

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2020

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
or
For the transition period from _____ to _____

Commission File Number: 1-13274 Mack-Cali Realty Corporation
Commission File Number: 333-57103 Mack-Cali Realty, L.P.
Mack-Cali Realty Corporation
Mack-Cali Realty, L.P.

(Exact name of registrant as specified in its charter)

Maryland (Mack-Cali Realty Corporation)
Delaware (Mack-Cali Realty, L.P.)

(State or other jurisdiction of incorporation or organization)

22-3305147 (Mack-Cali Realty Corporation)
22-3315804 (Mack-Cali Realty, L.P.)

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

Harborside 3, 210 Hudson St., Ste. 400, Jersey City, New Jersey
(Address of principal executive offices)

07311
(Zip Code)

(732) 590-1010

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:
Mack-Cali Realty Corporation:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CLI	New York Stock Exchange

Mack-Cali Realty, L.P.:

None

Not Applicable

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety (90) days.

Mack-Cali Realty Corporation YES NO
Mack-Cali Realty, L.P. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Mack-Cali Realty Corporation YES NO
Mack-Cali Realty, L.P. YES NO

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

Mack-Cali Realty Corporation:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging Growth Company
Mack-Cali Realty, L.P.:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Mack-Cali Realty Corporation
Mack-Cali Realty, L.P.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Mack-Cali Realty Corporation YES NO
Mack-Cali Realty, L.P. YES NO

As of July 29, 2020, there were 90,711,590 shares of Mack-Cali Realty Corporation's Common Stock, par value \$0.01 per share, outstanding.
Mack-Cali Realty, L.P. does not have any class of common equity that is registered pursuant to Section 12 of the Exchange Act.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended June 30, 2020 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. Unless stated otherwise or the context otherwise requires, references to the “Operating Partnership” mean Mack-Cali Realty, L.P., a Delaware limited partnership, and references to the “General Partner” mean Mack-Cali Realty Corporation, a Maryland corporation and real estate investment trust (“REIT”), and its subsidiaries, including the Operating Partnership. References to the “Company,” “we,” “us” and “our” mean collectively the General Partner, the Operating Partnership and those entities/subsidiaries consolidated by the General Partner.

The Operating Partnership conducts the business of providing leasing, management, acquisition, development, construction and tenant-related services for its General Partner. The Operating Partnership, through its operating divisions and subsidiaries, including the Mack-Cali property-owning partnerships and limited liability companies is the entity through which all of the General Partner’s operations are conducted. The General Partner is the sole general partner of the Operating Partnership and has exclusive control of the Operating Partnership’s day-to-day management.

As of June 30, 2020, the General Partner owned an approximate 90.4 percent common unit interest in the Operating Partnership. The remaining approximate 9.6 percent common unit interest is owned by limited partners. The limited partners of the Operating Partnership are (1) persons who contributed their interests in properties to the Operating Partnership in exchange for common units (each, a “Common Unit”) or preferred units of limited partnership interest in the Operating Partnership or (2) recipients of long term incentive plan units of the Operating Partnership pursuant to the General Partner’s executive compensation plans.

A Common Unit of the Operating Partnership and a share of common stock of the General Partner (the “Common Stock”) have substantially the same economic characteristics in as much as they effectively share equally in the net income or loss of the Company. The General Partner owns a number of common units of the Operating Partnership equal to the number of issued and outstanding shares of the General Partner’s common stock. Common unitholders (other than the General Partner) have the right to redeem their Common Units, subject to certain restrictions under the Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as amended (the “Partnership Agreement”) and agreed upon at the time of issuance of the units that may restrict such right for a period of time, generally one year from issuance. The redemption is required to be satisfied in shares of Common Stock of the General Partner, cash, or a combination thereof, calculated as follows: one share of the General Partner’s Common Stock, or cash equal to the fair market value of a share of the General Partner’s Common Stock at the time of redemption, for each Common Unit. The General Partner, in its sole discretion, determines the form of redemption of Common Units (i.e., whether a common unitholder receives Common Stock of the General Partner, cash, or any combination thereof). If the General Partner elects to satisfy the redemption with shares of Common Stock of the General Partner as opposed to cash, the General Partner is obligated to issue shares of its Common Stock to the redeeming unitholder. Regardless of the rights described above, the common unitholders may not put their units for cash to the Company or the General Partner under any circumstances. With each such redemption, the General Partner’s percentage ownership in the Operating Partnership will increase. In addition, whenever the General Partner issues shares of its Common Stock other than to acquire Common Units, the General Partner must contribute any net proceeds it receives to the Operating Partnership and the Operating Partnership must issue to the General Partner an equivalent number of Common Units. This structure is commonly referred to as an umbrella partnership REIT, or UPREIT.

The Company believes that combining the quarterly reports on Form 10-Q of the General Partner and the Operating Partnership into this single report provides the following benefits:

- ① enhance investors’ understanding of the General Partner and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business of the Company;
- ① eliminate duplicative disclosure and provide a more streamlined and readable presentation because a substantial portion of the disclosure applies to both the General Partner and the Operating Partnership; and
- ① create time and cost efficiencies through the preparation of one combined report instead of two separate reports.

The Company believes it is important to understand the few differences between the General Partner and the Operating Partnership in the context of how they operate as a consolidated company. The financial results of the Operating Partnership are consolidated into the financial statements of the General Partner. The General Partner does not have any other significant assets, liabilities or operations, other than its interests in the Operating Partnership, nor does the Operating Partnership have employees of its own. The Operating Partnership, not the General Partner, generally executes all significant business relationships other than transactions involving the securities of the General Partner. The Operating Partnership holds substantially all of the assets of the General Partner, including ownership interests in joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity offerings by the General Partner, which are contributed to the

[Table of Contents](#)

capital of the Operating Partnership in consideration of common or preferred units in the Operating Partnership, as applicable, the Operating Partnership generates all remaining capital required by the Company's business. These sources include working capital, net cash provided by operating activities, borrowings under the Company's unsecured revolving credit facility and unsecured term loan facilities, the issuance of secured and unsecured debt and equity securities and proceeds received from the disposition of properties and joint ventures.

Shareholders' equity, partners' capital and noncontrolling interests are the main areas of difference between the consolidated financial statements of the General Partner and the Operating Partnership. The limited partners of the Operating Partnership are accounted for as partners' capital in the Operating Partnership's financial statements as is the General Partner's interest in the Operating Partnership. The noncontrolling interests in the Operating Partnership's financial statements comprise the interests of unaffiliated partners in various consolidated partnerships and development joint venture partners. The noncontrolling interests in the General Partner's financial statements are the same noncontrolling interests at the Operating Partnership's level and include limited partners of the Operating Partnership. The differences between shareholders' equity and partners' capital result from differences in the equity issued at the General Partner and Operating Partnership levels.

To help investors better understand the key differences between the General Partner and the Operating Partnership, certain information for the General Partner and the Operating Partnership in this report has been separated, as set forth below:

- ① Item 1. Financial Statements (unaudited), which includes the following specific disclosures for Mack-Cali Realty Corporation and Mack-Cali Realty, L.P.:
 - ①Note 2. Significant Accounting Policies, where applicable;
 - ①Note 15. Redeemable Noncontrolling Interests;
 - ①Note 16. Mack-Cali Realty Corporation's Stockholders' Equity and Mack-Cali Realty, L.P.'s Partners' Capital;
 - ①Note 17. Noncontrolling Interests in Subsidiaries; and
 - ①Note 18. Segment Reporting, where applicable.

- ① Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations includes information specific to each entity, where applicable.

This report also includes separate Part I, Item 4. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of the General Partner and the Operating Partnership in order to establish that the requisite certifications have been made and that the General Partner and Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

**MACK-CALI REALTY CORPORATION
MACK-CALI REALTY, L.P.**

FORM 10-Q

INDEX

	<u>Page</u>
Part I	Financial Information
Item 1.	Financial Statements (unaudited):
	Mack-Cali Realty Corporation
	Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019
	Consolidated Statements of Operations for the three and six months ended June 30, 2020 and 2019
	Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2020 and 2019
	Consolidated Statements of Changes in Equity for the three and six months ended June 30, 2020 and 2019
	Consolidated Statements of Cash Flows for the six months ended June 30, 2020 and 2019
	Mack-Cali Realty, L.P.
	Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019
	Consolidated Statements of Operations for the three and six months ended June 30, 2020 and 2019
	Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2020 and 2019
	Consolidated Statements of Changes in Equity for the three and six months ended June 30, 2020 and 2019
	Consolidated Statements of Cash Flows for the six months ended June 30, 2020 and 2019
	Mack-Cali Realty Corporation and Mack-Cali Realty, L.P.
	Notes to Consolidated Financial Statements
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 3.	Quantitative and Qualitative Disclosures About Market Risk
Item 4.	Controls and Procedures
Part II	Other Information
	Mack-Cali Realty Corporation and Mack-Cali Realty, L.P.
Item 1.	Legal Proceedings
Item 1A.	Risk Factors
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds
Item 3.	Defaults Upon Senior Securities
Item 4.	Mine Safety Disclosures
Item 5.	Other Information
Item 6.	Exhibits
Exhibit Index	
Signatures	

**MACK-CALI REALTY CORPORATION
MACK-CALI REALTY, L.P.**

Part I – Financial Information

Item 1. Financial Statements

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

The aforementioned financial statements should be read in conjunction with the notes to the aforementioned financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in Mack-Cali Realty Corporation’s and Mack-Cali Realty, L.P.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

The results of operations for the three and six-month periods ended June 30, 2020 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

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

	June 30, 2020	December 31, 2019
ASSETS		
Rental property		
Land and leasehold interests	\$ 647,563	\$ 653,231
Buildings and improvements	3,402,053	3,361,435
Tenant improvements	142,989	163,299
Furniture, fixtures and equipment	83,359	78,716
	4,275,964	4,256,681
Less – accumulated depreciation and amortization	(579,675)	(558,617)
	3,696,289	3,698,064
Real estate held for sale, net	1,078,422	966,497
Net investment in rental property	4,774,711	4,664,561
Cash and cash equivalents	26,295	25,589
Restricted cash	14,144	15,577
Investments in unconsolidated joint ventures	200,409	209,091
Unbilled rents receivable, net	95,101	95,686
Deferred charges, goodwill and other assets, net	237,904	275,102
Accounts receivable	11,448	7,192
Total assets	\$ 5,360,012	\$ 5,292,798
LIABILITIES AND EQUITY		
Senior unsecured notes, net	\$ 572,068	\$ 571,484
Unsecured revolving credit facility and term loans	329,000	329,000
Mortgages, loans payable and other obligations, net	2,089,397	1,908,034
Dividends and distributions payable	1,574	22,265
Accounts payable, accrued expenses and other liabilities	217,875	209,510
Rents received in advance and security deposits	37,543	39,463
Accrued interest payable	10,104	10,185
Total liabilities	3,257,561	3,089,941
Commitments and contingencies		
Redeemable noncontrolling interests	508,955	503,382
Equity:		
Mack-Cali Realty Corporation stockholders' equity:		
Common stock, \$0.01 par value, 190,000,000 shares authorized, 90,596,723 and 90,595,176 shares outstanding	906	906
Additional paid-in capital	2,533,686	2,535,440
Dividends in excess of net earnings	(1,135,559)	(1,042,629)
Accumulated other comprehensive income (loss)	-	(18)
Total Mack-Cali Realty Corporation stockholders' equity	1,399,033	1,493,699
Noncontrolling interests in subsidiaries:		
Operating Partnership	148,039	158,480
Consolidated joint ventures	46,424	47,296
Total noncontrolling interests in subsidiaries	194,463	205,776
Total equity	1,593,496	1,699,475
Total liabilities and equity	\$ 5,360,012	\$ 5,292,798

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

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

	Three Months Ended		Six Months Ended	
	2020	June 30, 2019	2020	June 30, 2019
REVENUES				
Revenue from leases	\$ 64,792	\$ 73,018	\$ 135,242	\$ 152,409
Real estate services	2,755	3,530	5,748	7,372
Parking income	3,034	5,515	8,299	10,381
Hotel income	772	2,094	2,397	2,377
Other income	1,297	2,448	3,021	4,332
Total revenues	72,650	86,605	154,707	176,871
EXPENSES				
Real estate taxes	10,573	11,018	21,510	22,662
Utilities	3,113	4,091	6,966	10,203
Operating services	15,633	17,913	31,697	34,712
Real estate services expenses	3,085	3,979	6,806	8,245
General and administrative	17,242	16,946	33,060	30,265
Depreciation and amortization	27,341	31,971	61,137	63,505
Land and other impairments	16,846	2,499	22,109	2,499
Total expenses	93,833	88,417	183,285	172,091
OTHER (EXPENSE) INCOME				
Interest expense	(20,612)	(22,207)	(41,530)	(45,688)
Interest and other investment income (loss)	7	515	39	1,338
Equity in earnings (loss) of unconsolidated joint ventures	(946)	(88)	(1,654)	(769)
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	255	(7,915)	268,364
Gain on disposition of developable land	-	270	4,813	270
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	588	-	1,899
Total other income (expense)	(21,551)	(20,667)	(46,247)	240,107
Income (loss) from continuing operations	(42,734)	(22,479)	(74,825)	244,887
Discontinued operations:				
Income from discontinued operations	21,729	7,952	43,722	16,180
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(11,929)	(5,802)	(39,675)	(5,802)
Total discontinued operations, net	9,800	2,150	4,047	10,378
Net income (loss)	(32,934)	(20,329)	(70,778)	255,265
Noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Noncontrolling interests in Operating Partnership of income from continuing operations	4,626	2,647	8,292	(24,196)
Noncontrolling interests in Operating Partnership in discontinued operations	(937)	(213)	(388)	(1,050)
Redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Net income (loss) available to common shareholders	\$ (34,887)	\$ (22,054)	\$ (74,811)	\$ 222,441
Basic earnings per common share:				
Income (loss) from continuing operations	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Discontinued operations	0.10	0.02	0.04	0.10
Net income (loss) available to common shareholders	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24
Diluted earnings per common share:				
Income (loss) from continuing operations	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Discontinued operations	0.10	0.02	0.04	0.10
Net income (loss) available to common shareholders	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24
Basic weighted average shares outstanding	90,629	90,533	90,622	90,516
Diluted weighted average shares outstanding	100,213	100,523	100,198	100,825

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

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

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2020	2019	2020	2019
Net income (loss)	\$ (32,934)	\$ (20,329)	\$ (70,778)	\$ 255,265
Other comprehensive income (loss):				
Net unrealized gain (loss) on derivative instruments for interest rate swaps	-	(4,624)	(16)	(9,075)
Comprehensive income (loss)	\$ (32,934)	\$ (24,953)	\$ (70,794)	\$ 246,190
Comprehensive (income) loss attributable to noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Comprehensive (income) loss attributable to redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Comprehensive (income) loss attributable to noncontrolling interests in Operating Partnership	3,689	2,894	7,938	(24,373)
Comprehensive income (loss) attributable to common shareholders	\$ (34,887)	\$ (26,218)	\$ (74,793)	\$ 214,239

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

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

	Common Stock		Additional Paid-In Capital	Dividends in Excess of Net Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Subsidiaries	Total Equity
	Shares	Par Value					
For the Three Months Ended June 30, 2020							
Balance at April 1, 2020	90,596	\$ 906	\$ 2,533,909	\$ (1,100,672)	\$ -	198,017	\$ 1,632,160
Net income (loss)	-	-	-	(34,887)	-	1,953	(32,934)
Common stock dividends	-	-	-	-	-	-	-
Common unit distributions	-	-	-	-	-	790	790
Redeemable noncontrolling interests	-	-	(2,236)	-	-	(6,708)	(8,944)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	(83)	(83)
Redemption of common units for common stock	-	-	-	-	-	-	-
Redemption of common units	-	-	-	-	-	-	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1	-	11	-	-	-	11
Directors' deferred compensation plan	-	-	57	-	-	-	57
Stock compensation	-	-	334	-	-	2,105	2,439
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	-	-
Rebalancing of ownership percentage between parent and subsidiaries	-	-	1,611	-	-	(1,611)	-
Balance at June 30, 2020	90,597	\$ 906	\$ 2,533,686	\$ (1,135,559)	\$ -	194,463	\$ 1,593,496
For the Three Months Ended June 30, 2019							
Balance at April 1, 2019	90,326	\$ 903	\$ 2,553,652	\$ (855,659)	\$ 5,122	239,149	\$ 1,943,167
Net income (loss)	-	-	-	(22,054)	-	1,725	(20,329)
Common stock dividends	-	-	-	(18,111)	-	-	(18,111)
Common unit distributions	-	-	-	-	-	(2,361)	(2,361)
Redeemable noncontrolling interests	-	-	(16,759)	-	-	(6,856)	(23,615)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	(308)	(308)
Redemption of common units for common stock	33	1	622	-	-	(623)	-
Redemption of common units	-	-	-	-	-	-	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	-	-	11	-	-	-	11
Directors' deferred compensation plan	194	2	25	-	-	-	27
Stock compensation	-	-	218	-	-	1,973	2,191
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	(4,164)	(460)	(4,624)
Rebalancing of ownership percentage between parent and subsidiaries	-	-	1,778	-	-	(1,778)	-
Balance at June 30, 2019	90,553	\$ 906	\$ 2,539,547	\$ (895,824)	\$ 958	230,461	\$ 1,876,048

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

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

	Common Stock		Additional Paid-In Capital	Dividends in Excess of Net Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Subsidiaries	Total Equity
	Shares	Par Value					
For the Six Months Ended June 30, 2020							
Balance at January 1, 2020	90,595	\$ 906	\$ 2,535,440	\$ (1,042,629)	\$ (18)	\$ 205,776	\$ 1,699,475
Net income (loss)	-	-	-	(74,811)	-	4,033	(70,778)
Common stock dividends	-	-	-	(18,119)	-	-	(18,119)
Common unit distributions	-	-	-	-	-	(1,480)	(1,480)
Redeemable noncontrolling interests	-	-	(5,040)	-	-	(13,475)	(18,515)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	133	133
Redemption of common units of common stock	-	-	-	-	-	-	-
Redemption of common units	-	-	-	-	-	(2,141)	(2,141)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	2	-	30	-	-	-	30
Directors' deferred compensation plan	-	-	139	-	-	-	139
Stock compensation	-	-	764	-	-	4,205	4,969
Cancellation of unvested LTIP units	-	-	-	-	-	(201)	(201)
Other comprehensive income (loss)	-	-	-	-	18	(34)	(16)
Rebalancing of ownership percentage between parent and subsidiaries	-	-	2,353	-	-	(2,353)	-
Balance at June 30, 2020	90,597	\$ 906	\$ 2,533,686	\$ (1,135,559)	\$ -	\$ 194,463	\$ 1,593,496
For the Six Months Ended June 30, 2019							
Balance at January 1, 2019	90,320	\$ 903	\$ 2,561,503	\$ (1,084,518)	\$ 8,770	\$ 210,523	\$ 1,697,181
Net income (loss)	-	-	-	222,441	-	32,824	255,265
Common stock dividends	-	-	-	(36,176)	-	-	(36,176)
Common unit distributions	-	-	-	-	-	(4,057)	(4,057)
Redeemable noncontrolling interest	-	-	(19,911)	-	-	(11,880)	(31,791)
Change in noncontrolling interests in consolidated joint ventures	-	-	(1,958)	-	-	9,110	7,152
Redemption of common units for common stock	38	1	704	-	-	(705)	-
Redemption of common units	-	-	(1,665)	-	-	(4,965)	(6,630)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1	-	21	-	-	-	21
Directors' deferred compensation plan	194	2	155	-	-	-	157
Stock compensation	-	-	483	-	-	3,588	4,071
Cancellation of unvested LTIP units	-	-	-	2,819	-	(2,889)	(70)
Other comprehensive income (loss)	-	-	-	(390)	(7,812)	(873)	(9,075)
Rebalancing of ownership percentage between parent and subsidiaries	-	-	215	-	-	(215)	-
Balance at June 30, 2019	90,553	\$ 906	\$ 2,539,547	\$ (895,824)	\$ 958	\$ 230,461	\$ 1,876,048

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

[Table of Contents](#)

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

	Six Months Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (70,778)	\$ 255,265
Net (income) loss from discontinued operations	(4,047)	(10,378)
Net income (loss) from continuing operations	(74,825)	244,887
Adjustments to reconcile net income (loss) to net cash provided by Operating activities:		
Depreciation and amortization, including related intangible assets	59,445	61,961
Depreciation and amortization on discontinued operations	2,897	33,863
Amortization of directors deferred compensation stock units	139	157
Amortization of stock compensation	4,969	4,071
Amortization of deferred financing costs	2,084	2,357
Amortization of debt discount and mark-to-market	(474)	(474)
Equity in (earnings) loss of unconsolidated joint ventures	1,654	769
Distributions of cumulative earnings from unconsolidated joint ventures	3,018	3,367
Gain on change of control of interests	-	(13,790)
Realized (gains) losses and unrealized losses on disposition of rental property, net	7,915	(268,364)
Gain on disposition of developable land	(4,813)	(270)
Property impairments on discontinued operations	39,675	5,802
Land impairments	22,109	2,499
Gain on sale of investments in unconsolidated joint ventures	-	(903)
(Gain)Loss from extinguishment of debt	-	(1,899)
Changes in operating assets and liabilities:		
Decrease (increase) in unbilled rents receivable, net	515	(3,986)
Increase in deferred charges, goodwill and other assets	(61)	(11,293)
Increase in accounts receivable, net	(5,255)	(2,559)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	7,030	16,989
Decrease in rents received in advance and security deposits	(2,311)	(5,714)
Decrease in accrued interest payable	(67)	(472)
Net cash flows provided by operating activities - continuing operations	21,072	27,333
Net cash flows provided by operating activities - discontinued operations	47,182	41,487
Net cash provided by operating activities	\$ 68,254	\$ 68,820
CASH FLOWS FROM INVESTING ACTIVITIES		
Rental property acquisitions and related intangibles	\$ (16,159)	\$ (490,625)
Rental property additions and improvements	(104,399)	(50,455)
Development of rental property and other related costs	(146,810)	(89,089)
Proceeds from the sales of rental property	16,455	636,161
Proceeds from the sale of investments in unconsolidated joint ventures	-	4,039
Repayment of notes receivable	208	46,305
Investment in unconsolidated joint ventures	(1,553)	(8,238)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	5,875	3,602
Net cash (used in) provided by investing activities - continuing operations	(246,383)	51,700
Net cash provided by (used in) investing activities - discontinued operations	52,203	(75,022)
Net cash used in investing activities	\$ (194,180)	\$ (23,322)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings from revolving credit facility	\$ 140,000	\$ 281,000
Repayment of revolving credit facility	(140,000)	(398,000)
Repayment of senior unsecured notes	-	(250,000)
Proceeds from mortgages and loans payable	181,358	321,508
Repayment of mortgages, loans payable and other obligations	(281)	(55,199)
Acquisition of noncontrolling interests	-	(5,017)
Issuance of redeemable noncontrolling interests, net	-	145,000
Common unit redemptions	(2,141)	-
Payment of financing costs	(656)	(5,637)
(Contributions) Distributions to noncontrolling interests	133	(407)
Payment of dividends and distributions	(53,216)	(49,770)
Net cash provided by (used in) financing activities	\$ 125,197	\$ (16,522)
Net (decrease) increase in cash and cash equivalents	\$ (729)	\$ 28,976
Cash, cash equivalents and restricted cash, beginning of period (1)	41,168	49,554
Cash, cash equivalents and restricted cash, end of period (2)	\$ 40,439	\$ 78,530

(1) Includes Restricted Cash of \$15,577 and \$19,921 as of December 31, 2019 and 2018, respectively.

