SLG Member from and after the date hereof. The CLI Member hereby indemnifies the Gale/SLG Member for any Losses resulting from any breach or claimed breach of a Contribution and Subscription Agreement caused by the actions or inactions of the CLI Member from and after the date hereof.

(e) The Gale/SLG Member and the CLI Member agree that they shall each be liable for one-half of any Losses resulting from any breach or claimed breach of any Contribution and Subscription Agreement caused by the actions or inactions taken from and after the date hereof by the Gale/SLG Member and the CLI Member jointly, or by either of them with the express written consent of the other, individually or on behalf of the Company, the GP, the OP or any of its Subsidiaries.

(f) The Company shall cause the OP and the GP to notify the Gale/SLG Member and CLI Member of any LP Claim made against the OP or the GP promptly after such claim is made. Notwithstanding any other provision to the contrary, (i) Gale/SLG shall have the

exclusive right to control the defense, settlement or compromise of any LP Claim that relates to actions taken, or omitted to be taken, either (ii) prior to the date hereof by Gale/SLG or any of the Gale SLG Entities, or (y) from and after the date hereof, by Gale/SLG (except as provided in clause (iii) hereof), (ii) CLI Member shall have the exclusive right to control the defense, settlement or compromise of any LP Claim that relates to actions taken, or omitted to be taken, by CLI Member from and after the date hereof (except as provided in clause (iii) hereof), and (iii) Gale/SLG and CLI Member shall have the joint right to control the defense, settlement or compromise of any LP Claim that relates to either (x) the transactions contemplated by the Contribution and Sale Agreement or (y) actions or inactions taken from and after the date hereof by Gale/SLG and CLI Member jointly, or by either of them with the express written consent of the other.

XII. DISSOLUTION AND TERMINATION

12.01 Dissolution. The Company shall be dissolved and its business wound up upon the earliest to occur of any of the following events:

(a) The sale, condemnation or other disposition of all the assets of the Company and the receipt of all consideration therefor;

(b) The expiration of the period related to the election under Section 13.02(a) hereof;

(c) The determination of the Executive Committee to dissolve the Company; or

(d) The resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member in the Company, unless, within ninety (90) calendar days after such event, each of the remaining Members elects in writing (i) to continue the business of the Company, and (ii) if any such time there exists only one (1) remaining Member, effective as of the date of such event, to admit at least one (1) additional Member to the Company and (iii) if applicable, to appoint a new Manager.

Without limiting, but subject to, the other provisions hereof, the assignment of all or any part of a Member's Interest permitted hereunder will not result in the dissolution of the Company. Except as otherwise expressly provided in this Agreement, each Member agrees that, without the consent of the other Member, no Member may withdraw from or cause a voluntary dissolution of the Company, the GP, the OP or any Class B Property Subsidiary. In the event any Member withdraws from or causes a voluntary dissolution of the Company, the GP, the OP or any Class B Property Subsidiary in contravention of this Agreement, such withdrawal or the causing of a voluntary dissolution shall not affect such Member's liability for obligations of the Company and the Subsidiaries.

12.02 Termination. In all cases of dissolution of the Company, the business of the Company shall be wound up and the Company terminated as promptly as practicable thereafter, and each of the following shall be accomplished:

(a) The Liquidating Member shall cause to be prepared a statement setting forth the assets and liabilities of the Company and the Company Subsidiaries as of the date of dissolution, a copy of which statement shall be furnished to all of the Members.

(b) The interests and all other assets of the Company shall be liquidated by the Liquidating Member as promptly as possible, but in an orderly and businesslike and commercially reasonable manner and to the extent applicable, subject to the provisions of the Operating Plan then in effect or a liquidating plan approved by the Executive Committee. The Liquidating Member may distribute the interests in Subsidiaries and other assets of the Company in kind, only with the consent of the Executive Committee.

(c) The proceeds of sale and all other assets of the Company shall be applied and distributed as follows and in the following order of priority:

(i) To the payment of (A) the debts and liabilities of the Company (including any outstanding amounts due on any indebtedness encumbering the Properties and the other assets of the Company, or any part thereof) and (B) the expenses of liquidation.