(2) Includes Restricted Cash of \$14,144 and \$17,892 as of June 30, 2020 and 2019, respectively.

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

MACK-CALI REALTY, L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (in thousands, except per unit amounts) (unaudited)

	June 30, 2020	December 31, 2019
ASSETS		
Rental property		
Land and leasehold interests	\$ 647,563	\$ 653,231
Buildings and improvements	3,402,053	3,361,435
Tenant improvements	142,989	163,299
Furniture, fixtures and equipment	83,359	78,716
	4,275,964	4,256,681
Less – accumulated depreciation and amortization	(579,675)	(558,617)
	3,696,289	3,698,064
Real estate held for sale, net	1,078,422	966,497
Net investment in rental property	4,774,711	4,664,561
Cash and cash equivalents	26,295	25,589
Restricted cash	14,144	15,577
Investments in unconsolidated joint ventures	200,409	209,091
Unbilled rents receivable, net	95,101	95,686
Deferred charges, goodwill and other assets, net	237,904	275,102
Accounts receivable	11,448	7,192
Total assets	\$ 5,360,012	\$ 5,292,798
LIABILITIES AND EQUITY		
Senior unsecured notes, net	\$ 572,068	\$ 571,484
Unsecured revolving credit facility and term loans	329,000	329,000
Mortgages, loans payable and other obligations, net	2,089,397	1,908,034
Distributions payable	1,574	22,265
Accounts payable, accrued expenses and other liabilities	217,875	209,510
Rents received in advance and security deposits	37,543	39,463
Accrued interest payable	10,104	10,185
Total liabilities	3,257,561	3,089,941
Commitments and contingencies		
Redeemable noncontrolling interests	508,955	503,382
Partners' Capital:		
General Partner, 90,596,723 and 90,595,176 common units outstanding	1,330,531	1,427,568
Limited partners, 9,586,528 and 9,612,064 common units/LTIPs outstanding	216,541	224,629
Accumulated other comprehensive income (loss)	-	(18)
Total Mack-Cali Realty, L.P. partners' capital	1,547,072	1,652,179
Noncontrolling interests in consolidated joint ventures	46,424	47,296
Total equity	1,593,496	1,699,475
Total liabilities and equity	\$ 5,360,012	\$ 5,292,798

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

MACK-CALI REALTY, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS *(in thousands, except per unit amounts) (unaudited)*

	Three Months Ended		Six Months Ended	
	2020	2019	2020	2019
REVENUES				
Revenue from leases	\$ 64,792	\$ 73,018	\$ 135,242	\$ 152,409
Real estate services	2,755	3,530	5,748	7,372
Parking income	3,034	5,515	8,299	10,381
Hotel income	772	2,094	2,397	2,377
Other income	1,297	2,448	3,021	4,332
Total revenues	72,650	86,605	154,707	176,871
EXPENSES				
Real estate taxes	10,573	11,018	21,510	22,662
Utilities	3,113	4,091	6,966	10,203
Operating services	15,633	17,913	31,697	34,712
Real estate services expenses	3,085	3,979	6,806	8,245
General and administrative	17,242	16,946	33,060	30,265
Depreciation and amortization	27,341	31,971	61,137	63,505
Land and other impairments	16,846	2,499	22,109	2,499
Total expenses	93,833	88,417	183,285	172,091
OTHER (EXPENSE) INCOME				
Interest expense	(20,612)	(22,207)	(41,530)	(45,688)
Interest and other investment income (loss)	7	515	39	1,338
Equity in earnings (loss) of unconsolidated joint ventures	(946)	(88)	(1,654)	(769)
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	255	(7,915)	268,364
Gain on disposition of developable land	-	270	4,813	270
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	588	-	1,899
Total other income (expense)	(21,551)	(20,667)	(46,247)	240,107
Income (loss) from continuing operations	(42,734)	(22,479)	(74,825)	244,887
Discontinued operations:				
Income from discontinued operations	21,729	7,952	43,722	16,180
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(11,929)	(5,802)	(39,675)	(5,802)
Total discontinued operations, net	9,800	2,150	4,047	10,378
Net income (loss)	(32,934)	(20,329)	(70,778)	255,265
Noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Net income (loss) available to common unitholders	\$ (38,576)	\$ (24,488)	\$ (82,715)	\$ 247,687
Basic earnings per common unit:				
Income (loss) from continuing operations	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Discontinued operations	0.10	0.02	0.04	0.10
Net income (loss) available to common unitholders	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24
Diluted earnings per common unit:				
Income (loss) from continuing operations	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Discontinued operations	0.10	0.02	0.04	0.10
Net income (loss) available to common unitholders	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24
Basic weighted average units outstanding	100,213	100,523	100,198	100,631
Diluted weighted average units outstanding	100,213	100,523	100,198	100,825

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

MACK-CALI REALTY, L.P. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)** *(in thousands) (unaudited)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss)	\$ (32,934)	\$ (20,329)	\$ (70,778)	\$ 255,265
Other comprehensive income (loss):				
Net unrealized gain (loss) on derivative instruments for interest rate swaps	-	(4,624)	(16)	(9,075)
Comprehensive income (loss)	\$ (32,934)	\$ (24,953)	\$ (70,794)	\$ 246,190
Comprehensive (income) loss attributable to noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Comprehensive (income) loss attributable to redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Comprehensive income (loss) attributable to common unitholders	\$ (38,576)	\$ (29,112)	\$ (82,731)	\$ 238,612

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

MACK-CALI REALTY, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY *(in thousands) (unaudited)*

	General Partner Common Units	Limited Partner Common Units/ Vested LTIP Units	General Partner Common Unitholders	Limited Partner Common Unitholders	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Consolidated Joint Ventures	Total Equity
For the Three Months Ended June 30, 2020							
Balance at April 1, 2020	90,596	9,518	\$ 1,367,252	\$ 217,572	\$ -	47,336	\$ 1,632,160
Net income (loss)	-	-	(34,887)	(3,689)	-	5,642	(32,934)
Distributions	-	-	-	790	-	-	790
Redeemable noncontrolling interests	-	-	(2,236)	(237)	-	(6,471)	(8,944)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	(83)	(83)
Redemption of limited partner common units for shares of general partner common units	-	-	-	-	-	-	-
Vested LTIP units	-	68	-	-	-	-	-
Redemption of limited partner common units	-	-	-	-	-	-	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1	-	11	-	-	-	11
Directors' deferred compensation plan	-	-	57	-	-	-	57
Other comprehensive income (loss)	-	-	-	-	-	-	-
Stock compensation	-	-	334	2,105	-	-	2,439
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Balance at June 30, 2020	90,597	9,586	\$ 1,330,531	\$ 216,541	\$ -	46,424	\$ 1,593,496

	General Partner Common Units	Limited Partner Common Units/ Vested LTIP Units	General Partner Common Unitholders	Limited Partner Common Unitholders	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Consolidated Joint Ventures	Total Equity
For the Three Months Ended June 30, 2019							
Balance at April 1, 2019	90,326	10,009	\$ 1,636,068	\$ 251,657	\$ 5,122	50,320	\$ 1,943,167
Net income (loss)	-	-	(22,054)	(2,434)	-	4,159	(20,329)
Distributions	-	-	(18,111)	(2,361)	-	-	(20,472)
Redeemable noncontrolling interests	-	-	(16,759)	(1,850)	-	(5,006)	(23,615)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	(308)	(308)
Redemption of limited partner common units for shares of general partner common units	33	(24)	623	(623)	-	-	-
Vested LTIP units	-	(9)	-	-	-	-	-
Redemption of limited partners common units	-	-	-	-	-	-	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	-	-	11	-	-	-	11
Directors' deferred compensation plan	194	-	27	-	-	-	27
Other comprehensive income (loss)	-	-	-	(460)	(4,164)	-	(4,624)
Stock compensation	-	-	218	1,973	-	-	2,191
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Balance at June 30, 2019	90,553	9,976	\$ 1,580,023	\$ 245,902	\$ 958	49,165	\$ 1,876,048

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

MACK-CALI REALTY, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY *(in thousands) (unaudited)*

	General Partner Common Units	Limited Partner Common Units/ Vested LTIP Units	General Partner Common Unitholders	Limited Partner Common Unitholders	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Consolidated Joint Ventures	Total Equity
For the Six Month Ended June 30, 2020							
Balance at January 1, 2020	90,595	9,612	\$ 1,427,568	\$ 224,629	\$ (18)	\$ 47,296	\$ 1,699,475
Net income	-	-	(74,811)	(7,904)	-	11,937	(70,778)
Distributions	-	-	(18,119)	(1,480)	-	-	(19,599)
Redeemable noncontrolling interest	-	-	(5,040)	(533)	-	(12,942)	(18,515)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	133	133
Redemption of limited partner common units for							
shares of general partner common units	-	-	-	-	-	-	-
Vested LTIP units	-	72	-	-	-	-	-
Redemption of limited partner common units	-	(98)	-	(2,141)	-	-	(2,141)
Shares issued under Dividend							
Reinvestment and Stock							
Purchase Plan	2	-	30	-	-	-	30
Directors' deferred compensation plan	-	-	139	-	-	-	139
Other comprehensive income (loss)	-	-	-	(34)	18	-	(16)
Stock compensation	-	-	764	4,205	-	-	4,969
Cancellation of unvested LTIP units	-	-	-	(201)	-	-	(201)
Balance at June 30, 2020	90,597	9,586	\$ 1,330,531	\$ 216,541	\$ -	\$ 46,424	\$ 1,593,496

	General Partner Common Units	Limited Partner Common Units/ Vested LTIP Units	General Partner Common Unitholders	Limited Partner Common Unitholders	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Consolidated Joint Ventures	Total Equity
For the Six Months Ended June 30, 2019							
Balance at January 1, 2019	90,320	10,229	\$ 1,413,497	\$ 232,764	\$ 8,770	\$ 42,150	\$ 1,697,181
Net income (loss)	-	-	222,441	25,246	-	7,578	255,265
Distributions	-	-	(36,176)	(4,057)	-	-	(40,233)
Redeemable noncontrolling interest	-	-	(19,911)	(2,207)	-	(9,673)	(31,791)
Change in noncontrolling interest in consolidated joint ventures	-	-	(1,958)	-	-	9,110	7,152
Redemption of limited partner common units for							
shares of general partner common units	38	(20)	705	(705)	-	-	-
Vested LTIP units	-	68	-	-	-	-	-
Redemption of limited partner common units	-	(301)	(1,665)	(4,965)	-	-	(6,630)
Shares issued under Dividend Reinvestment and							
Stock Purchase Plan	1	-	21	-	-	-	21
Directors' deferred compensation plan	194	-	157	-	-	-	157
Other comprehensive income (loss)	-	-	(390)	(873)	(7,812)	-	(9,075)
Stock compensation	-	-	483	3,588	-	-	4,071
Cancellation of unvested LTIP units	-	-	2,819	(2,889)	-	-	(70)
Balance at June 30, 2019	90,553	9,976	\$ 1,580,023	\$ 245,902	\$ 958	\$ 49,165	\$ 1,876,048

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

MACK-CALI REALTY, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands) (unaudited)

	Six Months Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (70,778)	\$ 255,265
Net (income) loss from discontinued operations	(4,047)	(10,378)
Net income (loss) from continuing operations	(74,825)	244,887
Adjustments to reconcile net income (loss) to net cash provided by Operating activities:		
Depreciation and amortization, including related intangible assets	59,445	61,961
Depreciation and amortization on discontinued operations	2,897	33,863
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Realized (gains) losses and unrealized losses on disposition of rental property, net	7,915	(268,364)
Realized (gains) losses and unrealized losses on disposition of rental property, net on discontinued operations	-	-
Gain on disposition of developable land	(4,813)	(270)
Property impairments on discontinued operations	39,675	5,802
Land impairments	22,109	2,499
Gain on sale of investments in unconsolidated joint ventures	-	(903)
(Gain) Loss from extinguishment of debt	-	(1,899)
Changes in operating assets and liabilities:		
Decrease (increase) in unbilled rents receivable, net	515	(3,986)
Increase in deferred charges, goodwill and other assets	(61)	(11,293)
Increase in accounts receivable, net	(5,255)	(2,559)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	7,030	16,989
Decrease in rents received in advance and security deposits	(2,311)	(5,714)
Decrease in accrued interest payable	-	-
Net cash flows provided by operating activities - continuing operations	(67)	(472)
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Issuance of redeemable noncontrolling interests, net	-	145,000
Common unit redemptions	(2,141)	-
Payment of financing costs	(656)	(5,637)
(Contributions) Distributions to noncontrolling interests	133	(407)
Payment of distributions	(53,216)	(49,770)
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Cash, cash equivalents and restricted cash, beginning of period (1)	41,168	49,554
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- (1) Includes Restricted Cash of \$15,577 and \$19,921 as of December 31, 2019 and 2018, respectively.
(2) Includes Restricted Cash of \$14,144 and \$17,892 as of June 30, 2020 and 2019, respectively.

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

MACK-CALI REALTY CORPORATION, MACK-CALI REALTY, L.P. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, together with its subsidiaries (collectively, the “General Partner”) is a fully-integrated self-administered, self-managed real estate investment trust (“REIT”). The General Partner controls Mack-Cali Realty, L.P., a Delaware limited partnership, together with its subsidiaries (collectively, the “Operating Partnership”), as its sole general partner and owned a 90.4 and 90.4 percent common unit interest in the Operating Partnership as of June 30, 2020 and December 31, 2019, respectively. The General Partner’s business is the ownership of interests in and operation of the Operating Partnership and all of the General Partner’s expenses are incurred for the benefit of the Operating Partnership. The General Partner is reimbursed by the Operating Partnership for all expenses it incurs relating to the ownership and operation of the Operating Partnership.

The Operating Partnership conducts the business of providing leasing, management, acquisition, development and tenant-related services for its General Partner. The Operating Partnership, through its operating divisions and subsidiaries, including the Mack-Cali property-owning partnerships and limited liability companies, is the entity through which all of the General Partner’s operations are conducted. Unless stated otherwise or the context requires, the “Company” refers to the General Partner and its subsidiaries, including the Operating Partnership and its subsidiaries.

As of June 30, 2020, the Company owned or had interests in 71 real estate properties (the “Properties”). The Properties are comprised of 41 office buildings totaling approximately 10.5 million square feet and leased to approximately 325 tenants (which include two buildings, aggregating approximately 0.2 million square feet owned by unconsolidated joint ventures in which the Company has investment interests), 22 multi-family properties, totaling 6,850 apartment units (which include seven properties aggregating 2,611 apartment units owned by unconsolidated joint ventures in which the Company has investment interests), four parking/retail properties totaling approximately 108,000 square feet (which include a building aggregating 51,000 square feet owned by unconsolidated joint ventures in which the Company has investment interests), three hotels containing 723 rooms (one of which is owned by an unconsolidated joint venture in which the Company has an investment interest) and a parcel of land leased to a third party. The Properties are located in four states in the Northeast, plus the District of Columbia.

On December 19, 2019, the Company announced that its Board had determined to sell the Company’s entire suburban New Jersey office portfolio totaling approximately 6.6 million square feet (collectively, the “Suburban Office Portfolio”). As the decision to sell the Suburban Office Portfolio represented a strategic shift in the Company’s operations, the portfolio’s results are being classified as discontinued operations for all periods presented herein. See Note 7: Discontinued Operations.

BASIS OF PRESENTATION

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

Accounting Standards Codification (“ASC”) 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights (“variable interest entities” or “VIEs”) and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack (i) the ability to make decisions about the entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; (2) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and substantially all of the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity’s performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

On January 1, 2016, the Company adopted accounting guidance under ASC 810, Consolidation, modifying the analysis it must perform to determine whether it should consolidate certain types of legal entities. The guidance does not amend the existing disclosure requirements for variable interest entities or voting interest model entities. The guidance, however, modified the requirements to qualify under the voting interest model. Under the revised guidance, the Operating Partnership will be a variable interest entity of the parent

company, Mack-Cali Realty Corporation. As the Operating Partnership is already consolidated in the balance sheets of Mack-Cali Realty Corporation, the identification of this entity as a variable interest entity has no impact on the consolidated financial statements of Mack-Cali Realty Corporation. There were no other legal entities qualifying under the scope of the revised guidance that were consolidated as a result of the adoption.

As of June 30, 2020 and December 31, 2019, the Company’s investments in consolidated real estate joint ventures, which are variable interest entities in which the Company is deemed to be the primary beneficiary, other than Roseland Residential, L.P. (See Note 15: Redeemable Noncontrolling Interests – Rockpoint Transaction), have total real estate assets of \$495 million and \$503.1 million, respectively, mortgages of \$283.6 million and \$283.7 million, respectively, and other liabilities of \$19.7 million and \$18.9 million, respectively.

The financial statements have been prepared in conformity with GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management’s historical experience that are believed to be reasonable at the time. However, because future events and their effects cannot be determined with certainty, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates. Certain reclassifications have been made to prior period amounts in order to conform with current period presentation, primarily related to classification of certain properties as discontinued operations.

During the second quarter of 2020, the Company’s management recorded an out-of-period adjustment relating to Land and other impairments expense, which was understated for the period ended December 31, 2019. Management concluded that this error was not material to the Company’s consolidated financial statements for any of the current or prior periods. The adjustment is reflected herein as a \$2.5 million increase to Land and other impairments expense in the Company’s consolidated statements of operations for the three and six month periods ended June 30, 2020, and a corresponding decrease in Real estate held for sale, net, in the Company’s balance sheets as of June 30, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

Rental Property

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition, development and construction of rental properties are capitalized. The Company adopted Financial Accounting Standards Board (“FASB”) guidance Accounting Standards Update (“ASU”) 2017-01 on January 1, 2017, which revises the definition of a business and is expected to result in more transactions to be accounted for as asset acquisitions and significantly limit transactions that would be accounted for as business combinations. Where an acquisition has been determined to be an asset acquisition, acquisition-related costs are capitalized. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Capitalized development and construction salaries and related costs approximated \$0.4 million and \$0.6 million for the three months ended June 30, 2020 and 2019, respectively, and \$0.9 million and \$1.1 million for the six months ended June 30, 2020 and 2019, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

Included in net investment in rental property as of June 30, 2020 and December 31, 2019 is real estate and building and tenant improvements not in service, as follows (*dollars in thousands*):

	June 30, 2020	December 31, 2019
Land held for development (including pre-development costs, if any) (a)(c)	\$ 361,928	\$ 388,702
Development and construction in progress, including land (b)(d)	613,014	464,110
Total	\$ 974,942	\$ 852,812

- (a) Includes predevelopment and infrastructure costs included in buildings and improvements of \$150.1 million and \$156.5 million as of June 30, 2020 and December 31, 2019, respectively.
- (b) Includes land of \$84.0 million and \$96.6 million as of June 30, 2020 and December 31, 2019, respectively.
- (c) Includes \$38.9 million of land and \$13.9 million of building and improvements pertaining to assets held for sale at June 30, 2020
- (d) Includes \$0.5 million of land and \$0.7 million of building and improvements pertaining to assets held for sale at June 30, 2020

The Company considers a construction project as substantially completed and held available for occupancy upon the substantial

[Table of Contents](#)

completion of improvements, but no later than one year from cessation of major construction activity (as distinguished from activities such as routine maintenance and cleanup). If portions of a rental project are substantially completed and occupied by tenants or residents, or held available for occupancy, and other portions have not yet reached that stage, the substantially completed portions are accounted for as a separate project. The Company allocates costs incurred between the portions under construction and the portions substantially completed and held available for occupancy, primarily based on a percentage of the relative commercial square footage or multi-family units of each portion, and capitalizes only those costs associated with the portion under construction.

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

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

Upon acquisition of rental property, the Company estimates the fair value of acquired tangible assets, consisting of land, building and improvements, and identified intangible assets and liabilities assumed, generally consisting of the fair value of (i) above and below-market leases, (ii) in-place leases and (iii) tenant relationships. For asset acquisitions, the Company allocates the purchase price to the assets acquired and liabilities assumed based on their relative fair values. The Company records goodwill or a gain on bargain purchase (if any) if the net assets acquired/liabilities assumed differ from the purchase consideration of a business combination transaction.

In estimating the fair value of the tangible and intangible assets acquired, the Company considers information obtained about each property as a result of its due diligence and marketing and leasing activities, and utilizes various valuation methods, such as estimated cash flow projections utilizing appropriate discount and capitalization rates, estimates of replacement costs net of depreciation, and available market information. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant.

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

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

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental properties held for use may be impaired. In addition to identifying any specific circumstances which may affect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management, depending on the type of property, may include reviewing low leased percentages, significant near-term lease expirations, current and historical operating and/or cash flow losses, construction cost overruns and/or other factors, including those that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property over its estimated holding period is less than the carrying value of the property. If there are different possible scenarios for a property, the Company will take a probability-weighted approach to estimating future cash flow scenarios. To the extent impairment has occurred, the impairment loss is measured as the excess of the carrying value of the property over the fair value of the property. The Company's estimates of aggregate future cash

flows expected to be generated and estimated fair values for each property are based on a number of assumptions, including but not limited to estimated holding periods, market capitalization rates and discount rates, if applicable. For developable land holdings, an estimated per-unit market value assumption is also considered based on development rights for the land. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairments may be realized in the future.

Real Estate Held for Sale and Discontinued Operations

When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. The Company generally considers assets (as identified by their disposal groups) to be held for sale when the transaction has received appropriate corporate authority, it is probable to be sold within the following 12 months, and there are no significant contingencies relating to a sale. If, in management's opinion, the estimated net sales price, net of selling costs, of the disposal groups which have been identified as held for sale is less than the carrying value of the assets, a valuation allowance (which is recorded as unrealized losses on disposition of rental property) is established. In the absence of an executed sales agreement with a set sales price, management's estimate of the net sales price may be based on a number of assumptions, including but not limited to the Company's estimates of future and stabilized cash flows, market capitalization rates and discount rates, if applicable. For developable land holdings, an estimated per-unit market value assumption is also considered based on development rights for the land. In addition, the Company classifies assets held for sale or sold as discontinued operations if the disposal groups represent a strategic shift that will have a major effect on the Company's operations and financial results. For any disposals qualifying as discontinued operations, the assets and their results are presented in discontinued operations in the financial statements for all periods presented. See Note 7: Discontinued Operations.

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

Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. The Company applies the equity method by initially recording these investments at cost, as Investments in Unconsolidated Joint Ventures, subsequently adjusted for equity in earnings and cash contributions and distributions. The outside basis portion of the Company's joint ventures is amortized over the anticipated useful lives of the underlying ventures' tangible and intangible assets acquired and liabilities assumed. Generally, the Company would discontinue applying the equity method when the investment (and any advances) is reduced to zero and would not provide for additional losses unless the Company has guaranteed obligations of the venture or is otherwise committed to providing further financial support for the investee. If the venture subsequently generates income, the Company only recognizes its share of such income to the extent it exceeds its share of previously unrecognized losses.

If the venture subsequently makes distributions and the Company does not have an implied or actual commitment to support the operations of the venture, the Company will not record a basis less than zero, rather such amounts will be recorded as equity in earnings of unconsolidated joint ventures.

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

Cash and Cash Equivalents

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

Deferred Financing Costs

Costs incurred in obtaining financing are capitalized and amortized over the term of the related indebtedness. Deferred financing costs are presented in the balance sheet as a direct deduction from the carrying value of the debt liability to which they relate, except deferred financing costs related to the revolving credit facility, which are presented in deferred charges, goodwill and other assets. In all cases, amortization of such costs is included in interest expense and was \$1,060,000 and \$1,168,000 for the three months ended June 30, 2020 and 2019, respectively, \$2,084,000 and \$2,357,000 for the six months ended June 30, 2020 and 2019, respectively. If a financing obligation is extinguished early, any unamortized deferred financing costs are written off and included in gains (losses) from extinguishment of debt. The gains (losses) from extinguishment of debt, net, of zero and \$0.6 million for the three months ended June 30, 2020 and 2019, respectively, contained no write off of unamortized deferred financing costs. The gains (losses) from extinguishment of debt, net, of zero and \$1.9 million for the six months ended June 30, 2020 and 2019, respectively, contained no write off of unamortized deferred financing costs (as non-cash transactions).

Deferred Leasing Costs/Leasing Personnel Costs

Costs incurred in connection with successfully executed commercial and residential leases were capitalized and amortized on a straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs were charged to amortization expense upon early termination of the lease. Certain employees of the Company are compensated for providing leasing services to the Properties. Upon the adoption of ASC 842 on January 1, 2019, the Company no longer capitalizes such costs, and includes such leasing personnel costs in General and administrative expense in the Company's Consolidated Statements of Operations, which amounted to \$663,000 and \$542,000 for the three months ended June 30, 2020 and 2019, respectively, and \$1,701,000 and \$1,284,000 for the six months ended June 30, 2020 and 2019, respectively.

Goodwill

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

Derivative Instruments

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

Revenue Recognition

Revenue from leases includes fixed base rents under leases, which are recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the cumulative amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements.

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

a reduction of revenue from leases over the remaining terms of the respective leases, and the capitalized below-market lease values are amortized as an increase to revenue from leases over the remaining initial terms plus the terms of any below-market fixed-rate renewal options of the respective leases.

The Company elected a practical expedient for its rental properties (as lessor) to avoid separating non-lease components that otherwise would need to be accounted for under the recently-adopted revenue accounting guidance (such as tenant reimbursements of property operating expenses) from the associated lease component since (1) the non-lease components have the same timing and pattern of transfer as the associated lease component and (2) the lease component, if accounted for separately, would be classified as an operating lease; this enables the Company to account for the combination of the lease component and non-lease components as an operating lease since the lease component is the predominant component of the combined components.

Due to the Company's adoption of the practical expedient discussed above to not separate non-lease component revenue from the associated lease component, the Company is aggregating revenue from its lease components and non-lease components (comprised predominantly of tenant operating expense reimbursements) into the line entitled "Revenue from leases."

Revenue from leases also includes reimbursements and recoveries from tenants received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 14: Tenant Leases.

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

Parking income is comprised of income from parking spaces leased to tenants and others.

Hotel income includes all revenue generated from hotel properties.

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

All bad debt expense is being recorded as a reduction of the corresponding revenue account starting on January 1, 2019. Management performs a detailed review of amounts due from tenants for collectability based on factors affecting the billings and status of individual tenants. The factors considered by management in determining which individual tenant's revenues are affected include the age of the receivable, the tenant's payment history, the nature of the charges, any communications regarding the charges and other related information. Management's estimate of bad debt write-off's requires management to exercise judgment about the timing, frequency and severity of collection losses, which affects the revenue recorded.

Income and Other Taxes

The General Partner has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "IRS Code"). As a REIT, the General Partner generally will not be subject to corporate federal income tax on net income that it currently distributes to its shareholders, provided that the General Partner satisfies certain organizational and operational requirements including the requirement to distribute at least 90 percent of its REIT taxable income (determined by excluding any net capital gains) to its shareholders. If and to the extent the General Partner retains and does not distribute any net capital gains, the General Partner will be required to pay federal, state and local taxes, as applicable, on such net capital gains at the rate applicable to capital gains of a corporation.

The Operating Partnership is a partnership, and, as a result, all income and losses of the partnership are allocated to the partners for inclusion in their respective tax returns. Accordingly, no provision or benefit for income taxes has been made in the accompanying financial statements.

The General Partner has elected to treat certain of its corporate subsidiaries as taxable REIT subsidiaries (each a "TRS"). In general, a TRS of the General Partner may perform additional services for tenants of the Company and generally may engage in any real estate or non-real estate related business (except for the operation or management of health care facilities or lodging facilities or the providing to any person, under a franchise, license or otherwise, rights to any brand name under which any lodging facility or health care facility is operated). A TRS is subject to corporate federal income tax. The General Partner has conducted business through its TRS entities for certain property management, development, construction and other related services, as well as to hold a joint venture interest in a hotel and other matters.

The deferred tax asset balance at June 30, 2020 amounted to \$12.3 million which has been fully reserved through a valuation allowance. New tax reform legislation enacted in late 2017 reduced the corporate tax rate to 21 percent, effective January 1, 2018. Consequently, the Company's deferred tax assets were re-measured to reflect the reduction in the future U.S. corporate income tax rate as of the enactment date. As a result, the Company recorded a decrease related to its deferred tax assets of \$5.3 million and a decrease to the associated valuation allowance of \$5.3 million at December 31, 2017. If the General Partner fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax on its taxable income at regular corporate tax rates. The Company is subject to certain state and local taxes.

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

In the normal course of business, the Company or one of its subsidiaries is subject to examination by federal, state and local jurisdictions in which it operates, where applicable. As of June 30, 2020, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are generally from the year 2015 forward.

Earnings Per Share or Unit

The Company presents both basic and diluted earnings per share or unit ("EPS or EPU"). Basic EPS or EPU excludes dilution and is computed by dividing net income available to common shareholders or unitholders by the weighted average number of shares or units outstanding for the period. Diluted EPS or EPU reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS or EPU from continuing operations amount. Shares or units whose issuance is contingent upon the satisfaction of certain conditions shall be considered outstanding and included in the computation of diluted EPS or EPU as follows (i) if all necessary conditions have been satisfied by the end of the period (the events have occurred), those shares or units shall be included as of the beginning of the period in which the conditions were satisfied (or as of the date of the grant, if later) or (ii) if all necessary conditions have not been satisfied by the end of the period, the number of contingently issuable shares or units included in diluted EPS or EPU shall be based on the number of shares or units, if any, that would be issuable if the end of the reporting period were the end of the contingency period (for example, the number of shares or units that would be issuable based on current period earnings or period-end market price) and if the result would be dilutive. Those contingently issuable shares or units shall be included in the denominator of diluted EPS or EPU as of the beginning of the period (or as of the date of the grant, if later).

Dividends and Distributions Payable

The dividends and distributions payable at June 30, 2020 represent amounts payable on unvested LTIP units.

On July 1, 2020, the General Partner's Board of Directors approved common stock dividends and unit distributions of \$0.20 per common share, common unit and LTIP unit with respect to the second quarter 2020, payable to common shareholders (90,711,019 shares) and to noncontrolling interests unitholders of the Operating Partnership (9,395,496 common units and 2,850,550 vested and unvested LTIP units), for all such holders of record as of July 13, 2020, which totaled \$20.6 million, and were paid on July 24, 2020. These common dividends and distributions were not accrued at June 30, 2020 due to the approval date of July 1, 2020.

The dividends and distributions payable at December 31, 2019 represents dividends payable to common shareholders (90,595,197 shares) and distributions payable to noncontrolling interests unitholders of the Operating Partnership (9,488,794 common units and 1,949,601 vested and unvested LTIP units) for all such holders of record as of January 3, 2020 with respect to the fourth quarter 2019. The fourth quarter 2019 common stock dividends and unit distributions of \$0.20 per common share (total of \$18.1 million), common unit (total of \$1.9 million) and LTIP unit (total of \$0.4 million) were approved by the General Partner's Board of Directors on December 17, 2019 and paid on January 10, 2020.

Costs Incurred For Stock Issuances

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

Stock Compensation

The Company accounts for stock compensation in accordance with the provisions of ASC 718, Compensation-Stock Compensation. These provisions require that the estimated fair value of restricted stock ("Restricted Stock Awards"), performance share units, long-term incentive plan awards and stock options at the grant date be amortized ratably into expense over the appropriate vesting period. The Company recorded stock compensation expense of 2,439,000 and \$2,191,000 for the three months ended June 30, 2020 and 2019, respectively, and \$4,969,000 and \$4,071,000 for the six months ended June 30, 2020 and 2019, respectively.

Other Comprehensive Income (Loss)

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

Redeemable Noncontrolling Interests

The Company evaluates the terms of the partnership units issued in accordance with the FASB's Distinguishing Liabilities from Equity guidance. Units which embody an unconditional obligation requiring the Company to redeem the units for cash after a specified or determinable date (or dates) or upon the occurrence of an event that is not solely within the control of the issuer are determined to be contingently redeemable under this guidance and are included as Redeemable noncontrolling interests and classified within the mezzanine section between Total liabilities and Stockholders' equity on the Company's Consolidated Balance Sheets. The carrying amount of the redeemable noncontrolling interests will be changed by periodic accretions, so that the carrying amount will equal the estimated future redemption value at the redemption date.

Fair Value Hierarchy

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

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

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

Impact of Recently-Issued Accounting Standards

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (“ASU 2016-13”). The guidance introduces a new model for estimating credit losses for certain types of financial instruments, including trade and lease receivables, loans receivable, held-to-maturity debt securities, and net investments in direct financing leases, amongst other financial instruments. ASU 2016-13 also modifies the impairment model for available-for-sale debt securities and expands the disclosure requirements regarding an entity's assumptions, models, and methods for estimating the allowance for losses. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. The adoption of ASU 2016-13 did not have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities (“ASU 2017-12”). The purpose of ASU 2017-12 is to better align a company's financial reporting for hedging activities with the economic objectives of those activities. The Company has adopted ASU 2017-12 on January 1, 2019. ASU 2017-12 requires a modified retrospective transition method which requires a cumulative effect of the change on the opening balance of each affected component of equity in the Company's consolidated financial statements as of the date of adoption. Upon adoption the Company recorded a cumulative adjustment specifically related to the elimination of the requirement for separate measurement of hedge ineffectiveness. As a result, the Company recorded an opening balance adjustment as of January 1, 2019 to dividends in excess of net earnings of \$0.4 million with a corresponding change to accumulated other comprehensive income (loss).

In April 2020, the FASB issued a Staff Question-and-Answer (“Q&A”) to clarify whether lease concessions related to the effects of COVID-19 require the application of the lease modification guidance under the new lease standard, which was adopted on January 1, 2019. Under the new leasing standard, an entity would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant, which would be accounted for under the lease modification framework, or if the lease concession was under the enforceable rights and obligations that existed in the original lease, which would be accounted for outside the lease modification framework. The Q&A provides entities with the option to elect to account for lease concessions as though the

[Table of Contents](#)

enforceable rights and obligations existed in the original lease as long as the total cash flows from the modified lease are substantially similar to the cash flows in the original lease. The Company elected this option and therefore, to the extent that rent concession is granted as a deferral of payments but total payments are substantially the same, will account for the concession as if no change has been made to the original lease.

3. RECENT TRANSACTIONS

Properties Commencing Initial Operations

The following property commenced initial operations during the six months ended June 30, 2020 (*dollars in thousands*):

In Service Date	Property	Location	Property Type	# of Apartment Units	Total Development Costs Incurred
03/01/20	Emery at Overlook Ridge (a)	Malden, MA	Multi-Family	166	\$ 49,179
Totals				166	\$ 49,179

(a) The Emery at Overlook Ridge property consists of a total of 326 multi-family units. The remaining 160 multi-family units are currently in construction and are expected to be placed in service in late-2020.

Consolidation

On March 12, 2020, the Company, acquired its equity partner's 80 percent interest in Port Imperial North Retail L.L.C., a ground floor retail space totaling 30,745 square feet located at Port Imperial, West New York, New Jersey for \$13.3 million in cash (funded through borrowing under the Company's unsecured credit facility.) The results of the transaction increased the Company's interest to 100 percent. Upon the acquisition, the Company consolidated the MC Roseland North Retail L.L.C. joint venture, a voting interest entity. As an acquisition of the remaining interests in the venture which owns the Port Imperial North Retail L.L.C., the Company accounted for the transaction as an asset acquisition under a cost accumulation model, no gain on change of control of interest was recognized in consolidation, resulting in total consolidated net assets of \$15.0 million, which are allocated as follows:

	Port Imperial North Retail L.L.C.
Land and leasehold interests	\$ 4,305
Buildings and improvements and other assets, net	8,912
In-place lease values (a)	1,503
Above/Below market lease value, net (a)	313
Net assets recorded upon consolidation	\$ 15,033

(a) In-place and below market lease values are being amortized over a weighted-average term of 7.5 years.

Real Estate Held for Sale/Discontinued Operations/Dispositions

On December 19, 2019, the Company announced that its Board had determined to sell the Company's entire suburban New Jersey office portfolio totaling approximately 6.6 million square feet (collectively, the "Suburban Office Portfolio"). As the decision to sell the Suburban Office Portfolio represented a strategic shift in the Company's operations, the portfolio's results are being classified as discontinued operations for all periods presented herein. See Note 7: Discontinued Operations.

In late 2019 through June 30, 2020, the Company completed the sale of three of these suburban office properties, totaling 697,000 square feet, for net sales proceeds of \$87.2 million. As of June 30, 2020, the Company has identified as held for sale the remaining 34 office properties (comprised of 13 identified disposal groups) in the Suburban Office Portfolio, totaling 5.9 million square feet (of which the Company currently has 17 properties totaling 2.7 million square feet under contract for sale for aggregate gross proceeds of \$305.4 million). On July 22, 2020, the Company completed the sale of one of the properties held for sale, which was a 141,000 square foot office property, for gross proceeds of \$7.9 million. See Note 7: Discontinued Operations.

The Company plans to complete the sale of its remaining Suburban Office Portfolio properties in 2020 and early 2021, and to use the available sales proceeds to pay down its corporate-level, unsecured indebtedness. However, the Company cannot predict whether or to what extent the timing of these sales and the expected amount and use of proceeds may be impacted by the ongoing coronavirus ("COVID-19"). After the completion of the Suburban Office Portfolio sales, the Company's holdings will consist of its waterfront class A office portfolio and its multi-family rental portfolio, and related development projects and land holdings.

Additionally, the Company also identified an office property (a 566,215 square foot office property currently under contract for sale for

[Table of Contents](#)

aggregate gross proceeds of \$244.5 million, which is expected to close by year-end 2020), a retail pad leased to others and several developable land parcels as held for sale as of June 30, 2020. The properties are located in Hoboken, Parsippany, Madison, Short Hills, Edison, Red Bank and Florham Park. As a result of recent sales contract amendments and after considering the current market conditions as a result of the challenging economic climate with the current worldwide COVID-19 pandemic, the Company determined that the carrying value of 21 of the properties (comprised of seven disposal groups), several land parcels held for sale and two developable land parcels classified as held and used was not expected to be recovered from estimated net sales proceeds, and accordingly, during the three and six months ended June 30, 2020, recognized an unrealized loss allowance of \$11.9 million and \$64.9 million (\$11.9 million and \$57.0 million of which are from discontinued operations), respectively, for the properties and land impairments of \$16.8 million and \$22.1 million, respectively.

The following table summarizes the real estate held for sale, net, and other assets and liabilities (*dollars in thousands*):

	Suburban Office Portfolio (a)	Other Assets Held for Sale	Total
Land	\$ 145,151	\$ 85,472	\$ 230,623
Building & Other	1,222,967	257,248	1,480,215
Less: Accumulated depreciation	(375,769)	(30,585)	(406,354)
Less: Cumulative unrealized losses on property held for sale	(181,922)	(44,140)	(226,062)
Real estate held for sale, net	\$ 810,427	\$ 267,995	\$ 1,078,422

Other assets and liabilities	Suburban Office Portfolio (a)	Other Assets Held for Sale	Total
Unbilled rents receivable, net (b)	\$ 30,256	\$ 14,885	\$ 45,141
Deferred charges, net (b)	32,640	4,305	36,945
Total intangibles, net (b)	32,378	35,417	67,795
Total deferred charges & other assets, net	67,801	59,064	126,865
Mortgages & loans payable, net (b)	123,709	148,679	272,388
Total below market liability (b)	7,663	28,334	35,997
Accounts payable, accrued exp & other liability	22,579	50,793	73,372
Unearned rents/deferred rental income (b)	4,246	1,364	5,610

(a) Classified as discontinued operations at June 30, 2020 for all periods presented. See Note 7: Discontinued Operations.

(b) Expected to be removed with the completion of the sales.

The Company disposed of the following office property during the six months ended June 30, 2020 (*dollars in thousands*):

Disposition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet/Units	Property Type	Net Sales Proceeds	Net Carrying Value	Realized Gains (losses)/ Unrealized Losses, net	Discontinued Operations: Realized Gains (losses)/ Unrealized Losses, net
03/17/20	One Bridge Plaza	Fort Lee, New Jersey	1	200,000	Office	\$ 35,065	\$ 17,743	\$ -	\$ 17,322
Sub-total			1	200,000		35,065	17,743	-	17,322
Unrealized losses on real estate held for sale								(7,915)	(56,997)
Totals			1	200,000		\$ 35,065	\$ 17,743	\$ (7,915)	\$ (39,675)

The Company disposed of the following developable land holdings during the six months ended June 30, 2020 (dollars in thousands):

Disposition Date	Property Address	Location	Net Sales Proceeds	Net Carrying Value	Realized Gains (losses)/ Unrealized Losses, net
01/03/20	230 & 250 Half Mile Road	Middletown, New Jersey	\$ 7,018	\$ 2,969	\$ 4,049
03/27/20	Capital Office Park land	Greenbelt, Maryland	8,974	8,210	764
Totals			\$ 15,992	\$ 11,179	\$ 4,813

Rockpoint Transaction

On February 27, 2017, the Company, Roseland Residential Trust (“RRT”), the Company’s subsidiary through which the Company conducts its multi-family residential real estate operations, Roseland Residential, L.P. (“RRLP”), the operating partnership through which RRT conducts all of its operations, and certain other affiliates of the Company entered into a preferred equity investment agreement (the “Original Investment Agreement”) with certain affiliates of Rockpoint Group, L.L.C. (Rockpoint Group, L.L.C. and its affiliates, collectively, “Rockpoint”). The Original Investment Agreement provided for RRT to contribute property to RRLP in exchange for common units of limited partnership interests in RRLP (the “Common Units”) and for multiple equity investments by Rockpoint in RRLP from time to time for up to an aggregate of \$300 million of preferred units of limited partnership interests in RRLP (the “Preferred Units”). The initial closing under the Original Investment Agreement occurred on March 10, 2017 for \$150 million of Preferred Units and the parties agreed that the Company’s contributed equity value (“RRT Contributed Equity Value”), was \$1.23 billion at closing. During the year ended December 31, 2018, a total additional amount of \$105 million of Preferred Units were issued and sold to Rockpoint pursuant to the Original Investment Agreement. During the three months ended March 31, 2019, a total additional amount of \$45 million of Preferred Units were issued and sold to Rockpoint pursuant to the Original Investment Agreement, which brought the Preferred Units to the full balance of \$300 million. In addition, certain contributions of property to RRLP by RRT subsequent to the execution of the Original Investment Agreement resulted in RRT being issued approximately \$46 million of Preferred Units and Common Units in RRLP prior to June 26, 2019.