(ii) To the setting up of any reserves which the Liquidating Member and the Executive Committee shall determine to be reasonably necessary for contingent, unliquidated or unforeseen liabilities or obligations of the Company, any Subsidiary or any Member arising out of or in connection with the Company or any Subsidiary. Such reserves may, in the discretion of the Liquidating Member, be paid over to a national bank or national title company selected by it and authorized to conduct business as an escrowee to be held by such bank or title company as escrowee for the purposes of disbursing such reserves to satisfy the liabilities and obligations described above, and at the expiration of such period as the Liquidating Member may reasonably deem advisable, distributing any remaining balance as provided in Section 12.02(c)(iii) hereof; provided, however, that, to the extent that it shall have been necessary, by reason of applicable law or regulation, to create any reserves prior to any and all distributions which would otherwise have been made under Section 12.02(c)(i) above and, by reason thereof, a distribution under Section 12.02(c)(i) has not been made, then any balance remaining shall first be distributed pursuant to Section 12.02(c)(i) above.

(iii) The balance, if any, to the Members in accordance with Section 6.04 hereof.

12.03 Liquidating Member. The Liquidating Member is hereby irrevocably appointed as the true and lawful attorney in the name, place and stead of each of the Members, such appointment being coupled with an interest, to make, execute, sign, acknowledge and file with respect to the Company and all Subsidiaries all papers which shall be necessary or desirable to effect the dissolution and termination of the Company and each Subsidiary in accordance with the provisions of this Article XII. Notwithstanding the foregoing, each Member, upon the request of the Liquidating Member, shall promptly execute, acknowledge and deliver all such documents, certificates and other instruments as the Liquidating Member shall reasonably

request to effectuate the proper dissolution and termination of the Company and each Subsidiary, including the winding up of the business of the Company and each Subsidiary.

XIII. DEFAULT BY MEMBER

13.01 Events of Default. In the event (a) a Member commits a material violation or material breach of any of the provisions of this Agreement (other than any failure to make a Capital Contribution pursuant to Article IV hereof which is not cured (including, without limitation, by the breaching Member reimbursing the Company and any Subsidiary for the resulting damage or loss) within a Reasonable Period, or (b) a dissolution event described in Section 12.01(d) hereof occurs or exists with respect to a Member, in each such case, such Member (a "Defaulting Member") shall have committed an "Event of Default".

13.02 Effect of Event of Default. Upon the occurrence of an Event of Default by either Member, the non-defaulting Member (the 'Non-Defaulting Member") shall have the right, at any time within one (1) year from the date such Non-Defaulting Member receives notice of such Event of Default and upon giving the Defaulting Member ten (10) Business Days' written notice of such election (and provided such Event of Default is continuing through the end of such 10-Business Day period) to take any one or more of the following actions (in addition to any other remedies or actions provided for in this Agreement):

(a) Dissolve the Class B Subsidiaries, without regard to and without complying with the provisions of Section 7.09 hereof;

(b) Transfer its Interest, without regard to and without complying with the provisions of Sections 7.09, 8.01, 10.02(e) or 10.05 hereof;

(c) Solicit offers and sell, exchange, transfer, assign or otherwise dispose of all or any portion of the Class B Properties or the Class B Property Subsidiaries, to any party (other than to any Member or any Related Person of any Member), without the consent or approval of any other Member or the Executive Committee and without any restrictions or limitations as to the terms of such transaction;

(d) Elect to divest the Defaulting Member of (A) its right to vote or consent to or approve any matter under this Agreement or otherwise act on behalf of or bind the Company, the GP, the OP or any Class B Subsidiary, and (B) its right to appoint any member of the Executive Committee, and the current Executive Committee members appointed by the Defaulting Member shall cease to be members of the Executive Committee and any action requiring the consent of the Executive Committee (including those set forth in Section 7.01(a) hereof), will only require the consent of the members of Executive Committee appointed by the Non-Defaulting Member, and no action will require the consent or action of any member appointed by the Defaulting Member and the provisions of Section 7.02(d) hereof which require the consent of at least two members of the Executive Committee appointed by the Defaulting Member shall cease to apply and will have no further force and effect (provided, however, in the event the Non-Defaulting Member elects the remedies provided for in this Section 13.02(d), if thereafter the Defaulting Member fails to timely make any Capital Contribution (or any portion

thereof) requested by the Executive Committee after such date, the remedy provisions of Section 4.04(b)(i) shall not be available);