On June 26, 2019, the Company, RRT, RRLP, certain other affiliates of the Company and Rockpoint entered into an additional preferred equity investment agreement (the “Add On Investment Agreement”). The closing under the Add On Investment Agreement occurred on June 28, 2019. Pursuant to the Add On Investment Agreement, Rockpoint invested an additional \$100 million in Preferred Units and the Company and RRT agreed to contribute to RRLP two additional properties located in Jersey City, New Jersey. The Company used the \$100 million in proceeds received to repay outstanding borrowings under its unsecured revolving credit facility and other debt by June 30, 2019. In addition, Rockpoint has a right of first refusal to invest another \$100 million in Preferred Units in the event RRT determines that RRLP requires additional capital prior to March 1, 2023 and, subject thereto, RRLP may issue up to approximately \$154 million in Preferred Units to RRT or an affiliate so long as at the time of such funding RRT determines in good faith that RRLP has a valid business purpose to use such proceeds. See Note 15: Redeemable Noncontrolling Interests for additional information about the Add On Investment Agreement and the related transactions with Rockpoint.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

As of June 30, 2020, the Company had an aggregate investment of approximately \$200.4 million in its equity method joint ventures. The Company formed these ventures with unaffiliated third parties, or acquired interests in them, to develop or manage primarily office and multi-family rental properties, or to acquire land in anticipation of possible development of office and multi-family rental properties. As of June 30, 2020, the unconsolidated joint ventures owned: two office properties aggregating approximately 0.2 million square feet, seven multi-family properties totaling 2,611 apartments units, a retail property aggregating approximately 51,000 square feet, a 351-room hotel, a development project for up to approximately 360 apartments units; and interests and/or rights to developable land parcels able to accommodate up to 2,991 apartments units. The Company’s unconsolidated interests range from 20 percent to 85 percent subject to specified priority allocations in certain of the joint ventures.

The amounts reflected in the following tables (except for the Company’s share of equity in earnings) are based on the historical financial information of the individual joint ventures. The Company does not record losses of the joint ventures in excess of its investment balances unless the Company is liable for the obligations of the joint venture or is otherwise committed to provide financial support to the joint venture. The outside basis portion of the Company’s investments in joint ventures is amortized over the anticipated useful lives of the underlying ventures’ tangible and intangible assets acquired and liabilities assumed. Unless otherwise noted below, the debt of the Company’s unconsolidated joint ventures generally is non-recourse to the Company, except for customary exceptions pertaining to such matters as intentional misuse of funds, environmental conditions, and material misrepresentations.

The Company has agreed to guarantee repayment of a portion of the debt of its unconsolidated joint ventures. As of June 30, 2020, such

[Table of Contents](#)

debt had a total borrowing capacity of up to \$322.2 million of which the Company agreed to guarantee up to \$35 million. As of June 30, 2020, the outstanding balance of such debt totaled \$263.8 million of which \$29.2 million was guaranteed by the Company. The Company performed management, leasing, development and other services for the properties owned by the unconsolidated joint ventures and recognized \$0.5 million and \$0.3 million for such services in the three months ended June 30, 2020 and 2019, respectively. The Company had \$0.6 million and \$0.6 million in accounts receivable due from its unconsolidated joint ventures as of June 30, 2020 and December 31, 2019, respectively.

Included in the Company's investments in unconsolidated joint ventures as of June 30, 2020 are three unconsolidated development joint ventures, which are VIEs for which the Company is not the primary beneficiary. These joint ventures are primarily established to develop real estate property for long-term investment and were deemed VIEs primarily based on the fact that the equity investment at risk was not sufficient to permit the entities to finance their activities without additional financial support. The initial equity contributed to these entities was not sufficient to fully finance the real estate construction as development costs are funded by the partners throughout the construction period. The Company determined that it was not the primary beneficiary of these VIEs based on the fact that the Company has shared control of these entities along with the entity's partners and therefore does not have controlling financial interests in these VIEs. The Company's aggregate investment in these VIEs was approximately \$112.7 million as of June 30, 2020. The Company's maximum exposure to loss as a result of its involvement with these VIEs is estimated to be approximately \$147.7 million, which includes the Company's current investment and estimated future funding commitments/guarantees of approximately \$35.0 million. The Company has not provided financial support to these VIEs that it was not previously contractually required to provide. In general, future costs of development not financed through third parties will be funded with capital contributions from the Company and its outside partners in accordance with their respective ownership percentages.

The following is a summary of the Company's unconsolidated joint ventures as of June 30, 2020 and December 31, 2019 (*dollars in thousands*):

Entity / Property Name	Number of Apartment Units or Rentable SF	Company's Effective Ownership % (a)	Carrying Value		Balance	Property Debt As of June 30, 2020 Maturity Date	Interest Rate
			June 30, 2020	December 31, 2019			
Multi-family							
Metropolitan and Lofts at 40 Park (b) (c)	189 units	25.00 %	\$ 4,172	\$ 7,257	\$ 58,992	(d)	(d)
RiverTrace at Port Imperial	316 units	22.50 %	7,021	7,463	82,000	11/10/26	3.21 %
Crystal House (e)	825 units	25.00 %	28,480	28,823	161,500	07/01/27	L+2.72%
PI North - Riverwalk C (f)	360 units	40.00 %	35,832	35,527	53,632	12/06/21	L+2.75%
Riverpark at Harrison (g)	141 units	45.00 %	890	1,015	30,192	07/01/35	3.19 %
Station House	378 units	50.00 %	34,537	35,676	96,010	07/01/33	4.82 %
Urby at Harborside (h)	762 units	85.00 %	77,232	79,790	192,000	08/01/29	5.197 %
PI North - Land (b) (i)	836 potential units	20.00 %	1,678	1,678	-	-	-
Liberty Landing	850 potential units	50.00 %	337	337	-	-	-
Hillsborough 206	160,000 sf	50.00 %	1,962	1,962	-	-	-
Office							
12 Vreeland Road	139,750 sf	50.00 %	4,104	3,846 (j)	5,431	07/01/23	2.87 %
Offices at Crystal Lake	106,345 sf	31.25 %	3,595	3,521	2,931	11/01/23	4.76 %
Other							
Riverwalk Retail (l)	30,745 sf	20.00 %	-	1,467	-	-	-
Hyatt Regency Hotel Jersey City	351 rooms	50.00 %	-	-	100,000	10/01/26	3.668 %
Other (k)			569	729	-	-	-
Totals:			\$ 200,409	\$ 209,091	\$ 782,688		

- (a) Company's effective ownership % represents the Company's entitlement to residual distributions after payments of priority returns, where applicable.
- (b) The Company's ownership interests in this venture are subordinate to its partner's preferred capital balance and the Company is not expected to meaningfully participate in the venture's cash flows in the near term.
- (c) Through the joint venture, the Company also owns a 25 percent interest in a 50,973 square feet retail building ("Shops at 40 Park") and a 50 percent interest in a 59-unit, five story multi-family rental property ("Lofts at 40 Park").
- (d) Property debt balance consists of: (i) an amortizable loan, collateralized by the Metropolitan at 40 Park, with a balance of \$34,725, bears interest at 3.25 percent, matures in September 2020; (ii) an amortizable loan, collateralized by the Shops at 40 Park, with a balance of \$6,067, bears interest at LIBOR +2.25% and matures in October 2021; (iii) an interest only loan with a maximum borrowing amount of \$18,200, which bears interest at LIBOR plus 150 basis points and matures in January 2023.
- (e) Included in this is the Company's unconsolidated 50 percent interest in a vacant land to accommodate the development of approximately 738 additional approved units. On June 26, 2020, the loan was refinanced with a borrowing amount of \$161,500.

[Table of Contents](#)

- (f) The venture has a construction loan with a maximum borrowing amount of \$112,000.
- (g) On June 10, 2020, the loan was refinanced with a borrowing amount of \$30,192.
- (h) The Company owns an 85 percent interest with shared control over major decisions such as, approval of budgets, property financings and leasing guidelines.
- (i) The Company owns a 20 percent residual interest in undeveloped land parcels: parcels 6, I, and J that can accommodate the development of 836 apartment units.
- (j) At December 31, 2019, the Company evaluated the recoverability of the carrying value of certain investments in unconsolidated joint venture, being considered for sale in the short or medium term. The Company determined that due to tenant turnover, lease-up assumptions, along with the Company's plans to exit its investment, it was necessary to reduce the carrying value of the investment to its estimated fair value. Accordingly, the Company recorded an impairment charge of \$3.7 million at December 31, 2019.
- (k) The Company owns other interests in various unconsolidated joint ventures, including interests in assets previously owned and interest in ventures whose businesses are related to its core operations. These ventures are not expected to significantly impact the Company's operations in the near term.
- (l) On March 12, 2020, the Company acquired its equity partner's 80 percent interest and increased ownership to 100 percent. See Note 3: Recent Transactions - Consolidation.

The following is a summary of the Company's equity in earnings (loss) of unconsolidated joint ventures for the six months ended June 30, 2020 and 2019 (*dollars in thousands*):

Entity / Property Name	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Multi-family				
Metropolitan at 40 Park	\$ (195)	\$ (121)	(335)	(198)
RiverTrace at Port Imperial	35	52	133	90
Crystal House	(181)	(184)	(340)	(409)
PI North - Riverwalk C / Land	(119)	(62)	(238)	(132)
Marbella II (b)	-	-	-	(15)
Riverpark at Harrison	(66)	(65)	(125)	(125)
Station House	(672)	(538)	(1,139)	(1,094)
Urby at Harborside	(26)	(290)	(9)	(749)
Liberty Landing	-	-	-	-
Hillsborough 206	-	-	-	-
Office				
Red Bank (c)	-	-	-	8
12 Vreeland Road	147	112	258	157
Offices at Crystal Lake	54	(16)	75	29
Other				
Riverwalk Retail (d)	-	(21)	(11)	(42)
Hyatt Regency Hotel Jersey City	(50)	1,000	(50)	1,638
Other	127	45	127	73
Company's equity in earnings (loss) of unconsolidated joint ventures (a)	\$ (946)	\$ (88)	\$ (1,654)	\$ (769)

- (a) Amounts are net of amortization of basis differences of \$143 and \$172 for the three months ended June 30, 2020 and 2019, respectively.
- (b) On January 31, 2019, the Company acquired one of its equity partner's 50 percent interest and as a result, increased its ownership from 24.27 percent subordinated interest to 74.27 percent controlling interest, and ceased applying the equity method of accounting at such time.
- (c) On February 28, 2019, the Company sold its 50 percent interest to its partner and realized a gain of \$0.9 million.
- (d) On March 12, 2020, the Company acquired its equity partner's 80 percent interest and increased ownership to 100 percent. See Note 3: Recent Transactions - Consolidation.

5. DEFERRED CHARGES, GOODWILL AND OTHER ASSETS, NET

(dollars in thousands)	June 30, 2020	December 31, 2019
Deferred leasing costs	\$ 140,527	\$ 142,424
Deferred financing costs - unsecured revolving credit facility (a)	5,559	5,559
	146,086	147,983
Accumulated amortization	(60,286)	(59,522)
Deferred charges, net	85,800	88,461
Notes receivable (b)	1,417	1,625
In-place lease values, related intangibles and other assets, net	80,051	86,092
Goodwill (c)	2,945	2,945
Right of use assets (d)	22,604	22,604
Prepaid expenses and other assets, net (e)	45,087	73,375
Total deferred charges, goodwill and other assets, net (f)	\$ 237,904	\$ 275,102

- (a) Deferred financing costs related to all other debt liabilities (other than for the unsecured revolving credit facility) are netted against those debt liabilities for all periods presented. See Note 2: Significant Accounting Policies – Deferred Financing Costs.
- (b) Includes as of June 30, 2020 and December 31, 2019, respectively, an interest-free note receivable with a net present value of \$1.4 million and \$1.6 million which matures in April 2023. The Company believes this balance is fully collectible.

- (c) All goodwill is attributable to the Company's Multi-family Real Estate and Services segment.
- (d) Balance recorded starting in 2019, pursuant to the Company's adoption of ASU 2016-02 (Topic 842). This amount has a corresponding liability of \$23.8 million, which is included in Accounts payable, accrued expense and other liabilities. See Note 13: Commitments and Contingencies – Ground Lease agreements for further details.
- (e) Includes as of June 30, 2020 and December 31, 2019, zero and \$28.1 million, respectively, of funds available with the Company's qualified intermediary.
- (f) Includes as of June 30, 2020 and December 31, 2019, \$67.8 million and \$68.6 million, respectively, for properties classified as discontinued operations

DERIVATIVE FINANCIAL INSTRUMENTS

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. During the year ended December 31, 2019, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt. As of June 30, 2020, the Company did not have any outstanding interest rate swaps that were designated as cash flow hedges of interest rate risk

During 2019, in connection with the paydown of the Company's outstanding term loans, the Company terminated interest rate swaps with the corresponding notional amount. These paydowns resulted in the Company accelerating the reclassification of gains from other comprehensive income to earnings as a result of the hedged forecasted transactions no longer being probable to occur, amounting to \$0.5 million and \$1.8 million for the three and six months ended June 30, 2019. No additional amounts were recorded for the three and six months ended June 30, 2020.

The changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. During the next 12 months, the Company estimates no additional amount to be reclassified to interest expense.

The table below presents the effect of the Company's derivative financial instruments on the Consolidated Statement of Operations for the six months ending June 30, 2020 and 2019 (*dollars in thousands*):

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivative		Location of Gain or (Loss) Reclassified from Accumulated OCI into Income	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income		Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative and Reclassification for Forecasted Transactions No Longer Probable of Occurring		Total Amount of Interest Expense presented in the consolidated statements	
	2020	2019		2020	2019		2020	2019	2020	2019
Three months ended June 30,										
Interest rate swaps	\$ -	\$ (2,812)	Interest expense	\$ -	\$ 1,297	Interest and other investment income (loss)	\$ -	\$ 515	\$ (20,612)	\$ (22,207)
Six months ended June 30,										
Interest rate swaps	\$ -	\$ (4,413)	Interest expense	\$ 16	\$ 2,868		\$ -	\$ 1,794	\$ (41,530)	\$ (45,688)

Credit-risk-related Contingent Features

The Company had agreements with each of its derivative counterparties that contained a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness was accelerated by the lender due to the Company's default on the indebtedness. As of June 30, 2020, the Company did not have any outstanding derivatives.

6. RESTRICTED CASH

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

	June 30, 2020	December 31, 2019
Security deposits	\$ 5,698	\$ 5,677
Escrow and other reserve funds	8,446	9,900
Total restricted cash	\$ 14,144	\$ 15,577

7. DISCONTINUED OPERATIONS

On December 19, 2019, the Company announced that its Board had determined to sell the Company's entire suburban office portfolio totaling approximately 6.6 million square feet. As the decision to sell the Suburban Office Portfolio represented a strategic shift in the Company's operations, the portfolio's results are being classified as discontinued operations for all periods presented herein.

In late 2019 through June 30, 2020, the Company completed the sale of three of these suburban office properties, totaling 697,000 square feet, for net sales proceeds of \$87.2 million. As of June 30, 2020, the Company has identified as held for sale the remaining 34 office properties (comprised of 13 disposal groups) in the Suburban Office Portfolio, totaling 5.9 million square feet (of which the Company currently has 17 properties totaling 2.7 million square feet under contract for sale for aggregate gross proceeds of \$305.4 million). On July 22, 2020, the Company completed the sale of one of the properties held for sale, which was a 141,000 square foot office property, for gross proceeds of \$7.9 million.

The Company plans to complete the sale of its remaining Suburban Office Portfolio properties in 2020 and early 2021, and to use the available sales proceeds to pay down its corporate-level, unsecured indebtedness. However, the Company cannot predict whether or to what extent the timing of these sales and the expected amount and use of proceeds may be impacted by the ongoing coronavirus ("COVID-19"). After the completion of the Suburban Office Portfolio sales, the Company's holdings will consist of its waterfront class A office portfolio and its multi-family rental portfolio, and related development projects and land holdings.

As a result of recent sales contract amendments and after considering the current market conditions as a result of the challenging economic climate with the current worldwide COVID-19 pandemic, the Company determined that the carrying value of 21 of the properties (comprised of seven disposal groups) was not expected to be recovered from estimated net sales proceeds, and accordingly recognized an unrealized loss allowance of \$11.9 million and \$57.0 million during the three and six months ended June 30, 2020, respectively.

The following table summarizes income from discontinued operations and the related realized gains (losses) and unrealized losses on disposition of rental property and impairments, net, for the three and six months ended June 30, 2020 and 2019 (*dollars in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Total revenues	\$ 39,060	\$ 43,857	\$ 80,668	\$ 87,839
Operating and other expenses	(14,571)	(17,216)	(31,428)	(35,167)
Depreciation and amortization	(1,453)	(17,382)	(2,905)	(33,893)
Interest expense	(1,307)	(1,307)	(2,613)	(2,599)
Income from discontinued operations	21,729	7,952	43,722	16,180
Unrealized losses on disposition of rental property (a)	(11,929)	(5,802)	(56,997)	(5,802)
Realized gains on disposition of rental property (b)	-	-	17,322	-
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(11,929)	(5,802)	(39,675)	(5,802)
Total discontinued operations, net	\$ 9,800	\$ 2,150	\$ 4,047	\$ 10,378

(a) Represents valuation allowances and impairment charges on properties classified as discontinued operations in 2020.

(b) See Note 3: Real Estate Transactions – Dispositions for further information regarding properties sold and related gains (losses).

8. SENIOR UNSECURED NOTES

A summary of the Company’s senior unsecured notes as of June 30, 2020 and December 31, 2019 is as follows (*dollars in thousands*):

	June 30, 2020	December 31, 2019	Effective Rate (1)
4.500% Senior Unsecured Notes, due April 18, 2022	\$ 300,000	\$ 300,000	4.612 %
3.150% Senior Unsecured Notes, due May 15, 2023	275,000	275,000	3.517 %
Principal balance outstanding	575,000	575,000	
Adjustment for unamortized debt discount	(1,837)	(2,170)	
Unamortized deferred financing costs	(1,095)	(1,346)	
Total senior unsecured notes, net	\$ 572,068	\$ 571,484	

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

The terms of the Company’s senior unsecured notes include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets. The Company was in compliance with its debt covenants under the indenture relating to its senior unsecured notes as of June 30, 2020.

9. UNSECURED REVOLVING CREDIT FACILITY AND TERM LOANS

On January 25, 2017, the Company entered into an amended revolving credit facility and new term loan agreement (“2017 Credit Agreement”) with a group of 13 lenders. Pursuant to the 2017 Credit Agreement, the Company refinanced its existing \$600 million unsecured revolving credit facility (“2017 Credit Facility”) and entered into a new \$325 million unsecured, delayed-draw term loan facility (“2017 Term Loan”). Effective March 6, 2018, the Company elected to determine its interest rate under the 2017 Credit Agreement and under the 2017 Term Loan using the defined leverage ratio option, resulting in an interest rate of London Inter-Bank Offered Rate (“LIBOR”) plus 130 basis points and LIBOR plus 155 basis points, respectively.

The terms of the 2017 Credit Facility include: (1) a four year term ending in January 2021, with two six month extension options; , subject to the Company not being in default on the facility and with the payment of a fee of 7.5 basis points for each extension; (2) revolving credit loans may be made to the Company in an aggregate principal amount of up to \$600 million (subject to increase as discussed below), with a sublimit under the 2017 Credit Facility for the issuance of letters of credit in an amount not to exceed \$60 million (subject to increase as discussed below); (3) an interest rate, based on the Operating Partnership’s unsecured debt ratings from Moody’s or S&P, or, at the Operating Partnership’s option, if it no longer maintains a debt rating from Moody’s or S&P, or such debt ratings fall below Baa3 and BBB-, based on a defined leverage ratio; and (4) a facility fee, currently 25 basis points, payable quarterly based on the Operating Partnership’s unsecured debt ratings from Moody’s or S&P, or, at the Operating Partnership’s option, if it no longer maintains a debt rating from Moody’s or S&P or such debt ratings fall below Baa3 and BBB-, based on a defined leverage ratio. The Company’s unsecured debt is currently rated Ba2 by Moody’s and BB- by S&P.

After electing to use the defined leverage ratio to determine the interest rate, the interest rates on outstanding borrowings, alternate base rate loans and the facility fee on the current borrowing capacity, payable quarterly in arrears, on the 2017 Credit Facility are currently based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points Above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans	Facility Fee Basis Points
<45%	125.0	25.0	20.0
≥45% and <50% (current ratio)	130.0	30.0	25.0
≥50% and <55%	135.0	35.0	30.0
≥55%	160.0	60.0	35.0

Prior to the election to use the defined leverage ratio option, the interest rates on outstanding borrowings, alternate base rate loans and the facility fee on the current borrowing capacity, payable quarterly in arrears, on the 2017 Credit Facility were based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans	Facility Fee Basis Points
No ratings or less than BBB-/Baa3	155.0	55.0	30.0
BBB- or Baa3 (interest rate based on Company's election through March 5, 2018)	120.0	20.0	25.0
BBB or Baa2	100.0	0.0	20.0
BBB+ or Baa1	90.0	0.0	15.0
A- or A3 or higher	87.5	0.0	12.5

The terms of the 2017 Term Loan included: (1) a three year term ending in January 2020, with two one year extension options; (2) multiple draws of the term loan commitments may be made within 12 months of the effective date of the 2017 Credit Agreement up to an aggregate principal amount of \$325 million (subject to increase as discussed below), with no requirement to be drawn in full; provided, that, if the Company does not borrow at least 50 percent of the initial term commitment from the term lenders (i.e. 50 percent of \$325 million) on or before July 25, 2017, the amount of unused term loan commitments shall be reduced on such date so that, after giving effect to such reduction, the amount of unused term loan commitments is not greater than the outstanding term loans on such date; (3) an interest rate, based on the Operating Partnership's unsecured debt ratings from Moody's or S&P, or, at the Operating Partnership's option if it no longer maintains a debt rating from Moody's or S&P or such debt ratings fall below Baa3 and BBB-, based on a defined leverage ratio; and (4) a term commitment fee on any unused term loan commitment during the first 12 months after the effective date of the 2017 Credit Agreement at a rate of 0.25 percent per annum on the sum of the average daily unused portion of the aggregate term loan commitments.