(e) Terminate the appointment of the Defaulting Member as the Manager hereunder (if the CLI Member is the Defaulting Member) and appoint a successor Manager (including any third party acceptable to the Gale/SLG Member) at commercially reasonable rates of compensation and reasonable terms and conditions as determined appropriate by the Gale/SLG Member; provided that if the Gale/SLG Member is appointed Successor Manager, then the Gale/SLG Member, as Successor Manager, shall receive no compensation;

(f) Terminate (without payment of any termination fee or termination penalty but with payment of all other amounts due or incurred prior to the date of termination) any or all contracts or other agreements then in effect with the Defaulting Member or any of its Related Persons (including, without limitation, the Management Agreement)); and

(g) Pursue any other right or remedy available at law or in equity with respect to the Class B Properties or the Class B Property Subsidiaries.

Notwithstanding the foregoing, the Non-Defaulting Member shall not be entitled to take any action or cause the GP to take any action if such action is in violation of any of the obligations of the OP and the GP pursuant to the Contribution and Subscription Agreements or which would give rise to any claim of damages by the parties protected thereunder.

In the event a Member initiates the buy-sell procedure set forth in Section 8.01 of this Agreement after an Event of Default is committed by the other Member and in such Non-Defaulting Member's reasonable opinion, the value of the assets of the Company have been impaired by the gross negligence, willful misconduct, fraud or bad faith of the Defaulting Member, the exercising Non-Defaulting Member may pursue against the Defaulting Member such additional remedies as may exist at law or in equity to compensate for such impairment; provided that this additional remedy shall be available for only one (1) year following the closing of such buy-sell transaction. The default of a Member hereunder shall not relieve the other Member from its agreements, liabilities, and obligations hereunder. Upon receipt of the purchase price (or notice that the purchase price is available to the Defaulting Member) incident to the implementation of the buy-sell procedure set forth in Section 8.01, the Defaulting Member shall not have any further Interest in the Company or its business or assets, and the Defaulting Member shall execute and deliver such assignments and instruments as may be reasonable to evidence and fully and effectively transfer the Interest of the Defaulting Member to the Non-Defaulting Member. In the event the appropriate instruments are not delivered, after notice by the Non-Defaulting Member that the consideration is available to the Defaulting Member, the Non-Defaulting Member may deliver such consideration to the Defaulting Member and execute, as the irrevocable agent of the Defaulting Member, and deliver any such legal instruments to the appropriate continuing Member(s). Such agency is coupled with an interest and will survive the insolvency, bankruptcy or dissolution of any Member. However, all parties hereto agree that the Non-Defaulting Member shall not have any individual liability for any actions taken under the authority of such agency. No assignment or transfer of the Interest of the Defaulting Member as provided herein shall relieve the Defaulting Member from any liability under this Agreement for any outstanding indebtedness, liabilities, liens and obligations relating to the Company. The

Interests in the Company of the Defaulting Member shall not be considered in any Company or Subsidiary voting requirement, if at the time of any such vote, such Event of Default is continuing or in the event the Non-Defaulting Member shall have elected the remedy provided for above in subparagraph (e) of this Section 13.01.

In the event the CLI Member fails to provide the CLI Loan or breaches any of the provisions of Sections 11.03 or 11.05, the Gale/SLG Member may treat the CLI Member as a Defaulting Member for the purpose of exercising its rights under clauses (d), (e), (f) and (g) above with respect to the CLI Member. Similarly, if the Gale/SLG Member breaches any of the provisions Sections 11.04 or 11.05, the CLI Member may treat the Gale/SLG Member as a Defaulting Member for the purpose of exercising its rights under clauses (d), (e), (f) and (g) above with respect to the Gale/SLG Member.

In the event the Gale/SLG Member exercises its rights under clause (f) above after an Event of Default is committed by the CLI Member and terminates the Management Agreement, the Members and Executive Committee agree that the Gale/SLG Member shall appoint a Qualified Manager to manage the Property.