On March 22, 2017, the Company drew the full \$325 million available under the 2017 Term Loan. On March 29, 2017, the Company executed interest rate swap arrangements to fix LIBOR with an aggregate average rate of 1.6473% for the swaps and a then aggregate fixed rate of 3.1973% on borrowings under the 2017 Term Loan.

During the year ended December 31, 2019, the Company prepaid the 2017 Term Loan (using a portion of the proceeds from a new mortgage loan collateralized by an office building located at 111 River Street and using borrowings under the Company's unsecured revolving credit facility) and recorded a net loss of \$173,000 from extinguishment of debt, as a result of a gain of \$80,000 due to the early termination of part of the interest rate swap arrangements, and the write off of unamortized deferred financing costs and fees amounting to \$253,000 as a result of the debt repayment.

After electing to use the defined leverage ratio to determine the interest rate, the interest rate under the 2017 Term Loan was based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans
<45%	145.0	45.0
≥45% and <50% (current ratio)	155.0	55.0
≥50% and <55%	165.0	65.0
≥55%	195.0	95.0

Prior to the election to use the defined leverage ratio option, the interest rate on the 2017 Term Loan was based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans
No ratings or less than BBB-/Baa3	185.0	85.0
BBB- or Baa3 (interest rate based on Company's election through March 5, 2018)	140.0	40.0
BBB or Baa2	115.0	15.0
BBB+ or Baa1	100.0	0.0
A- or A3 or higher	90.0	0.0

On up to four occasions at any time after the effective date of the 2017 Credit Agreement, the Company may elect to request (1) an increase to the existing revolving credit commitments (any such increase, the "New Revolving Credit Commitments") and/or (2) the establishment of one or more new term loan commitments (the "New Term Commitments", together with the 2017 Credit Commitments, the "Incremental Commitments"), by up to an aggregate amount not to exceed \$350 million for all Incremental Commitments. The Company may also request that the sublimit for letters of credit available under the 2017 Credit Facility be increased to \$100 million (without arranging any New Revolving Credit Commitments). No lender or letter of credit issued has any obligation to accept any Incremental Commitment or any increase to the letter of credit subfacility. There is no premium or penalty associated with full or partial prepayment of borrowings under the 2017 Credit Agreement.

The 2017 Credit Agreement, which applies to both the 2017 Credit Facility and 2017 Term Loan, includes certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the 2017 Credit Agreement (described below), or (ii) the property dispositions are completed while the Company is under an event of default under the 2017 Credit Agreement, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). The 2017 Credit Agreement contains "change of control" provisions that permit the lenders to declare a default and require the immediate repayment of all outstanding borrowings under the 2017 Credit Facility. These change of control provisions, which have been an event of default under the agreements governing the Company's revolving credit facilities since June 2000, are triggered if, among other things, a majority of the seats on the Board of Directors (other than vacant seats) become occupied by directors who were neither nominated by the Board Directors nor appointed by a majority of directors nominated by the Board of Directors. Furthermore, the agreements governing the Company's Senior Unsecured Notes include cross-acceleration provisions that would constitute an event of default requiring immediate repayment of the Notes if the change of control provisions under the 2017 Credit Facility are triggered and the lenders declare a default and exercise their rights under the 2017 Credit Facility and accelerate repayment of the outstanding borrowings thereunder. In addition, construction loans secured by two multi-family residential property development projects contain cross-acceleration provisions similar to those in the agreements governing the Notes for defaults by the Company. If these change of control provisions were triggered, the Company could seek a forbearance, waiver or amendment of the change of control provisions from the lenders, however there can be no assurance that the Company would be able to obtain such forbearance, waiver or amendment on acceptable terms or at all. If an event of default has occurred and is continuing, the entire outstanding balance under the 2017 Credit Agreement may (or, in the case of any bankruptcy event of default, shall) become immediately due and payable, and the Company will not make any excess distributions except to enable the General Partner to continue to qualify as a REIT under the IRS Code.

Before it amended and restated its unsecured revolving credit facility in January 2017, the Company had a \$600 million unsecured revolving credit facility with a group of 17 lenders that was scheduled to mature in July 2017. The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) and the facility fee on the current borrowing capacity payable quarterly in arrears was based upon the Operating Partnership's unsecured debt ratings at the time, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Facility Fee Basis Points
No ratings or less than BBB-/Baa3	170.0	35.0
BBB- or Baa3 (since January 2017 amendment)	130.0	30.0
BBB or Baa2	110.0	20.0
BBB+ or Baa1	100.0	15.0
A- or A3 or higher	92.5	12.5

In January 2016, the Company obtained a \$350 million unsecured term loan ("2016 Term Loan"), which had been scheduled to mature in January 2019 with two one year extension options. On January 7, 2019, the Company exercised the first one year extension option with the payment of an extension fee of \$0.5 million, which extended the maturity of the 2016 Term Loan to January 2020. The interest rate for the term loan is based on the Operating Partnership's unsecured debt ratings, or, at the Company's option, a defined leverage ratio. Effective March 6, 2018, the Company elected to determine its interest rate under the 2016 Term Loan using the defined leverage ratio option, resulting in an interest rate of LIBOR plus 155 basis points. The Company entered into interest rate swap arrangements to fix LIBOR for the duration of the term loan. Including costs, the current all-in fixed rate is 3.28 percent. The proceeds from the loan were used primarily to repay outstanding borrowings on the Company's then existing unsecured revolving credit facility and to repay \$200 million senior unsecured notes that matured on January 15, 2016.

During the year ended December 31, 2019, the Company prepaid the 2016 Term Loan (using a portion of the cash sales proceeds from the Flex portfolio sale, using the proceeds from a mortgage loan financing obtained on Soho Lofts Apartments and using a portion of the proceeds from a new mortgage loan collateralized by an office building located at 111 River Street), and recorded a gain of \$2.1 million due to the early termination of part of the interest rate swap arrangements, as a result of the debt prepayment during the year ended December 31, 2019. Unamortized deferred financing costs and fees amounting to \$242,000 pertaining to the 2016 Term Loan were written off during the year ended December 31, 2019.

In summary, the Company recorded a net gain on extinguishment of debt of \$1.6 million for the year ended December 31, 2019, as described above.

After electing to use the defined leverage ratio to determine interest rate, the interest rate under the 2016 Term Loan was based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points above LIBOR
<45%	145.0
≥45% and <50% (current ratio)	155.0
≥50% and <55%	165.0
≥55%	195.0

Prior to the election to use the defined interest leverage ratio option, the interest rate on the 2016 Term Loan was based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR
No ratings or less than BBB-/Baa3	185.0
BBB- or Baa3 (interest rate based on Company's election through March 5, 2018)	140.0
BBB or Baa2	115.0
BBB+ or Baa1	100.0
A- or A3 or higher	90.0

The terms of the 2016 Term Loan include certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the term loan described below, or (ii) the property dispositions are completed

while the Company is under an event of default under the term loan, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the General Partner to continue to qualify as a REIT under the IRS Code.

On August 30, 2018, the Company entered into an amendment to the 2017 Credit Agreement (the “2017 Credit Agreement Amendment”) and an amendment to the 2016 Term Loan (the “2016 Term Loan Amendment”).

Each of the 2017 Credit Agreement Amendment and the 2016 Term Loan Amendment was effective as of June 30, 2018 and provided for the following material amendments to the terms of both the 2017 Credit Agreement and 2016 Term Loan:

1. The unsecured debt ratio covenant has been modified with respect to the measurement of the unencumbered collateral pool of assets in the calculation of such ratio for the period commencing July 1, 2018 and continuing until December 31, 2019 to allow the Operating Partnership to utilize the “as-is” appraised value of the properties known as ‘Harborside Plaza I’ and ‘Harborside Plaza V’ properties located in Jersey City, NJ in such calculation; and
2. A new covenant has been added that prohibits the Company from making any optional or voluntary payment, repayment, repurchase or redemption of any unsecured indebtedness of the Company (or any subsidiaries) that matures after January 25, 2022, at any time when any of the Total Leverage Ratio or the unsecured debt ratio covenants exceeds 60 percent (all as defined in the 2017 Credit Agreement and the 2016 Term Loan) or an appraisal is being used to determine the value of Harborside Plaza I and Harborside Plaza V for the unsecured debt ratio covenant.

All other terms and conditions of the 2017 Credit Agreement and the 2016 Term Loan remained unchanged.

The Company was in compliance with its debt covenants under its unsecured revolving credit facility as of June 30, 2020.

As of June 30, 2020 and December 31, 2019, the Company’s borrowings under its unsecured credit facility totaled \$329 million and \$329 million, respectively.

10. MORTGAGES, LOANS PAYABLE AND OTHER OBLIGATIONS

The Company has mortgages, loans payable and other obligations which primarily consist of various loans collateralized by certain of the Company’s rental properties, land and development projects. As of June 30, 2020, 19 of the Company’s properties, with a total carrying value of approximately \$2.8 billion and four of the Company’s land and development projects, with a total carrying value of approximately \$516 million, are encumbered by the Company’s mortgages and loans payable. Payments on mortgages, loans payable and other obligations are generally due in monthly installments of principal and interest, or interest only. The Company was in compliance with its debt covenants under its mortgages and loans payable as of June 30, 2020.

A summary of the Company's mortgages, loans payable and other obligations as of June 30, 2020 and December 31, 2019 is as follows (*dollars in thousands*):

Property/Project Name	Lender	Effective Rate (a)	June 30, 2020	December 31, 2019	Maturity
Monaco (b)	The Northwestern Mutual Life Insurance Co.	3.15%	\$ 165,945	\$ 166,752	02/01/21
Port Imperial South 4/5 Retail	American General Life & A/G PC	4.56%	3,901	3,934	12/01/21
Port Imperial 4/5 Hotel (c)	Fifth Third Bank	LIBOR+3.40%	94,000	74,000	04/09/22
Emery at Overlook Ridge (d)	Fifth Third Bank	LIBOR+2.50%	50,134	24,064	05/16/22
Port Imperial South 9 (e)	Bank of New York Mellon	LIBOR+2.13%	28,932	11,615	12/19/22
Portside 7	CBRE Capital Markets/FreddieMac	3.57%	58,998	58,998	08/01/23
Short Hills Residential (f)	People's United Bank	LIBOR+2.15%	26,749	9,431	03/26/23
250 Johnson	Nationwide Life Insurance Company	3.74%	43,000	43,000	08/01/24
Liberty Towers (g)	American General Life Insurance Company	3.37%	265,000	232,000	10/01/24
The Charlotte (h)	QuadReal Finance	LIBOR+2.70%	72,795	5,144	12/01/24
Portside 5/6	New York Life Insurance Company	4.56%	97,000	97,000	03/10/26
Marbella	New York Life Insurance Company	4.17%	131,000	131,000	08/10/26
Marbella II	New York Life Insurance Company	4.29%	117,000	117,000	08/10/26
101 Hudson	Wells Fargo CMBS	3.20%	250,000	250,000	10/11/26
Worcester	MUFG Union Bank	LIBOR+1.84%	63,000	63,000	12/10/26
Short Hills Portfolio (i)	Wells Fargo CMBS	4.15%	124,500	124,500	04/01/27
150 Main St.	Natixis Real Estate Capital LLC	4.48%	41,000	41,000	08/05/27
Port Imperial South 11	The Northwestern Mutual Life Insurance Co.	4.52%	100,000	100,000	01/10/29
Soho Lofts (j)	New York Community Bank	3.77%	160,000	160,000	07/01/29
Riverwatch Commons (j)	New York Community Bank	3.79%	30,000	30,000	07/01/29
111 River St. (k)	Athene Annuity and Life Company	3.90%	150,000	150,000	09/01/29
Port Imperial South 4/5 Garage	American General Life & A/G PC	4.85%	32,353	32,600	12/01/29
Principal balance outstanding			2,105,307	1,925,038	
Unamortized deferred financing costs			(15,910)	(17,004)	
Total mortgages, loans payable and other obligations, net			\$ 2,089,397	\$ 1,908,034	

- (a) Reflects effective rate of debt, including deferred financing costs, comprised of the cost of terminated treasury lock agreements (if any), debt initiation costs, mark-to-market adjustment of acquired debt and other transaction costs, as applicable.
- (b) This mortgage loan, which includes unamortized fair value adjustment of \$0.9 million as of June 30, 2020, was assumed by the Company in April 2017 with the consolidation of all the interests in Monaco Towers. The Company has agreed to terms with the current lender to refinance the existing mortgage at or before maturity.
- (c) This loan has a maximum borrowing capacity of \$94 million.
- (d) This construction loan has a maximum borrowing capacity of \$62 million and provides, subject to certain conditions, one 18 month extension option with a fee of 25 basis points.
- (e) This construction loan has a maximum borrowing capacity of \$92 million and provides, subject to certain conditions, one one year extension option with a fee of 15 basis points.
- (f) This construction loan has a maximum borrowing capacity of \$64 million and provides, subject to certain conditions, one 18 month extension option with a fee of 30 basis points.
- (g) In January 2020, the Company increased the size of the loan on Liberty Towers to \$265 million, generating \$33 million of additional proceeds.
- (h) This construction loan has a LIBOR floor of 2.0 percent, has a maximum borrowing capacity of \$300 million and provides, subject to certain conditions, one one-year extension option with a fee of 25 basis points.
- (i) Properties, which are collateral for this mortgage loan, were classified as held for sale as of December 31, 2019.
- (j) Effective rate reflects the first five years of interest payments at a fixed rate. Interest payments after that period ends are based on LIBOR plus 2.75% annually.
- (k) Property, which is collateral for this mortgage loan, was classified as held for sale as of April 2020.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the six months ended June 30, 2020 and 2019 was \$52,441,000 and \$54,630,000 (of which \$2,570,000 and \$2,556,000 pertained to properties classified as discontinued operations), respectively. Interest capitalized by the Company for the six months ended June 30, 2020 and 2019 was \$11,788,000 and \$9,458,000, respectively (which amounts included \$681,000 and \$627,000 for the six months ended June 30, 2020 and 2019, respectively, of interest capitalized on the Company's investments in unconsolidated joint ventures which were substantially in development).

SUMMARY OF INDEBTEDNESS

As of June 30, 2020, the Company's total indebtedness of \$2,990,465,000 (weighted average interest rate of 3.53 percent) was comprised of \$658,693,000 of unsecured revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 2.34 percent) and fixed rate debt and other obligations of \$2,331,772,000 (weighted average rate of 3.86 percent).

As of December 31, 2019, the Company's total indebtedness of \$2,808,518,000 (weighted average interest rate of 3.81 percent) was comprised of \$509,656,000 of unsecured revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 3.54 percent) and fixed rate debt and other obligations of \$2,298,862,000 (weighted average rate of 3.87 percent).

11. EMPLOYEE BENEFIT 401(k) PLANS

Employees of the General Partner, who meet certain minimum age and service requirements, are eligible to participate in the Mack-Cali Realty Corporation 401(k) Savings/Retirement Plan (the "401(k) Plan"). Eligible employees may elect to defer from one percent up to 60 percent of their annual compensation on a pre-tax basis to the 401(k) Plan, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company may make discretionary matching or profit sharing contributions to the 401(k) Plan on behalf of eligible participants in any plan year. Participants are always 100 percent vested in their pre-tax contributions and will begin vesting in any matching or profit sharing contributions made on their behalf after two years of service with the Company at a rate of 20 percent per year, becoming 100 percent vested after a total of six years of service with the Company. All contributions are allocated as a percentage of compensation of the eligible participants for the Plan year. The assets of the 401(k) Plan are held in trust and a separate account is established for each participant. A participant may receive a distribution of his or her vested account balance in the 401(k) Plan in a single sum or in installment payments upon his or her termination of service with the Company. Total expense recognized by the Company for the 401(k) Plan for the three months ended June 30, 2020 and 2019 was \$175,000 and \$189,000, respectively, and \$431,000 and \$508,000 for the six months ended June 30, 2020 and 2019, respectively.

12. DISCLOSURE OF FAIR VALUE OF ASSETS AND LIABILITIES

The following disclosure of estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the assets and liabilities at June 30, 2020 and December 31, 2019. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, receivables, notes receivables, accounts payable, and accrued expenses and other liabilities are carried at amounts which reasonably approximate their fair values as of June 30, 2020 and December 31, 2019.

The fair value of the Company's long-term debt, consisting of senior unsecured notes, unsecured term loans, an unsecured revolving credit facility and mortgages, loans payable and other obligations aggregated approximately \$3,032,589,000 and \$2,791,629,000 as compared to the book value of approximately \$2,990,465,000 and \$2,808,517,000 as of June 30, 2020 and December 31, 2019, respectively. The fair value of the Company's long-term debt was categorized as a level 3 basis (as provided by ASC 820, Fair Value Measurements and Disclosures). The fair value was estimated using a discounted cash flow analysis valuation based on the borrowing rates currently available to the Company for loans with similar terms and maturities. The fair value of the mortgage debt and the unsecured notes was determined by discounting the future contractual interest and principal payments by a market rate. Although the Company has determined that the majority of the inputs used to value its derivative financial instruments fall within level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivative financial instruments utilize level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. The Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivative financial instruments. As a result, the Company has determined that its derivative financial instruments valuations in their entirety are classified in level 2 of the fair value hierarchy.

The fair value measurements used in the evaluation of the Company's rental properties are considered to be Level 3 valuations within the fair value hierarchy, as there are significant unobservable inputs. Inputs that were utilized in the fair value calculations include, but are not limited to estimated holding periods, discount rates, market capitalization rates, expected lease rental rates, third party broker information and information from potential buyers, as applicable.

Valuations of real estate identified as held for sale are based on estimated sale prices, net of estimated selling costs, of such property. In the absence of an executed sales agreement with a set sales price, management's estimate of the net sales price may be based on a number of unobservable assumptions/inputs, including but not limited to the Company's estimates of future and stabilized cash flows,

[Table of Contents](#)

market capitalization rates and discount rates, if applicable. For developable land, an estimated per-unit market value assumption is also considered based on development rights for the land.

As of June 30, 2020, inputs and assumptions included

Description	Primary Valuation Techniques	Unobservable Inputs	Location Type	Range of Rates
Office properties held for sale on which the Company recognized impairment losses	Discounted cash flows	Discount rates	Suburban	7.5% - 9.6%
		Exit Capitalization rates	Suburban	7.5% - 9%
		Market rental rates per square foot	Suburban	\$26.00 - \$50.00
Land properties held for sale on which the Company recognized impairment losses	Developable units and market rate per unit	Market rates per residential unit	Suburban	\$26,500 - \$35,000
		Market rates per square foot	Suburban	\$15.00 - \$25.00

The Company identified as held for sale 35 office properties (comprised of 13 disposal groups), a retail pad leased to others, several developable land parcels as held for sale and two developable land parcels classified as held and used as of June 30, 2020 with an aggregate carrying value of \$1.1 billion. As a result of recent sales contract amendments and after considering the current market conditions as a result of the challenging economic climate with the current worldwide COVID-19 pandemic, the Company determined that the carrying value of 21 of the properties (comprised of seven disposal groups) and several land parcels was not expected to be recovered from estimated net sales proceeds and accordingly recognized an unrealized loss allowance of \$11.9 million and \$64.9 million during the three and six months ended June 30, 2020, respectively, and land impairments of \$16.8 million and \$22.1 million during the three and six months ended June 30, 2020, respectively.

Disclosure about fair value of assets and liabilities is based on pertinent information available to management as of June 30, 2020 and December 31, 2019. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since June 30, 2020 and current estimates of fair value may differ significantly from the amounts presented herein.

The recent outbreak of COVID-19 worldwide has significantly slowed global economic activity and caused significant volatility in financial markets. As such, there is currently significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The current economic environment can and will be significantly adversely affected by many factors beyond the Company's control. The extent to which COVID-19 impacts the Company's fair value estimates in the future will depend on developments going forward, many of which are highly uncertain and cannot be predicted. In consideration of the magnitude of such uncertainties under the current climate, management has considered all available information at its properties and in the marketplace to provide its estimates as of June 30, 2020.

13. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

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

The Harborside Plaza 4-A agreement with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The annual PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are \$49.5 million. The PILOT totaled \$264,000 and \$270,000 for the three months ended June 30, 2020 and 2019, respectively, and \$528,000 and \$540,000 for the six months ended June 30, 2020 and 2019, respectively.

The Harborside Plaza 5 agreement, also with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The annual PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are \$170.9 million. The PILOT totaled \$1.1 million and \$1.1 million for the three months ended June 30, 2020 and 2019, respectively and \$2.2 million and \$2.2 million for the six months ended June 30, 2020 and 2019, respectively.

The Port Imperial South 1/3 Garage development project agreement with the City of Weehawken has a term of five years beginning when the project is substantially complete, which occurred in the fourth quarter of 2015. The agreement provides that real estate taxes be paid at 100 percent on the land value of the project only over the five year period and allows for a phase in of real estate taxes on the building improvement value at zero percent in year one and 95 percent in years two through five.

[Table of Contents](#)

The Port Imperial Hotel development project agreement with the City of Weehawken is for a term of 15 years following substantial completion, which occurred in December 2018. The annual PILOT is equal to two percent of Total Project Costs, as defined therein. The PILOT totaled \$0.5 million and \$0.3 million for the three months ended June 30, 2020 and 2019, respectively and \$1.1 million and \$0.5 million for the six months ended June 30, 2020 and 2019, respectively.