XIV. MISCELLANEOUS

14.01 Covenants, Representations and Warranties of the Members.

(a) Each Member represents and warrants to the other Member as follows:

(i) It is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement and to conduct the business of the Company.

(ii) This Agreement constitutes the legal, valid and binding obligation of the Member enforceable in accordance with its terms, subject to the application of principles of equity and laws governing insolvency and creditors' rights generally.

(iii) No consents or approvals (which have not been obtained) are required from any governmental authority or other Person for the Member to enter into this Agreement and be admitted to the Company. All limited liability company, corporate or partnership action on the part of the Member (and its direct or indirect equity owners) necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken.

(iv) The execution and delivery of this Agreement by the Member, and the consummation of the transactions contemplated hereby, do not conflict with or contravene the provisions of such Member's organic documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(v) Other than with respect to the Eastdil Commission, the Member has not retained any broker, finder or other commission or fee agent, and no such person has acted on its behalf in connection with the acquisition of the Properties, its Interest in

the Company or any interest in any Subsidiary or the execution and delivery of this Agreement.

(vi) Each Member is acquiring its Interest in the Company for investment, solely for its own account, with the intention of holding such Interest for investment and not with a view to, or for resale in connection with, any distribution or public offering or resale of any portion of such interest within the meaning of the Securities Act of 1933 as amended from time to time (the "Securities Act") or any other applicable federal or state securities law, rule or regulation ('Securities Laws").

(vii) Each Member acknowledges that it is aware that its interest in the Company has not been registered under the Securities Act or under any Securities Laws, or other Federal or state securities law in reliance upon exemptions contained therein. Each Member understands and acknowledges that its representations and warranties contained herein are being relied upon by the Company, the other Member and the constituent owners of such other Member as the basis for exemption of the issuance of interest in the Company from registration requirements of the Securities Act and other Securities Laws. Each Member acknowledges that the Company will not and has no obligation to register any Interest in the Company under the Securities Act or other Securities Laws.

(viii) Each Member acknowledges that prior to its execution of this Agreement, it received a copy of this Agreement and that it examined this document or caused this document to be examined by its representative or attorney. Each Member does hereby further acknowledge that it or its representative or attorney is familiar with this Agreement, and with the business and affairs of the Company, and that except as otherwise expressly provided in this Agreement, it does not desire any further information or data relating to the Company, any Subsidiary, the Properties or the other Member. Each Member does hereby acknowledge that it understands that the acquisition of its Interest in the Company is a speculative investment involving a high degree of risk and does hereby represent that it has a net worth sufficient to bear the economic risk of its investment in the Company and to justify its investing in a highly speculative venture of this type.

(ix) The Member is in compliance with Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof.

(x) At all times, including after giving effect to any Transfers permitted pursuant to this Agreement, (a) none of the funds or other assets of the Member constitutes property of, or are beneficially owned, directly or indirectly, by any Person, entity or government subject to trade restrictions under U.S. law (including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder) (any such Person, entity or government, an "Embargoed Person") with the result that the investment in the Member (whether directly

or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof; (b) no Embargoed Person has any interest of any nature whatsoever in the Member with the result that the investment in the Member (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof; and (c) none of the funds of the Member have been derived from any unlawful activity with the result that the investment in the Member (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof.

(xi) If applicable to such Member, the Member has implemented a corporate anti-money laundering plan that is reasonably designed to ensure compliance with applicable foreign and U.S. anti-money laundering law.

(xii) The Member is familiar with the U.S. Government Blacklists maintained by applicable U.S. Federal agencies and none of its investors, officers or directors are on the U.S. Government Blacklists.

(b) Each of the Members shall cause themselves or their Affiliates (as necessary) to enter into such supporting agreements as may be required pursuant to the Contribution and Sale Agreement including, without limitation, (i) standard and customary non-recourse carve-out guarantees for the benefit of the applicable first mortgage and mezzanine lenders of the Properties, and (ii) a contribution and indemnity agreement.

(c) Subject to the provisions of Section 3.02(b) hereof, each Member agrees to indemnify and hold harmless the Company and the other Member and their officers, directors, shareholders, partners, members, employees, successors and assigns from and against any and all loss, damage, liability or expense (including reasonable costs and reasonable attorneys fees) which they may incur by reason of, or in connection with, any material breach of the foregoing representations and warranties by such Member and all such representations and warranties shall survive the execution and delivery of this Agreement and the termination and dissolution of either of the Members and/or the Company.