The Port Imperial South 11 development project agreement with the City of Weehawken is for a term of 15 years following substantial completion, which occurred in August 2018. The annual PILOT is equal to 10 percent of Gross Revenues, as defined therein. The PILOT totaled \$0.3 million and \$0.2 million for the three months ended June 30, 2020 and 2019, respectively and \$0.6 million and \$0.5 million for the six months ended June 30, 2020 and 2019, respectively.

The 111 River Realty agreement with the City of Hoboken, which commenced on October 1, 2001 expires in April 2022. The PILOT payment equaled \$1.2 million annually through April 2017 and then increased to \$1.4 million annually until expiration. The PILOT totaled \$0.4 million and \$0.4 million for the three months ended June 30, 2020 and 2019, respectively and \$0.7 million and \$0.7 million for the six months ended June 30, 2020 and 2019, respectively.

The Monaco Towers agreement with the City of Jersey City, which commenced in 2011, is for a term of 10 years. The annual PILOT is equal to 10 percent of gross revenues, as defined. The PILOT totaled \$0.5 million and \$0.7 million for the three months ended June 30, 2020 and 2019, respectively and \$1.1 million and \$1.1 million for the six months ended June 30, 2020 and 2019, respectively.

The Marbella II agreement with the City of Jersey City, which commenced in 2016, is for a term of 10 years. The annual PILOT is equal to 10 percent of gross revenues for years 1-4, 12 percent of gross revenues for years 5-8 and 14 percent of gross revenue for years 9-10, as defined therein. The PILOT totaled \$0.3 million and \$0.5 million for the three months ended June 30, 2020 and 2019, respectively and \$0.6 million and \$0.7 million for the six months ended June 30, 2020 and 2019, respectively.

The Port Imperial South Parcel 9 development project agreement with the City of Weehawken is for a term of 25 years following substantial completion, which is anticipated to occur in the first quarter 2021. The annual PILOT is equal to 11 percent of gross revenue for years 1-10, 12.5 percent for years 11-18 and 14 percent for years 19-25, as defined therein.

The Port Imperial South Park Parcel development project agreement with the Township of Weehawken is for a term of 25 years following substantial completion. The annual PILOT is equal to 10 percent of Gross Revenues, as defined therein.

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

LITIGATION

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

GROUND LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable ground leases under which the Company is the lessee, as of June 30, 2020 and December 31, 2019, are as follows (*dollars in thousands*):

Year	As of June 30, 2020	
		Amount
July 1 through December 31, 2020	\$	875
2021		1,750
2022		1,750
2023		1,756
2024		1,776
2025 through 2098		154,722
Total lease payments		162,629
Less: imputed interest		(138,859)
Total	\$	23,770

As of December 31, 2019

Year		Amount
2020	\$	1,750
2021		1,750
2022		1,750
2023		1,756
2024		1,776
2025 through 2098		154,722
Total lease payments		163,504
Less: imputed interest		(139,748)
Total	\$	23,756

Ground lease expense incurred by the Company amounted to \$680,000 and \$640,000 for the three months ended June 30, 2020 and 2019, respectively, and \$1.3 million and \$1.3 million for the six months ended June 30, 2020 and 2019, respectively.

In conjunction with the adoption of ASU 2016-02 (Topic 842), starting on January 1, 2019, the Company capitalized operating leases, which had a balance of \$22.6 million at June 30, 2020 for five ground leases. Such amount represents the net present value (“NPV”) of future payments detailed above. The incremental borrowing rates used to arrive at the NPV ranged from 5.637 percent to 7.618 percent for the remaining ground lease terms ranging from 6.25 years to 82.58 years. These rates were arrived at by adjusting the fixed rates of the Company’s mortgage debt with debt having terms approximating the remaining lease term of the Company’s ground leases and calculating notional rates for fully-collateralized loans.

CONSTRUCTION PROJECTS

The Company is developing a 313-unit multi-family project known as Port Imperial South 9 at Port Imperial in Weehawken, New Jersey, which began construction in third quarter 2018. The construction project, which is estimated to cost \$142.9 million, of which construction costs of \$79.8 million have been incurred through June 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$50.9 million as of June 30, 2020, and the remaining construction costs are expected to be funded from a \$92 million construction loan (of which \$28.9 million was drawn as of June 30, 2020).

The Company is developing a 198-unit multi-family project known as the Upton at Short Hills located in Short Hills, New Jersey, which began construction in fourth quarter 2018. The construction project, which is estimated to cost \$99.4 million, of which \$65.6 million have been incurred through June 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$38.9 million of the construction costs, and the remaining construction costs are expected to be funded from a \$64 million construction loan (of which \$26.7 million was drawn as of June 30, 2020).

The Company is developing a 750-unit multi-family project at 25 Christopher Columbus in Jersey City, New Jersey, which began construction in first quarter 2019. The construction project, which is estimated to cost \$469.5 million, of which \$227.8 million have been incurred through June 30, 2020, is expected to be ready for occupancy in first quarter 2022. The Company is expected to fund \$169.5 million of the construction costs, of which the Company has funded \$155 million as of June 30, 2020, and the remaining construction costs are expected to be funded from a \$300 million construction loan (of which \$72.8 million was drawn as of June 30, 2020).

MANAGEMENT CHANGES

On July 24, 2020, the Company terminated Michael J. DeMarco as its Chief Executive Officer without cause, pursuant to his employment agreement and the associated equity award agreements he has with the Company.

Effective as of July 25, 2020, the Board of Directors appointed MaryAnne Gilmartin, the Chair of the Company’s Board of Directors, as interim Chief Executive Officer of the Company. Ms. Gilmartin will continue to serve as Chair of the Board, but has resigned as a member of the Nominating & Corporate Governance Committee of the Board. Tammy K. Jones, a current director, has been appointed to serve as the lead independent director on the Board.

In connection with Ms. Gilmartin’s appointment, the Company has entered into a letter agreement (the “Letter Agreement”) with MAG Partners 2.0 LLC (“MAG Partners”), an entity wholly owned by Ms. Gilmartin. Pursuant to the Letter Agreement, MAG Partners has agreed to make Ms. Gilmartin’s services available to the Company to serve as its interim Chief Executive Officer. The term of this arrangement and Ms. Gilmartin’s appointment as interim Chief Executive Officer (the “Term”) will continue until the earliest to occur of (i) the commencement of employment of a permanent Chief Executive Officer of the Company, (ii) a period of six months has

elapsed, or an earlier or later date selected by the Board, and (iii) Ms. Gilmartin's death or disability, or the termination of the arrangement by MAG Partners (including a resignation by Ms. Gilmartin of her appointment as interim Chief Executive Officer).

Pursuant to the Letter Agreement, during the Term the Company will pay to MAG Partners a monthly fee of \$150,000, subject to proration for any partial month (but continuing for a minimum of three months following commencement of the Term if the Term is ended by the Board for any reason other than for "cause"). MAG Partners is also eligible to receive a one-time cash sign-on bonus of \$300,000 and, unless the Term is ended by the Board for "cause," a one-time completion bonus of \$200,000 at the end of the Term (but no later than March 12, 2021). In addition, the Company has granted to MAG Partners fully vested stock options to purchase up to 230,000 shares of common stock with an exercise price of \$14.39 per share, and up to 100,000 shares of common stock with an exercise price of \$20.00 per share, pursuant to a Stock Option Agreement by and between MAG Partners and the Company (the "Option Agreement"). However, the options, and any shares received upon exercise, will terminate and be forfeited if the Board ends the Term for "cause" or MAG Partners terminates its arrangement with the Company (including a resignation by Ms. Gilmartin of her appointment as interim Chief Executive Officer, but excluding a termination because of a material breach of the arrangement by the Company or because Ms. Gilmartin has been appointed as the permanent Chief Executive Officer of the Company) before six months have elapsed, or if MAG Partners fails to comply with certain covenants in the Letter Agreement. 157,505 of the options have been granted subject to shareholder approval at the Company's 2021 Annual Meeting of Stockholders; however, if a "change in control" transaction occurs before the date of such 2021 Annual Meeting, then such options would instead be canceled and cashed out upon such transaction for a value equal to their "spread value," if any.

During the Term, Ms. Gilmartin will not receive any additional fees or other compensation for her service (excluding equity previously granted) as a director on the Company's Board or on the Roseland Residential Trust board of directors. However, the Company will reimburse MAG Partners for up to \$10,000 in legal fees incurred in connection with negotiating the arrangements described above.

OTHER

Through February 2016, the Company could not dispose of or distribute certain of its properties, which were originally contributed by certain unrelated common unitholders of the Operating Partnership, without the express written consent of such common unitholders, as applicable, except in a manner which did not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimbursed the appropriate specific common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). Upon the expiration in February 2016 of the Property Lock-Ups, the Company is generally required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the specific common unitholders, which include members of the Mack Group (which includes William L. Mack, a former director; David S. Mack, a former director; and Earle I. Mack, a former director), the Robert Martin Group, and the Cali Group (which includes John R. Cali, a former director). As of June 30, 2020, after the effects of tax-free exchanges on certain of the originally contributed properties, either wholly or partially, over time, 27 of the Company's properties, as well as certain land and development projects, including properties classified as held for sale as of June 30, 2020, with an aggregate carrying value of approximately \$1.7 billion, are subject to these conditions.

14. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2041. Substantially all of the commercial leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass-through of charges for electrical usage.

Future minimum rentals to be received under non-cancelable commercial operating leases (excluding properties classified as discontinued operations) at June 30, 2020 and December 31, 2019 are as follows (*dollars in thousands*):

Year	As of June 30, 2020	
		Amount
July 1 through December 31, 2020	\$	60,667
2021		113,698
2022		109,329
2023		104,216
2024		92,447
2025 and thereafter		518,309
Total	\$	998,666

Year	As of December 31, 2019	
		Amount
2020	\$	115,418
2021		107,027
2022		103,417
2023		99,544
2024		88,082
2025 and thereafter		488,305
Total	\$	1,001,793

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

15. REDEEMABLE NONCONTROLLING INTERESTS

The Company evaluates the terms of the partnership units issued in accordance with the FASB’s Distinguishing Liabilities from Equity guidance. Units which embody an unconditional obligation requiring the Company to redeem the units for cash after a specified or determinable date (or dates) or upon the occurrence of an event that is not solely within the control of the issuer are determined to be contingently redeemable under this guidance and are included as Redeemable noncontrolling interests and classified within the mezzanine section between Total liabilities and Stockholders’ equity on the Company’s Consolidated Balance Sheets. Convertible units for which the Company has the option to settle redemption amounts in cash or Common Stock are included in the caption Noncontrolling interests in subsidiaries within the equity section on the Company’s Consolidated Balance Sheet.

Rockpoint Transaction

On February 27, 2017, the Company, Roseland Residential Trust (“RRT”), the Company’s subsidiary through which the Company conducts its multi-family residential real estate operations, Roseland Residential, L.P. (“RRLP”), the operating partnership through which RRT conducts all of its operations, and certain other affiliates of the Company entered into a preferred equity investment agreement (the “Original Investment Agreement”) with certain affiliates of Rockpoint Group, L.L.C. (Rockpoint Group, L.L.C. and its affiliates, collectively, “Rockpoint”). The Original Investment Agreement provided for RRT to contribute property to RRLP in exchange for common units of limited partnership interests in RRLP (the “Common Units”) and for multiple equity investments by Rockpoint in RRLP from time to time for up to an aggregate of \$300 million of preferred units of limited partnership interests in RRLP (the “Preferred Units”). The initial closing under the Original Investment Agreement occurred on March 10, 2017 for \$150 million of Preferred Units and the parties agreed that the Company’s contributed equity value (“RRT Contributed Equity Value”), was \$1.23 billion at closing. During the year ended December 31, 2018, a total additional amount of \$105 million of Preferred Units were issued and sold to Rockpoint pursuant to the Original Investment Agreement. During the three months ended March 31, 2019, a total additional amount of \$45 million of Preferred Units were issued and sold to Rockpoint pursuant to the Original Investment Agreement, which brought the Preferred Units to the full balance of \$300 million. In addition, certain contributions of property to RRLP by RRT subsequent to the execution of the Original Investment Agreement resulted in RRT being issued approximately \$46 million of Preferred Units and Common Units in RRLP prior to June 26, 2019.

On June 26, 2019, the Company, RRT, RRLP, certain other affiliates of the Company and Rockpoint entered into an additional preferred equity investment agreement (the “Add On Investment Agreement”). The closing under the Add On Investment Agreement occurred on June 28, 2019. Pursuant to the Add On Investment Agreement, Rockpoint invested an additional \$100 million in Preferred Units and the Company and RRT agreed to contribute to RRLP two additional properties located in Jersey City, New Jersey. In addition, Rockpoint has a right of first refusal to invest another \$100 million in Preferred Units in the event RRT determines that RRLP requires additional capital prior to March 1, 2023 and, subject thereto, RRLP may issue up to approximately \$154 million in Preferred Units to RRT or an affiliate so long as at the time of such funding RRT determines in good faith that RRLP has a valid business purpose to use such proceeds. Included in general and administrative expenses for the year ended December 31, 2019 were \$371,000 in fees associated with the modifications of the Original Investment Agreement, which were made upon signing of the Add On Investment Agreement.

Under the terms of the new transaction with Rockpoint, the cash flow from operations of RRLP will be distributable to Rockpoint and RRT as follows:

- ① first, to provide a 6% annual return to Rockpoint and RRT on their capital invested in Preferred Units (the “Preferred Base Return”);
- ② second, 95.36% to RRT and 4.64% to Rockpoint until RRT has received a 6% annual return (the “RRT Base Return”) on the equity value of the properties contributed by it to RRLP in exchange for Common Units (previously 95% and 5%, respectively, under the Original Investment Agreement), subject to adjustment in the event RRT contributes additional property to RRLP in the future; and
- ③ third, pro rata to Rockpoint and RRT based on total respective capital invested in and contributed equity value of Preferred Units and Common Units (based on Rockpoint’s \$400 million of invested capital at June 30, 2020, this pro rata distribution would be approximately 21.89% to Rockpoint in respect of Preferred Units, 2.65% to RRT in respect of Preferred Units and 75.46% to RRT in respect of Common Units).

RRLP’s cash flow from capital events will generally be distributable by RRLP to Rockpoint and RRT as follows:

- ① first, to Rockpoint and RRT to the extent there is any unpaid, accrued Preferred Base Return;
- ② second, as a return of capital to Rockpoint and to RRT in respect of Preferred Units;
- ③ third, 95.36% to RRT and 4.64% to Rockpoint until RRT has received the RRT Base Return in respect of Common Units (previously 95% and 5%, respectively, under the Original Investment Agreement), subject to adjustment in the event RRT contributes additional property to RRLP in the future;
- ④ fourth, 95.36% to RRT and 4.64% to Rockpoint until RRT has received a return of capital based on the equity value of the properties contributed by it to RRLP in exchange for Common Units (previously 95% and 5%, respectively, under the Original Investment Agreement), subject to adjustment in the event RRT contributes additional property to the capital of RRLP in the future;
- ⑤ fifth, pro rata to Rockpoint and RRT based on respective total capital invested in and contributed equity value of Preferred and Common Units until Rockpoint has received an 11% internal rate of return (based on Rockpoint’s \$400 million of invested capital at June 30, 2020, this pro rata distribution would be approximately 21.89% to Rockpoint in respect of Preferred Units, 2.65% to RRT in respect of Preferred Units and 75.46% to RRT in respect of Common Units); and
- ⑥ sixth, to Rockpoint and RRT in respect of their Preferred Units based on 50% of their pro rata shares described in “fifth” above and the balance to RRT in respect of its Common Units (based on Rockpoint’s \$400 million of invested capital at June 30, 2020, this pro rata distribution would be approximately 10.947% to Rockpoint in respect of Preferred Units, 1.325% to RRT in respect of Preferred Units and 87.728% to RRT in respect of Common Units).

In general, RRLP may not sell its properties in taxable transactions, although it may engage in tax-deferred like-kind exchanges of properties or it may proceed in another manner designed to avoid the recognition of gain for tax purposes.

In connection with the Add On Investment Agreement, on June 26, 2019, RRT increased the size of its board of trustees from six to seven persons, with five trustees being designated by the Company and two trustees being designated by Rockpoint.

In addition, as was the case under the Original Investment Agreement, RRT and RRLP are required to obtain Rockpoint’s consent with respect to:

- ① debt financings in excess of a 65% loan-to-value ratio;
- ② corporate level financings that are pari-passu or senior to the Preferred Units;
- ③ new investment opportunities to the extent the opportunity requires an equity capitalization in excess of 10% of RRLP’s NAV;
- ④ new investment opportunities located in a Metropolitan Statistical Area where RRLP owns no property as of the previous quarter;
- ⑤ declaration of bankruptcy of RRT;
- ⑥ transactions between RRT and the Company, subject to certain limited exceptions;
- ⑦ any equity granted or equity incentive plan adopted by RRLP or any of its subsidiaries; and
- ⑧ certain matters relating to the Credit Enhancement Note (as defined below) between the Company and RRLP (other than ordinary course borrowings or repayments thereunder).

Under a Discretionary Demand Promissory Note (the “Credit Enhancement Note”), the Company may provide periodic cash advances to RRLP. The Credit Enhancement Note provides for an interest rate equal to the London Inter-Bank Offered Rate plus fifty (50) basis points above the applicable interest rate under the Company’s unsecured revolving credit facility. The maximum aggregate principal

amount of advances at any one time outstanding under the Credit Enhancement Note is limited to \$50 million, an increase of \$25 million from the prior transaction.

RRT and RRLP also have agreed, as was the case under the Original Investment Agreement, to register the Preferred Units under certain circumstances in the future in the event RRT or RRLP becomes a publicly traded company.

During the period commencing on June 28, 2019 and ending on March 1, 2023 (the “Lockout Period”), Rockpoint’s interest in the Preferred Units cannot be redeemed or repurchased, except in connection with (a) a sale of all or substantially all of RRLP or a sale of a majority of the then-outstanding interests in RRLP, in each case, which sale is not approved by Rockpoint, or (b) a spin-out or initial public offering of common stock of RRT, or distributions of RRT equity interests by the Company or its affiliates to shareholders or their respective parent interestholders (an acquisition pursuant clauses (a) or (b) above, an “Early Purchase”). RRT has the right to acquire Rockpoint’s interest in the Preferred Units in connection with an Early Purchase for a purchase price generally equal to (i) the amount that Rockpoint would receive upon the sale of the assets of RRLP for fair market value and a distribution of the net sale proceeds in accordance with (A) the capital event distribution priorities discussed above (in the case of certain Rockpoint Preferred Holders) and (B) the distribution priorities applicable in the case of a liquidation of RRLP (in the case of the other Rockpoint Preferred Holder), plus (ii) a make whole premium (such purchase price, the “Purchase Payment”). The make whole premium is an amount equal to (i) \$173.5 million until December 28, 2020, or \$198.5 million thereafter, less distributions theretofore made to Rockpoint with respect to its Preferred Base Return or any deficiency therein, plus (ii) \$1.5 million less certain other distributions theretofore made to Rockpoint.

The fair market value of RRLP’s assets is determined by a third party appraisal of the net asset value (“NAV”) of RRLP and the fair market value of RRLP’s assets, to be completed within ninety (90) calendar days of March 1, 2023 and annually thereafter.

After the Lockout Period, either RRT may acquire from Rockpoint, or Rockpoint may sell to RRT, all, but not less than all, of Rockpoint’s interest in the Preferred Units (each, a “Put/Call Event”) for a purchase price equal to the Purchase Payment (determined without regard to the make whole premium and any related tax allocations). An acquisition of Rockpoint’s interest in the Preferred Units pursuant to a Put/Call Event is generally required to be structured as a purchase of the common equity in the applicable Rockpoint entities holding direct or indirect interests in the Preferred Units. Subject to certain exceptions, Rockpoint also has a right of first offer and a participation right with respect to other common equity interests of RRLP or any subsidiary of RRLP that may be offered for sale by RRLP or its subsidiaries from time to time. Upon a Put/Call Event, other than in the event of a sale of RRLP, Rockpoint may elect to convert all, but not less than all, of its Preferred Units to Common Units in RRLP.

As such, the Preferred Units contain a substantive redemption feature that is outside of the Company’s control and accordingly, pursuant to ASC 480-1—S99-3A, the Preferred Units are classified in mezzanine equity measured based on the estimated future redemption value as of June 30, 2020. The Company determines the redemption value of these interests by hypothetically liquidating the estimated NAV of the RRT real estate portfolio including debt principal through the applicable waterfall provisions of the new transaction with Rockpoint. The estimation of NAV includes unobservable inputs that consider assumptions of market participants in pricing the underlying assets of RRLP. For properties under development, the Company applies a discount rate to the estimated future cash flows allocable to the Company during the period under construction and then applies a direct capitalization method to the estimated stabilized cash flows. For operating properties, the direct capitalization method is used by applying a capitalization rate to the projected net operating income. For developable land holdings, an estimated per-unit market value assumption is considered based on development rights for the land. Estimated future cash flows used in such analyses are based on the Company’s business plan for each respective property including capital expenditures, management’s views of market and economic conditions, and considers items such as current and future rental rates, occupancies and market transactions for comparable properties. The estimated future redemption value of the Preferred Units is approximately \$481 million as of June 30, 2020.

Preferred Units

On February 3, 2017, the Operating Partnership issued 42,800 shares of a new class of 3.5 percent Series A Preferred Limited Partnership Units of the Operating Partnership (the “Series A Units”). The Series A Units were issued to the Company’s partners in the Plaza VIII & IX Associates L.L.C. joint venture that owns a development site adjacent to the Company’s Harborside property in Jersey City, New Jersey as non-cash consideration for their approximate 37.5 percent interest in the joint venture.

Each Series A Unit has a stated value of \$1,000, pays dividends quarterly at an annual rate of 3.5 percent (subject to increase under certain circumstances), is convertible into 28.15 common units of limited partnership interests of the Operating Partnership beginning generally five years from the date of issuance, or an aggregate of up to 1,204,820 common units. The conversion rate was based on a value of \$35.52 per common unit. The Series A Units have a liquidation and dividend preference senior to the common units and include customary anti-dilution protections for stock splits and similar events. The Series A Units are redeemable for cash at their stated value beginning five years from the date of issuance at the option of the holder.