14.02 Further Assurances. Each Member agrees to execute, acknowledge, deliver, file, record and publish such further instruments and documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement.

14.03 Notices. All notices of default, demands, requests for or grants of consents or approvals, which any of the parties to this Agreement may desire or be required to give hereunder (collectively, "Material Notices") shall be in writing and shall be given by (a) personal delivery, (b) facsimile transmission with proof of receipt and provided such notice is also delivered by method (a) or (c) or (c) a nationally recognized overnight courier service, fees prepaid, addressed as follows:

If to the CLI Member, to:

c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016

with two (2)
separate copies
of the notice sent
to the attention of:

President and Chief Executive Officer
Telecopy: 908 272-0214
Telephone: 908 272-2009
Email: mhersh@mack-cali.com
Attention: Mitchell E. Hersh

And

Executive Vice President and General Counsel
Telecopy: 908 272-0485
Telephone: 908 272-2612
Email: rthomas@mack-cali.com
Attention: Roger W. Thomas

With a copy (which shall not constitute notice) to:

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Telecopy: 212 218-5527
Telephone: 212 218-5620
Email: jnapoli@seyfarth.com
Attention: John P. Napoli

If to the Gale/SLG Member, to:

[ ]
[ ]
[ ]
[ ]
Attn:
Telephone:
Facsimile No.:

With a copy (which shall not constitute notice) to:

Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
Attn: Robert J. Ivanhoe, Esq.
Telephone: 212-801-9200
Facsimile No.: 212-801-6400

Any Member may designate another addressee (and/or change its address) for Material Notices hereunder by a notice given pursuant to this Section 14.03. A Notice sent in compliance with the provisions of this Section 14.03 shall be deemed given on the date of receipt if delivered by method (a) or (b) and on the next Business Day after deposit with the courier if delivered by method (c). Other than with regard to Material Notices, communications under this Agreement shall be delivered and exchanged among the Members in such mutually acceptable form as shall

be conducive to the use and implementation of the materials in question (*e.g.*, by electronic mail or telecopier with regard to the exchange of periodic financial information). Any mutually acceptable method of communication must provide for confirmation of delivery or refusal thereof.

14.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed wholly within that state.

14.05 Captions. All titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision in this Agreement.

14.06 Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, and neuter, singular and plural, as the identity of the party or parties may require.

14.07 Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective executors, administrators, legal representatives, heirs, successors and permitted assigns, and shall inure to the benefit of the parties hereto and, except as otherwise expressly provided herein, their respective executors, administrators, legal representatives, heirs, successors and permitted assigns.

14.08 Extension Not a Waiver. No delay or omission in the exercise of any power, remedy or right herein provided or otherwise available to a Member or the Company shall impair or affect the right of such Member or the Company thereafter to exercise the same. Any extension of time or other indulgence granted to a Member hereunder shall not otherwise alter or affect any power, remedy or right of any other Member or of the Company, or the obligations of the Member to whom such extension or indulgence is granted.

14.09 Creditors Not Benefited. Nothing contained in this Agreement is intended or shall be deemed to benefit any creditor of the Company, any Subsidiary or any Member, and no creditor of the Company, any Subsidiary or any Member shall be entitled to require the Company or any Subsidiary to solicit or the Members to make any Capital Contribution to the Company or any Subsidiary or to enforce any right which the Company, any Subsidiary or any Member may have against any Member under this Agreement or otherwise.

14.10 Recalculation of Interest. If any applicable law is ever judicially interpreted so as to deem any distribution, contribution, payment or other amount received by any Member or the Company under this Agreement as interest and so as to render any such amount in excess of the maximum rate or amount of interest permitted by applicable law, then it is the express intent of the Members and the Company that all amounts in excess of the highest lawful rate or amount theretofore collected be credited against any other distributions, contributions, payments or other amounts to be paid by the recipient of the excess amount or refunded to the appropriate Person, and the provisions of this Agreement immediately be deemed reformed, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the payment of the fullest amount otherwise required hereunder. All sums paid or agreed to be

paid that are judicially determined to be interest shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the term of such obligation so that the rate or amount of interest on account of such obligation does not exceed the maximum rate or amount of interest permitted under applicable law.

14.11 Severability. In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and other application thereof shall not in any way be affected or impaired

thereby.

14.12 Entire Agreement. This Agreement contains the entire agreement between the parties relating to the subject matter hereof and all prior agreements relative hereto which are not contained herein are terminated. Amendments, variations, modifications or changes herein may be made effective and binding upon the Members only by the setting forth of same in a document duly executed by each Member, and any alleged amendment, variation, modification or change herein which is not so documented shall not be effective as to any Member.

14.13 Publicity. The parties agree that no Member or any of its advisors shall issue any press release or otherwise publicize or disclose the terms of this Agreement or the terms of the acquisition of the Property, without the consent of the Executive Committee, except as such disclosure may be made in the course of normal reporting practices by any Member or Related Persons to its Members, shareholders or partners or as otherwise required by law or rule of any stock exchange (and prior to any such disclosure the disclosing Member will notify the other Member and provide it with a copy of the proposed disclosure and an opportunity to comment thereon before the disclosure is made).

14.14 Counterparts. This Agreement may be executed in multiple counterparts (and by facsimile or portable document format (PDF) transmission), each of which shall be an original but all of which together shall constitute but one and the same agreement.

14.15 Confidentiality.

(a) Subject to Section 14.14, the terms of this Agreement and all other business, financial or other information relating directly to the conduct of the business and affairs of the Company or the relative or absolute rights or interests of any of the Members that has not been publicly disclosed pursuant to authorization by the Executive Committee (collectively, the "Confidential Information") is confidential and proprietary information of the Company, the disclosure of which would cause irreparable harm to the Company and the Members. Accordingly, each Member represents that it has not and agrees that it will not and will direct its members, shareholders, partners, directors, officers, agents, advisors and Related Persons not to, disclose to any Person other than its attorneys, accountants, consultants, advisors and other agents who have a need to know such information any Confidential Information or confirm any statement made by third Persons regarding Confidential Information until the Company has publicly disclosed the Confidential Information pursuant to authorization by the Executive Committee and has notified each Member that it has done so; provided, however, that any Member (or its Related Persons) may disclose such Confidential Information (i) if required by law or rule of any stock exchange (it being specifically understood and agreed that anything set

forth in a registration statement or any other document filed pursuant to law will be deemed required by law, and provided that before making any disclosure of Confidential Information required by law or rule of any stock exchange, the disclosing Member will notify the other Member and provide it with a copy of the proposed disclosure and an opportunity to comment thereon before the disclosure is made), (ii) in connection with an actual or proposed Transfer of Interests or sale of the Properties permitted hereunder, (iii) reasonably necessary in connection with any transaction authorized pursuant to the terms of this Agreement, or (iv) if necessary for it to perform any of its duties or obligations hereunder or in any property management, leasing, development or construction management agreement to which it is a party covering the Properties.

(b) Subject to the provisions of Section 14.16(a), each Member agrees not to disclose any Confidential Information to any Person (other than a Person agreeing in writing to maintain all Confidential Information in strict confidence or a judge, magistrate or referee in any action, suit or proceeding relating to or arising out of this Agreement or otherwise), and to keep confidential all documents (including, without limitation, responses to discovery requests) containing any Confidential Information. Each Member hereby consents in advance to any motion for any protective order brought by any other Member represented as being intended by the movant to implement the purposes of this Section 14.16 provided that, if a Member receives a request to disclose any Confidential Information under the terms of a valid and effective order issued by a court or governmental agency and the order was not sought by or on behalf of or consented to by such Member, then such Member may disclose the Confidential Information to the extent required if the Member as promptly as practicable notifies the other Member of the existence, terms and circumstances of the order, consults in good faith with the other Member on the advisability of taking legally available steps to resist or to narrow the order, and if disclosure of the Confidential Information is required, exercises its best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the portion of the disclosed Confidential Information that the other Member may designate. The cost (including, without limitation, reasonable attorneys' fees and expenses) of obtaining a protective order covering Confidential Information designated by such other Member will be borne by the Company.