On February 28, 2017, the Operating Partnership authorized the issuance of 9,213 shares of a new class of 3.5 percent Series A-1

[Table of Contents](#)

Preferred Limited Partnership Units of the Operating Partnership (the “Series A-1 Units”). 9,122 Series A-1 Units were issued on February 28, 2017 and an additional 91 Series A-1 Units were issued in April 2017 pursuant to acquiring additional interests in a joint venture that owns Monaco Towers in Jersey City, New Jersey. The Series A-1 Units were issued as non-cash consideration for the partner’s approximate 13.8 percent ownership interest in the joint venture.

Each Series A-1 Unit has a stated value of \$1,000 (the “Stated Value”), pays dividends quarterly at an annual rate equal to the greater of (x) 3.5 percent, or (y) the then-effective annual dividend yield on the General Partner’s common stock, and is convertible into 27,936 common units of limited partnership interests of the Operating Partnership beginning generally five years from the date of issuance, or an aggregate of up to 257,375 Common Units. The conversion rate was based on a value of \$35.80 per common unit. The Series A-1 Units have a liquidation and dividend preference senior to the Common Units and include customary anti-dilution protections for stock splits and similar events. The Series A-1 Units are redeemable for cash at their stated value beginning five years from the date of issuance at the option of the holder. The Series A-1 Units are pari passu with the 42,800 3.5% Series A Units issued on February 3, 2017.

The following tables set forth the changes in Redeemable noncontrolling interests for the three months ended June 30, 2020 and 2019, respectively (*dollars in thousands*):

	Series A and A-1 Preferred Units In MCRLP	Rockpoint Interests in RRT	Total Redeemable Noncontrolling Interests
Balance at April 1, 2020	\$ 52,324	\$ 454,158	\$ 506,482
Redeemable Noncontrolling Interests Issued	-	-	-
Net	52,324	454,158	506,482
Income Attributed to Noncontrolling Interests	455	6,016	6,471
Distributions	(455)	(6,016)	(6,471)
Redemption Value Adjustment	-	2,473	2,473
Balance at June 30, 2020	\$ 52,324	\$ 456,631	\$ 508,955

	Series A and A-1 Preferred Units In MCRLP	Rockpoint Interests in RRT	Total Redeemable Noncontrolling Interests
Balance at April 1, 2019	\$ 52,324	\$ 326,871	\$ 379,195
Redeemable Noncontrolling Interests Issued	-	98,517	98,517
Net	52,324	425,388	477,712
Income Attributed to Noncontrolling Interests	455	4,551	5,006
Distributions	(455)	(4,551)	(5,006)
Redemption Value Adjustment	-	18,660	18,660
Balance at June 30, 2019	\$ 52,324	\$ 444,048	\$ 496,372

The following tables set forth the changes in Redeemable noncontrolling interests for the six months ended June 30, 2020 and 2019, respectively (*dollars in thousands*):

	Series A and A-1 Preferred Units In MCRLP	Rockpoint Interests in RRT	Total Redeemable Noncontrolling Interests
Balance January 1, 2020	\$ 52,324	\$ 451,058	\$ 503,382
Redeemable Noncontrolling Interests Issued	-	-	-
Net	52,324	451,058	503,382
Income Attributed to Noncontrolling Interests	910	12,032	12,942
Distributions	(910)	(12,032)	(12,942)
Redemption Value Adjustment	-	5,573	5,573
Redeemable noncontrolling interests as of June 30, 2020	\$ 52,324	\$ 456,631	\$ 508,955

	Series A and A-1 Preferred Units In MCRLP	Rockpoint Interests in RRT	Total Redeemable Noncontrolling Interests
Balance January 1, 2019	\$ 52,324	\$ 278,135	\$ 330,459
Redeemable Noncontrolling Interests Issued (net of new issuance costs of \$1.5 million)	-	143,517	143,517
Net	52,324	421,652	473,976
Income Attributed to Noncontrolling Interests	910	8,763	9,673
Distributions	(910)	(8,763)	(9,673)
Redemption Value Adjustment (including value adjustment attributable to Add On Investment Agreement)	-	22,396	22,396
Redeemable noncontrolling interests as of June 30, 2019	\$ 52,324	\$ 444,048	\$ 496,372

16. MACK-CALI REALTY CORPORATION STOCKHOLDERS' EQUITY AND MACK-CALI REALTY, L.P.'S PARTNERS' CAPITAL

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

Partners' Capital in the accompanying consolidated financial statements relates to (a) General Partners' capital consisting of common units in the Operating Partnership held by the General Partner, and (b) Limited Partners' capital consisting of common units and LTIP units held by the limited partners. See Note 17: Noncontrolling Interests in Subsidiaries.

The following table reflects the activity of the General Partner capital for the three and six months ended June 30, 2020 and 2019, respectively (*dollars in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Opening Balance	\$ 1,434,143	\$ 1,704,018	\$ 1,493,699	\$ 1,486,658
Net income (loss) available to common shareholders	(34,887)	(22,054)	(74,811)	222,441
Common stock distributions	-	(18,111)	(18,119)	(36,176)
Redeemable noncontrolling interests	(2,236)	(16,759)	(5,040)	(19,911)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	(1,958)
Redemption of common units for common stock	-	623	-	705
Redemption of common units	-	-	-	(1,665)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	11	11	30	21
Directors' deferred compensation plan	57	27	139	157
Stock Compensation	334	218	764	483
Cancellation of unvested LTIP units	-	-	-	2,819
Other comprehensive income (loss)	-	(4,164)	18	(8,202)
Rebalancing of ownership percent between parent and subsidiaries	1,611	1,778	2,353	215
Balance at June 30	\$ 1,399,033	\$ 1,645,587	\$ 1,399,033	\$ 1,645,587

Any transactions resulting in the issuance of additional common and preferred stock of the General Partner result in a corresponding issuance by the Operating Partnership of an equivalent amount of common and preferred units to the General Partner.

SHARE/UNIT REPURCHASE PROGRAM

In September 2012, the Board of Directors of the General Partner renewed and authorized an increase to the General Partner's repurchase program ("Repurchase Program"). The General Partner has authorization to repurchase up to \$150 million of its outstanding common stock under the renewed Repurchase Program, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions. As of June 30, 2020, the General Partner has repurchased and retired 394,625 shares of its outstanding common stock for an aggregate cost of approximately \$11 million (all of which occurred in the year ended December 31, 2012), with a remaining authorization under the Repurchase Program of \$139 million. Concurrent with these repurchases, the General Partner sold to the Operating Partnership common units for approximately \$11 million.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

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

STOCK OPTION PLANS

In May 2013, the General Partner established the 2013 Incentive Stock Plan (the "2013 Plan") under which a total of 4,600,000 shares have been reserved for issuance.

On June 5, 2015, in connection with employment agreements entered into with each of Messrs. Rudin, a former chief executive officer, and DeMarco (together, the "Executive Employment Agreements"), the Company granted options to purchase a total of 800,000 shares of the General Partner's common stock, exercisable for a period of ten years with an exercise price equal to the closing price of the General Partner's common stock on the grant date of \$17.31 per share, with 400,000 of such options vesting in three equal annual installments commencing on the first anniversary of the grant date ("Time Vesting Options") and fully vesting on June 5, 2018, and 400,000 of such options vesting if the General Partner's common stock traded at or above \$25.00 per share for 30 consecutive trading days while the executive is employed ("Price Vesting Options"), or on or before June 30, 2019, subject to certain conditions. The Price Vesting Options vested on July 5, 2016 on account of the price vesting condition being achieved.

Information regarding the Company's stock option plans is summarized below for the three months ended June 30, 2020 and 2019, respectively:

	Shares Under Options		Weighted Average Exercise Price		Aggregate Intrinsic Value \$(000's)
Outstanding at April 1, 2020	800,000	\$	17.31	\$	-
Granted, Lapsed or Cancelled	-		-		-
Outstanding at June 30, 2020 (\$17.31)	800,000	\$	17.31	\$	-
Options exercisable at June 30, 2020	800,000				
Available for grant at June 30, 2020	225,469				

	Shares Under Options		Weighted Average Exercise Price		Aggregate Intrinsic Value \$(000's)
Outstanding at April 1, 2019	800,000	\$	17.31	\$	3,912
Granted, Lapsed or Cancelled	-		-		-
Outstanding at June 30, 2019 (\$17.31)	800,000	\$	17.31	\$	4,784
Options exercisable at June 30, 2019	800,000				
Available for grant at June 30, 2019	750,000				

Information regarding the Company's stock option plans is summarized below for the six months ended June 30, 2020 and 2019, respectively:

	Shares Under Options		Weighted Average Exercise Price		Aggregate Intrinsic Value \$(000's)
Outstanding at January 1, 2020 (\$17.31)	800,000	\$	17.31	\$	-
Granted, Lapsed or Cancelled	-		-		-
Outstanding at June 30, 2020 (\$17.31)	800,000	\$	17.31	\$	-
Options exercisable at June 30, 2020	800,000				
Available for grant at June 30, 2020	225,469				

	Shares Under Options		Weighted Average Exercise Price		Aggregate Intrinsic Value \$(000's)
Outstanding at January 1, 2019	800,000	\$	17.31	\$	1,824
Granted, Lapsed or Cancelled	-		-		-
Outstanding at June 30, 2019 (\$17.31)	800,000	\$	17.31	\$	4,784
Options exercisable at June 30, 2019	800,000				
Available for grant at June 30, 2019	750,000				

There were no stock options exercised under any stock option plans for the six months ended June 30, 2020 and 2019, respectively. The Company has a policy of issuing new shares to satisfy stock option exercises.

As of June 30, 2020 and December 31, 2019, the stock options outstanding had a weighted average remaining contractual life of approximately 4.9 and 5.4 years, respectively.

The Company recognized no stock options expense for each of the three and six months ended June 30, 2020 and 2019, respectively.

AO LTIP UNITS (Appreciation-Only LTIP Units)

Pursuant to the terms of the DeMarco employment agreement, the Company entered into an AO Long-Term Incentive Plan Award Agreement (the "AO LTIP Award Agreement") with Mr. DeMarco on March 13, 2019 that provided for the grant to Mr. DeMarco of 625,000 AO LTIP Units. AO LTIP Units are a class of partnership interests in the Operating Partnership that are intended to qualify as

“profits interests” for federal income tax purposes and generally only allow the recipient to realize value to the extent the fair market value of a share of Common Stock exceeds the threshold level set at the time the AO LTIP Units are granted, subject to any vesting conditions applicable to the award. The threshold level was fixed at \$21.46 in the AO LTIP Award Agreement, the closing price of the Common Stock as reported on the New York Stock Exchange (the “NYSE”) on the date of grant. The value of vested AO LTIP Units is realized through conversion of the AO LTIP Units into common units of limited partnership interests of the Operating Partnership (the “Common Units”). The number of Common Units into which vested AO LTIP Units may be converted is determined based on the quotient of (i) the excess of the fair market value of the Common Stock on the conversion date over the threshold level designated at the time the AO LTIP Unit was granted (i.e., \$21.46), divided by (ii) the fair market value of the Common Stock on the conversion date. AO LTIP Units, once vested, have a finite term during which they may be converted into Common Units, within ten years from the grant date of the AO LTIP Units or they are forfeited. In addition, the AO LTIP Units issued to Mr. DeMarco are subject to the following vesting conditions:

(i) 250,000 of the AO LTIP Units shall vest and become exercisable on the earliest date on which the closing price of the Common Stock, as reported on the NYSE, or if the Common Stock is not then traded on the NYSE, then the closing price of the Common Stock on any other securities exchange on which the Common Stock is traded or quoted (the “Securities Market”), has been equal to or greater than \$25.00 per share for at least 30 consecutive trading days, provided that such date occurs prior to March 13, 2023 (the “Outside Date”);

(ii) an additional 250,000 of the AO LTIP Units shall vest and become exercisable on the earliest date on which the closing price of the Common Stock, as reported on the NYSE, or if the Common Stock is not then traded on the NYSE, then the closing price of the Common Stock on the Securities Market, has been equal to or greater than \$28.00 per share for at least 30 consecutive trading days, provided that such date occurs prior to the Outside Date; and

(iii) an additional 125,000 of the AO LTIP Units shall vest and become exercisable on the earliest date on which the closing price of the Common Stock, as reported on the NYSE, or if the Common Stock is not then traded on the NYSE, then the closing price of the Common Stock on the Securities Market, has been equal to or greater than \$31.00 per share for at least 30 consecutive trading days, provided that such date occurs prior to the Outside Date.

Mr. DeMarco will generally receive special income allocations in respect of an AO LTIP Unit equal to 10 percent (or such other percentage specified in the applicable award agreement) of the income allocated in respect of a Common Unit. Upon conversion of AO LTIP Units to Common Units, Mr. DeMarco will be entitled to receive in respect of each such AO LTIP Unit, on a per unit basis, a special cash distribution equal to 10% (or such other percentage specified in the applicable award agreement) of the distributions received by a holder of an equivalent number of Common Units during the period from the grant date of the AO LTIP Units through the date of conversion. The Company has reserved shares of common stock under the 2013 Plan for issuance upon vesting and conversion of the AO LTIP Units in accordance with their terms and conditions.

The weighted average fair value of the AO LTIP Units granted during the six months ended June 30, 2019 was \$3.98 per AO LTIP Unit. The fair value of each AO LTIP Unit grant is estimated on the date of grant using the Monte Carlo method. The following weighted average assumptions are included in the Company’s fair value calculations of AO LTIP Units granted during the six months ended June 30, 2019:

	AO LTIP Units
Expected life (in years)	5.5 - 6.0
Risk-free interest rate	2.6 %
Volatility	29.0 %
Dividend yield	3.5 %

As of June 30, 2020, the Company had \$1.7 million of total unrecognized compensation cost related to unvested AO LTIP Units granted under the Company’s stock compensation plans. That cost is expected to be recognized over a remaining weighted average period of 2.7 years. The Company recognized AO LTIP unit expense of \$155,000 and \$155,000 for the three months ended June 30, 2020 and 2019, respectively, and \$310,000 and \$187,000 for the six months ended June 30, 2020 and 2019, respectively.

RESTRICTED STOCK AWARDS

The Company has issued stock awards (“Restricted Stock Awards”) to officers, certain other employees and non-employee members of the Board of Directors of the General Partner, which allow the holders to each receive a certain amount of shares of the General Partner’s common stock generally over a one year to seven year vesting period, of which 17,076 unvested shares were legally outstanding at June

[Table of Contents](#)

30, 2020. Vesting of the Restricted Stock Awards issued is based on time and service.

On June 5, 2015, in connection with the new executive employment agreements signed at that time, the Company granted a total of 37,550.54 Restricted Stock Awards, which were valued in accordance with ASC 718 – Stock Compensation, at their fair value. These awards vested equally over a three year period on each annual anniversary date of the grant date.

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

Information regarding the Restricted Stock Awards grant activity is summarized below for the three months ended June 30, 2020 and 2019, respectively:

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at April 1, 2020	42,690	\$	21.08
Vested	(25,614)		21.08
Outstanding at June 30, 2020	17,076	\$	21.08

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at April 1, 2019	66,321	\$	22.38
Vested	(40,185)		20.16
Outstanding at June 30, 2019	26,136	\$	25.80

Information regarding the Restricted Stock Awards grant activity is summarized below for the six months ended June 30, 2020 and 2019, respectively:

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2020	42,690	\$	21.08
Vested	(25,614)		21.08
Outstanding at June 30, 2020	17,076	\$	21.08

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2019	67,289	\$	22.43
Vested	(41,153)		20.29
Outstanding at June 30, 2019	26,136	\$	25.80

As of June 30, 2020, the Company had no unrecognized compensation cost related to unvested Restricted Stock Awards granted under the Company's stock compensation plans.

PERFORMANCE SHARE UNITS

On June 5, 2015, in connection with the new executive employment agreements signed at that time, the Company granted a total of 112,651.64 performance share units ("PSUs") which was to vest from 0 to 150 percent of the number of PSUs granted based on the Company's total shareholder return relative to a peer group of equity office REITs over a three year performance period starting from the grant date, each PSU evidencing the right to receive a share of the General Partner's common stock upon vesting. The PSUs were also entitled to the payment of dividend equivalents in respect of vested PSUs in the form of additional PSUs. The PSUs were valued in accordance with ASC 718, Compensation - Stock Compensation, at their fair value on the grant date, utilizing a Monte-Carlo simulation to estimate the probability of the vesting conditions being satisfied. The PSUs vested at 100 percent on June 5, 2018 based on the calculation of the achievement of the Company's total shareholder return, for which shares of the General Partner's common stock were issued under the 2013 Plan.

As of June 30, 2020, the Company had no unrecognized compensation cost as there are no unvested PSUs outstanding under the Company's stock compensation plans.

LONG-TERM INCENTIVE PLAN AWARDS

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

The 2016 OPP was designed to align the interests of senior management to relative and absolute performance of the Company over a three year performance period from March 8, 2016 through March 7, 2019. Participants in the 2016 OPP would only earn the full awards if, over the three year performance period, the Company achieves a 50 percent absolute total stockholder return ("TSR") and if the Company is in the 75th percentile of performance versus the NAREIT Office Index. As the targets for vesting were not achieved, the 2016 PBV LTIP Units did not vest and were forfeited.

On April 4, 2017, the Company granted LTIP awards to senior management of the Company, including the General Partner's executive officers (the "2017 LTIP Awards"). All of the 2017 LTIP Awards were in the form of LTIP Units and constitute awards under the 2013 Plan. For Messrs. DeMarco, Tycher and Rudin, approximately twenty-five percent (25%) of the 2017 LTIP Award was in the form of a time-based award that vested after three years on April 4, 2020 (the "2017 TBV LTIP Units"), and the remaining approximately seventy-five percent (75%) of the 2017 LTIP Award was in the form of a performance-based award under the Company's Outperformance Plan (the "2017 OPP") adopted by the General Partner's Board of Directors, consisting of a multi-year, performance-based equity compensation plan and related forms of award agreement (the "2017 PBV LTIP Units"). For all other executive officers, approximately forty percent (40%) of the 2017 LTIP Award was in the form of 2017 TBV LTIP Units and the remaining approximately sixty percent (60%) of the 2017 LTIP Award was in the form of 2017 PBV LTIP Units. The 2017 TBV LTIP Units vested on April 4, 2020.

The 2017 OPP was designed to align the interests of senior management to relative and absolute performance of the Company over a three year performance period from April 4, 2017 through April 3, 2020. Participants in the 2017 OPP will only earn the full awards if, over the three year performance period, the Company achieves a thirty-six percent (36%) absolute TSR and if the Company is in the 75th percentile of performance as compared to the NAREIT office index. As the targets for vesting were not achieved, the 2017 PBV LTIP Units did not vest and were forfeited.

On April 20, 2018, the Company granted LTIP awards to senior management of the Company, including the General Partner's executive officers (the "2018 LTIP Awards"). All of the 2018 LTIP Awards were in the form of LTIP Units and constitute awards under the 2013 Plan. For Messrs. DeMarco and Tycher, approximately twenty-five percent (25%) of the grant date fair value of the 2018 LTIP Award was in the form of a time-based award that vests after three years on April 20, 2021 (the "2018 TBV LTIP Units"), and the remaining approximately seventy-five percent (75%) of the grant date fair value of the 2018 LTIP Award was in the form of a performance-based award under the Company's Outperformance Plan (the "2018 OPP") adopted by the General Partner's Board of Directors, consisting of a multi-year, performance-based equity compensation plan and related forms of award agreement (the "2018 PBV LTIP Units"). For all other executive officers, approximately fifty percent (50%) of the grant date fair value of the 2018 LTIP Award was in the form of 2018 TBV LTIP Units and the remaining approximately fifty percent (50%) of the grant date fair value of the 2018 LTIP Award was in the form of 2018 PBV LTIP Units.

The 2018 OPP was designed to align the interests of senior management to relative and absolute performance of the Company over a three year performance period from April 20, 2018 through April 19, 2021. Participants in the 2018 OPP will only earn the full awards if, over the three year performance period, the Company achieves a thirty-six percent (36%) absolute TSR and if the Company's TSR is in the 75th percentile of performance as compared to the office REITs in the NAREIT index.

On March 22, 2019, the Company granted LTIP awards to senior management of the Company, including the General Partner's executive officers (the "2019 LTIP Awards"). All of the 2019 LTIP Awards were in the form of LTIP Units and constitute awards under the 2013 Plan. For Mr. DeMarco, approximately 25 percent of the target 2019 LTIP Awards were in the form of time-based LTIP Units that vest after three years on March 22, 2022 (the "2019 TBV LTIP Units"), and the remaining approximately 75 percent of the grant date fair value of his 2019 LTIP Award will be in the form of performance-based LTIP Units under the Company's Outperformance

[Table of Contents](#)

Plan (the “2019 OPP”) adopted by the General Partner’s Board of Directors, consisting of a multi-year, performance-based equity compensation plan and related forms of award agreement (the “2019 PBV LTIP Units”). For Messrs. Tycher, Smetana, Wagner, Cardoso and Hilton, fifty percent (50%) of the grant date fair value of their respective 2019 LTIP Awards is in the form of 2019 TBV LTIP Units and the remaining fifty percent (50%) of the grant date fair value of their respective 2019 LTIP Awards is in the form of 2019 PBV LTIP Units. Mr. DeBari, who was promoted to Chief Accounting Officer on March 13, 2019, received 100 percent of his 2019 LTIP Award in the form of 2019 TBV LTIP Units.

The 2019 OPP was designed to align the interests of senior management to relative and absolute performance of the Company over a three year performance period from March 22, 2019 through March 21, 2022. Participants of performance-based awards in the 2019 OPP will only earn the full awards if, over the three year performance period, the Company achieves a thirty-six percent (36%) absolute total stockholder return (“TSR”) and if the Company’s TSR is in the 75th percentile of performance as compared to the office REITs in the NAREIT index.