(c) The covenants contained in this Section 14.16 will survive the Transfer of the Interest of any Member and the dissolution of the Company.

(d) Notwithstanding anything contained in this Section 14.16 to the contrary, nothing contained in this Agreement shall be deemed to prevent any Member from making such disclosures as are required by applicable law, including, without limitation, federal or state securities laws.

14.16 Venue. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement or the transactions contemplated hereby or thereby may be brought in any state or federal court in The City of New York, Borough of Manhattan, and each Member hereby consents to the exclusive jurisdiction of any court in the State of New York (and of the appropriate appellate courts therefrom) in any suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action

or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Each Member hereby waives the right to commence an action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement or the transactions contemplated hereby or thereby in any court outside of The City of New York, Borough of Manhattan. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 14.03 shall be deemed effective service of process on such party.

14.17 Waiver of Jury Trial. EACH OF THE MEMBERS HEREBY WAIVES TRIAL BY JURY IN ANY ACTION ARISING OUT OF MATTERS RELATED TO THIS AGREEMENT, WHICH WAIVER IS INFORMED AND VOLUNTARY.

14.18 Transition Services. If the Gale/SLG Member purchases, directly or indirectly, all of the interests of the CLI Member in the Company (whether pursuant to the buy-sell provisions of Section 8.01 hereof or otherwise), in connection with the closing of any such purchase, at the request of the Gale/SLG Member, the CLI Member shall agree to provide or cause to be provided to the Gale/SLG Member for a period of ninety (90) days after the closing, accounting, electronic data processing and other transitional services reasonably requested by the Gale/SLG Member and the Gale/SLG Member agrees to reimburse or cause to be reimbursed to the CLI Member the out-of-pocket third party costs and expenses attributable to such services.

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[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the introductory paragraph hereof.

MACK-CALI VENTURES L.L.C.:

By: _____
Name: _____
Title: _____

GALE SLG NJ LLC:

By: _____
Name: _____
Title: _____

Exhibit 99.1

M A C K — C A L I R E A L T Y C O R P O R A T I O N

NEWS RELEASE

For Immediate Release

Contacts:

Barry Lefkowitz
Executive Vice President
and Chief Financial Officer
(908) 272-8000

Virginia Sobol
Vice President, Marketing and
Public Relations
(908) 272-8000

Rick Matthews
Executive Vice President
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MACK-CALI SIGNS DEFINITIVE CONTRACTS FOR THE ACQUISITION OF THE GALE REAL ESTATE SERVICES COMPANY AND INTERESTS IN 20 NEW JERSEY OFFICE PROPERTIES

Cranford, New Jersey—March 13, 2006—Mack-Cali Realty Corporation (NYSE: CLI) today announced it has signed definitive contracts for its previously announced agreements in principle to acquire The Gale Real Estate Services Company and interests in approximately 2.8 million square feet of office properties in New Jersey. The transactions are expected to close in April.

Pursuant to the contracts, Mack-Cali will:

- Acquire The Gale Real Estate Services Company for $12 million in cash, $10 million in common operating partnership units, and up to an additional $18 million in cash based on an earn-out formula. Mack-Cali will also acquire from affiliates of the Gale Real Estate Services Company stakes in certain development/joint ventures with institutional investors on terms to be determined prior to closing.
- Acquire substantially all the ownership interests in 13 class A office properties, valued at $378 million, and totaling 1.9 million square feet in Northern and Central New Jersey. (Included in this total is 343 Thornall Street in Edison, in which Mack-Cali previously indicated it would acquire only a half interest.)
- Acquire approximately one-half of the ownership interests in seven class A office properties, valued at $127.5 million, and totaling approximately 900,000 square feet, also in Northern and Central New Jersey.

The transactions will be financed through a combination of the assumption of, and placement of new, mortgage debt, credit facility drawings, cash and the issuance of common operating partnership units.

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 currently owns or has interests in 277 properties, primarily office and office/flex buildings located in the Northeast, totaling approximately 30.9 million square feet. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of approximately 2,300 tenants.

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

Statements made in this press release may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate, and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the headings "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in the Company's 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, new information or otherwise.

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