On March 24, 2020, the Company granted LTIP awards to senior management of the Company, including the General Partner’s executive officers (the “2020 LTIP Awards”). All of the 2020 LTIP Awards were in the form of LTIP Units and constitute awards under the 2013 Plan. All of the target 2020 LTIP Awards were in the form of performance-based LTIP Units under the Company’s Outperformance Plan (the “2020 OPP”) adopted by the General Partner’s Board of Directors, consisting of a multi-year, performance-based equity compensation plan and related forms of award agreement (the “2020 PBV LTIP Units”).

The 2020 OPP was designed to align the interests of senior management to relative and absolute performance of the Company over a three year performance period from March 24, 2020 through March 23, 2023. Participants of performance-based awards in the 2020 OPP will only earn the full awards if, over the three year performance period, the Company achieves a thirty-six percent (36%) absolute total stockholder return (“TSR”) and if the Company’s TSR is in the 75th percentile of performance as compared to the REITs in the NAREIT index.

LTIP Units will remain subject to forfeiture depending on the extent that the 2018 LTIP Awards, 2019 LTIP Awards and 2020 LTIP Awards vest. The number of LTIP Units to be issued initially to recipients of the 2018 PBV LTIP Awards, 2019 PBV LTIP Awards and 2020 PBV LTIP Awards is the maximum number of LTIP Units that may be earned under the awards. The number of LTIP Units that actually vest for each award recipient will be determined at the end of the performance measurement period. TSR for the Company and for the Index over the three year measurement period and other circumstances will determine how many LTIP Units vest for each recipient; if they are fewer than the number issued initially, the balance will be forfeited as of the performance measurement date.

Prior to vesting, recipients of LTIP Units will be entitled to receive per unit distributions equal to one-tenth (10 percent) of the regular quarterly distributions payable on a Common Unit but will not be entitled to receive any special distributions. Distributions with respect to the other nine-tenths (90 percent) of regular quarterly distributions payable on a common unit will accrue but shall only become payable upon vesting of the LTIP Unit. After vesting of the 2018 TBV LTIP Units and 2019 TBV LTIP Units or the end of the measurement period for the 2018 PBV LTIP Units, 2019 PBV LTIP Units and 2020 PBV LTIP Units, the number of LTIP Units, both vested and unvested, will be entitled to receive distributions in an amount per unit equal to distributions, both regular and special, payable on a Common Unit.

As a result of targets not being achieved or management and other personnel changes during the six months ended June 30, 2020, the employees forfeited and cancelled 369,924 2017 LTIP Awards, 6,572 2018 LTIP Awards, and 5,693 2019 LTIP Awards. As of June 30, 2020, a total of 11,155 2016 PBV LTIP Units, 75,578 2016 TBV LTIP Units, 21,492 2017 PBV LTIP Units, 78,930 2017 TBV LTIP Units, 629,252 2018 PBV LTIP Units, 186,645 2018 TBV LTIP Units, 392,476 2019 PBV LTIP Units, 167,454 2019 TBV LTIP Units, and 1,287,568 2020 PBV LTIP Units, net of LTIP Units forfeited and cancelled, were outstanding. The LTIP Units were valued in accordance with ASC 718 – Stock Compensation, at their fair value. The Company has reserved shares of common stock under the 2013 Plan for issuance upon vesting and conversion of the LTIP Units in accordance with their terms and conditions.

As of June 30, 2020, the Company had \$16.9 million of total unrecognized compensation cost related to unvested LTIP awards granted under the Company’s stock compensation plans. That cost is expected to be recognized over a weighted average period of 2.7 years.

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

The Amended and Restated Deferred Compensation Plan for Directors, which commenced January 1, 1999, allows non-employee directors of the Company to elect to defer up to 100 percent of their annual retainer fee into deferred stock units. The deferred stock units are convertible into an equal number of shares of common stock upon the directors’ termination of service from the Board of Directors or a change in control of the Company, as defined in the plan. Pursuant to the termination of service of five directors from the Board of Directors on June 12, 2019, the Company converted 193,949 deferred stock units into shares of common stock. Pursuant to the termination of service of two directors from the Board of Directors on June 12, 2020, the Company converted 61,277 deferred stock units into shares of common stock. Deferred stock units are credited to each director quarterly using the closing price of the

Company's common stock on the applicable dividend record date for the respective quarter. Each participating director's account is also credited for an equivalent amount of deferred stock units based on the dividend rate for each quarter.

During the three months ended June 30, 2020 and 2019, 3,907 and 1,173 deferred stock units were earned, respectively. During the six months ended June 30, 2020 and 2019, respectively, 9,710 and 7,043 deferred stock units were earned, respectively. As of June 30, 2020 and December 31, 2019, there were 69,273 and 59,899 deferred stock units outstanding, respectively.

EARNINGS PER SHARE/UNIT

Basic EPS or EPU excludes dilution and is computed by dividing net income available to common shareholders or unitholders by the weighted average number of shares or units outstanding for the period. Diluted EPS or EPU reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. In the calculation of basic and diluted EPS and EPU, a redemption value adjustment of redeemable noncontrolling interests attributable to common shareholders or unitholders is included in the calculation to arrive at the numerator of net income (loss) available to common shareholders or unitholders.

The following information presents the Company's results for the three and six months ended June 30, 2020 and 2019 in accordance with ASC 260, Earnings Per Share (*dollars in thousands, except per share amounts*):

Mack-Cali Realty Corporation:

Computation of Basic EPS	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Income (loss) from continuing operations	\$ (42,734)	\$ (22,479)	\$ (74,825)	\$ 244,887
Add (deduct): Noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Add (deduct): Noncontrolling interests in Operating Partnership	4,626	2,647	8,292	(24,196)
Add (deduct): Redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Add (deduct): Redemption value adjustment of redeemable noncontrolling interests attributable to common shareholders	(2,236)	(16,759)	(5,040)	(19,911)
Income (loss) from continuing operations available to common shareholders	(45,986)	(40,750)	(83,510)	193,202
Income (loss) from discontinued operations available to common shareholders	8,863	1,937	3,659	9,328
Net income (loss) available to common shareholders for basic earnings per share	\$ (37,123)	\$ (38,813)	\$ (79,851)	\$ 202,530
Weighted average common shares	90,629	90,533	90,622	90,516
Basic EPS:				
Income (loss) from continuing operations available to common shareholders	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Income (loss) from discontinued operations available to common shareholders	0.10	0.02	0.04	0.10
Net income (loss) available to common shareholders	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24

Computation of Diluted EPS	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss) from continuing operations available to common shareholders	\$ (45,986)	\$ (40,750)	\$ (83,510)	\$ 193,202
Add (deduct): Noncontrolling interests in Operating Partnership	(4,626)	(2,647)	(8,292)	24,196
Add (deduct): Redemption value adjustment of redeemable noncontrolling interests attributable to the Operating Partnership unitholders	(237)	(1,850)	(533)	(2,207)
Income (loss) from continuing operations for diluted earnings per share	(50,849)	(45,247)	(92,335)	215,191
Income (loss) from discontinued operations for diluted earnings per share	9,800	2,150	4,047	10,378
Net income (loss) available for diluted earnings per share	\$ (41,049)	\$ (43,097)	\$ (88,288)	\$ 225,569
Weighted average common shares	100,213	100,523	100,198	100,825
Diluted EPS:				
Income (loss) from continuing operations available to common shareholders	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Income (loss) from discontinued operations available to common shareholders	0.10	0.02	0.04	0.10
Net income (loss) available to common shareholders	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Basic EPS shares	90,629	90,533	90,622	90,516
Add: Operating Partnership – common and vested LTIP units	9,584	9,990	9,576	10,115
Restricted Stock Awards	-	-	-	26
Stock Options	-	-	-	168
Diluted EPS Shares	100,213	100,523	100,198	100,825

Contingently issuable shares under Restricted Stock Awards were excluded from the denominator in the three and six months ended June 30, 2020 and in the three months ended June 30, 2019 as such securities were anti-dilutive during the periods. Shares issuable under all outstanding stock options were excluded from the denominator in the three and six months ended June 30, 2020 and in the three months ended June 30, 2019 as such securities were anti-dilutive during the periods. Also not included in the computations of diluted EPS were the unvested LTIP Units and unvested AO LTIP Units as such securities were anti-dilutive during all periods presented. Unvested LTIP Units outstanding as of June 30, 2020 and 2019 were 2,659,518 and 1,826,331 LTIP Units, respectively. Unvested restricted stock outstanding as of June 30, 2020 and 2019 were 17,076 and 26,136 shares, respectively. Unvested AO LTIP Units outstanding as of June 30, 2020 and 2019 were 625,000 and 625,000, respectively.

Dividends declared per common share for each of the three month periods ended June 30, 2020 and 2019 was \$0.20 per share. Dividends declared per common share for each of the six month periods ended June 30, 2020 and 2019 was \$0.40 per share.

Mack-Cali Realty, L.P.:

Computation of Basic EPU	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Income (loss) from continuing operations	\$ (42,734)	\$ (22,479)	\$ (74,825)	\$ 244,887
Add (deduct): Noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Add (deduct): Redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Add (deduct): Redemption value adjustment of redeemable noncontrolling interests	(2,473)	(18,609)	(5,573)	(22,118)
Income (loss) from continuing operations available to unitholders	(50,849)	(45,247)	(92,335)	215,191
Income (loss) from discontinued operations available to unitholders	9,800	2,150	4,047	10,378
Net income (loss) available to common unitholders for basic earnings per unit	\$ (41,049)	\$ (43,097)	\$ (88,288)	\$ 225,569
Weighted average common units	100,213	100,523	100,198	100,631

Basic EPU:				
	2020	2019	2020	2019
Income (loss) from continuing operations available to unitholders	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Income (loss) from discontinued operations available to unitholders	0.10	0.02	0.04	0.10
Net income (loss) available to common unitholders for basic earnings per unit	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24

Computation of Diluted EPU	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss) from continuing operations available to common unitholders	\$ (50,849)	\$ (45,247)	\$ (92,335)	\$ 215,191
Income (loss) from discontinued operations for diluted earnings per unit	9,800	2,150	4,047	10,378
Net income (loss) available to common unitholders for diluted earnings per unit	\$ (41,049)	\$ (43,097)	\$ (88,288)	\$ 225,569
Weighted average common unit	100,213	100,523	100,198	100,825

Diluted EPU:				
	2020	2019	2020	2019
Income (loss) from continuing operations available to common unitholders	\$ (0.51)	\$ (0.45)	\$ (0.92)	\$ 2.14
Income (loss) from discontinued operations available to common unitholders	0.10	0.02	0.04	0.10
Net income (loss) available to common unitholders	\$ (0.41)	\$ (0.43)	\$ (0.88)	\$ 2.24

The following schedule reconciles the weighted average units used in the basic EPU calculation to the units used in the diluted EPU calculation (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Basic EPU units	100,213	100,523	100,198	100,631
Add: Restricted Stock Awards	-	-	-	26
Add: Stock Options	-	-	-	168
Diluted EPU Units	100,213	100,523	100,198	100,825

Contingently issuable shares under Restricted Stock Awards were excluded from the denominator in the three and six months ended June 30, 2020 and in the three months ended June 30, 2019 as such securities were anti-dilutive during the periods. Shares issuable under all outstanding stock options were excluded from the denominator in the three and six months ended June 30, 2020 and in the three months ended June 30, 2019 as such securities were anti-dilutive during the periods. Also not included in the computations of diluted EPU were the unvested LTIP Units and unvested AO LTIP Units as such securities were anti-dilutive during all periods presented. Unvested LTIP Units outstanding as of June 30, 2020 and June 30, 2019 were 2,659,518 and 1,826,331 LTIP Units, respectively. Unvested restricted stock outstanding as of June 30, 2020 and 2019 were 17,076 and 26,136 shares, respectively. Unvested AO LTIP Units outstanding as of June 30, 2020 and 2019 were 625,000 and 625,000, respectively.

Distributions declared per common unit for each of the three month periods ended June 30, 2020 and 2019 was \$0.20 per unit. Distributions declared per common unit for each of the six month periods ended June 30, 2020 and 2019 was \$0.40 per unit.

17. NONCONTROLLING INTERESTS IN SUBSIDIARIES

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

The following table reflects the activity of noncontrolling interests for the three and six months ended June 30, 2020 and 2019, respectively (*dollars in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Opening Balance	\$ 198,017	\$ 239,149	\$ 205,776	\$ 210,523
Net income	1,953	1,725	4,033	32,824
Unit distributions	790	(2,361)	(1,480)	(4,057)
Redeemable noncontrolling interests	(6,708)	(6,856)	(13,475)	(11,880)
Change in noncontrolling interests in consolidated joint ventures	(83)	(308)	133	9,110
Redemption of common units for common stock	-	(623)	-	(705)
Redemption of common units	-	-	(2,141)	(4,965)
Stock compensation	2,105	1,973	4,205	3,588
Cancellation of unvested LTIP units	-	-	(201)	(2,889)
Other comprehensive income (loss)	-	(460)	(34)	(873)
Rebalancing of ownership percentage between parent and subsidiaries	(1,611)	(1,778)	(2,353)	(215)
Balance at June 30	\$ 194,463	\$ 230,461	\$ 194,463	\$ 230,461

Pursuant to ASC 810, Consolidation, on the accounting and reporting for noncontrolling interests and changes in ownership interests of a subsidiary, changes in a parent’s ownership interest (and transactions with noncontrolling interests unitholders in the subsidiary) while the parent retains its controlling interest in its subsidiary should be accounted for as equity transactions. The carrying value of the noncontrolling interests shall be adjusted to reflect the change in its ownership interest in the subsidiary, with the offset to equity attributable to the parent. Accordingly, as a result of equity transactions which caused changes in ownership percentages between Mack-Cali Realty Corporation stockholders’ equity and noncontrolling interests in the Operating Partnership that occurred during the six months ended June 30, 2020, the Company has decreased noncontrolling interests in the Operating Partnership and increased additional paid-in capital in Mack-Cali Realty Corporation stockholders’ equity by approximately \$2.4 million as of June 30, 2020.

NONCONTROLLING INTERESTS IN OPERATING PARTNERSHIP (applicable only to General Partner)

Common Units

During the six months ended June 30, 2020, the Company redeemed for cash 97,727 common units at their fair market value of \$2.1

million.

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

LTIP Units

On March 8, 2016, the Company granted 2016 LTIP Awards to senior management of the Company, including the General Partner's executive officers. On April 4, 2017, the Company granted 2017 LTIP Awards to senior management of the Company, including the General Partner's executive officers. On April 20, 2018, the Company granted 2018 LTIP Awards to senior management of the Company, including the General Partner's executive officers. On March 22, 2019, the Company granted 2019 LTIP Awards to senior management of the Company, including the General Partner's executive officers. On March 24, 2020, the Company granted 2020 LTIP Awards to senior management of the Company, including the General Partner's executive officers. All of the 2016 LTIP Awards, 2017 LTIP Awards, 2018 LTIP Awards, 2019 LTIP Awards and 2020 LTIP Awards are in the form of units in the Operating Partnership. See Note 16: Mack-Cali Realty Corporation Stockholders' Equity and Mack-Cali Realty, L.P.'s Partners' Capital – Long-Term Incentive Plan Awards.

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

AO LTIP Units (Appreciation-Only LTIP Units)

On March 13, 2019, the Company granted 625,000 AO LTIP Units to Mr. DeMarco pursuant to the AO Long Term Incentive Plan Award Agreement. See Note 16: Mack-Cali Realty Corporation Stockholders' Equity and Mack-Cali Realty, L.P.'s Partners' Capital – AO LTIP Units (Appreciation-Only LTIP Units).

AO LTIP Units are a class of partnership interests in the Operating Partnership that are intended to qualify as "profit interests" for federal income tax purposes and generally only allow the recipient to realize value to the extent the fair market value of a share of Common Stock exceeds the threshold level set at the time the AO LTIP Units are granted, subject to any vesting conditions applicable to the award. The value of vested AO LTIP Units is realized through conversion of the AO LTIP Units into Common Units. The number of Common Units into which vested AO LTIP Units may be converted is determined based on the quotient of (i) the excess of the fair market value of the Common Stock on the conversion date over the threshold level designated at the time the AO LTIP Unit was granted, divided by (ii) the fair market value of the Common Stock on the conversion date. AO LTIP Units, once vested, have a finite term during which they may be converted into Common Units, not in excess of ten years from the grant date of the AO LTIP Units.

Unit Transactions

The following tables set forth the changes in noncontrolling interests in subsidiaries which relate to the Common Units and LTIP Units in the Operating Partnership for the three months ended June 30, 2020 and 2019, respectively.

	Common Units/ Vested LTIP Units	Unvested LTIP Units
Outstanding at April 1, 2020	9,518,638	3,094,324
Issuance of LTIP units	-	-
Redemption of common units	-	-
Conversion of LTIP units for common units	742	-
Vested LTIP units	67,148	(67,890)
Cancellation of units	-	(366,916)
Outstanding at June 30, 2020	9,586,528	2,659,518

	Common Units/ Vested LTIP Units	Unvested LTIP Units
Balance at April 1, 2019	10,009,355	1,826,331
Issuance of LTIP units	-	-
Redemption of common units for shares of common stock	(33,011)	-
Redemption of common units	-	-
Conversion of vested LTIP units to common units	9,220	-
Vested LTIP units	(9,220)	-
Cancellation of units	-	-
Outstanding at June 30, 2019	9,976,344	1,826,331

The following tables set forth the changes in noncontrolling interests in subsidiaries which relate to the Common Units and LTIP Units in the Operating Partnership for the six months ended June 30, 2020 and 2019, respectively.

	Common Units/ Vested LTIP Units	Unvested LTIP Units
Balance at January 1, 2020	9,612,064	1,826,331
Redemption of common units for shares of common stock	-	-
Redemption of common units	(97,727)	-
Conversion of vested LTIP units to common units	4,430	-
Vested LTIP units	67,762	(72,192)
Issuance of units	-	1,287,568
Cancellation of units	(1)	(382,189)
Balance at June 30, 2020	9,586,528	2,659,518

	Common Units/ Vested LTIP Units	Unvested LTIP Units
Balance at January 1, 2019	10,229,349	1,707,106
Issuance of LTIP units	-	565,623
Redemption of common units for shares of common stock	(38,011)	-
Redemption of common units	(301,638)	-
Conversion of vested LTIP units to common units	18,438	-
Vested LTIP units	68,206	(86,644)
Cancellation of unvested LTIP units	-	(359,754)
Balance at June 30, 2019	9,976,344	1,826,331

Noncontrolling Interests Ownership in Operating Partnership

As of June 30, 2020 and December 31, 2019, the noncontrolling interests common unitholders owned 9.6 percent and 9.6 percent of the Operating Partnership, respectively.

NONCONTROLLING INTERESTS IN CONSOLIDATED JOINT VENTURES (applicable to General Partner and Operating Partnership)

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

PARTICIPATION RIGHTS

The Company's interests in certain real estate projects (one property and one potential future development) each provide for the initial distributions of net cash flow solely to the Company, and thereafter, other parties have participation rights in 50 percent of the excess net cash flow remaining after the distribution to the Company of the aggregate amount equal to the sum of: (a) the Company's capital contributions, plus (b) an IRR of 10 percent per annum.

18. SEGMENT REPORTING

The Company operates in two business segments: (i) commercial and other real estate and (ii) multi-family real estate and services. The Company provides leasing, property management, acquisition, development, construction and tenant-related services for its commercial and other real estate and multi-family real estate portfolio. The Company's multi-family services business also provides similar services for third parties. The Company had no revenues from foreign countries recorded for the six months ended June 30, 2020 and 2019. The Company had no long lived assets in foreign locations as of June 30, 2020 and December 31, 2019. The accounting policies of the segments are the same as those described in Note 2: Significant Accounting Policies, excluding depreciation and amortization.

The Company evaluates performance based upon net operating income from the combined properties and operations in each of its real estate segments (commercial and other real estate and multi-family real estate and services). All properties classified as discontinued operations have been excluded.

[Table of Contents](#)

Selected results of operations for the three and six months ended June 30, 2020 and 2019 and selected asset information as of June 30, 2020 and December 31, 2019 regarding the Company's operating segments are as follows. Amounts for prior periods have been restated to conform to the current period segment reporting presentation (*dollars in thousands*):

	Commercial & Other Real Estate	Multi-family Real Estate & Services (d)	Corporate & Other (e)	Total Company
Total revenues:				
Three months ended:				
June 30, 2020	\$ 34,760	\$ 38,234	\$ (344)	\$ 72,650
June 30, 2019	41,516	44,708	381	86,605
Six months ended:				
June 30, 2020	74,309	81,081	(683)	154,707
June 30, 2019	95,593	81,067	211	176,871
Total operating and interest expenses (a):				
Three months ended:				
June 30, 2020	\$ 15,864	\$ 22,144	\$ 32,243	\$ 70,251
June 30, 2019	18,219	22,428	34,992	75,639
Six months ended:				
June 30, 2020	35,699	-	60,914	141,530
June 30, 2019	42,211	43,618	64,608	150,437
Equity in earnings (loss) of unconsolidated joint ventures:				
Three months ended:				
June 30, 2020	\$ (377)	\$ (569)	\$ -	\$ (946)
June 30, 2019	512	(600)	-	(88)
Six months ended:				
June 30, 2020	(494)	(1,160)	-	(1,654)
June 30, 2019	1,233	(2,002)	-	(769)
Net operating income (loss) (b):				
Three months ended:				
June 30, 2020	\$ 18,519	\$ 15,521	\$ (32,587)	\$ 1,453
June 30, 2019	23,809	21,680	(34,611)	10,878
Six months ended:				
June 30, 2020	38,116	35,004	(61,597)	11,523
June 30, 2019	54,615	35,447	(64,397)	25,665
Total assets:				
June 30, 2020	\$ 2,112,116	\$ 3,239,559	\$ 8,337	\$ 5,360,012
December 31, 2019	2,178,321	3,079,409	35,068	5,292,798
Total long-lived assets (c):				
June 30, 2020	\$ 1,891,570	\$ 2,981,246	\$ (58)	\$ 4,872,758
December 31, 2019	1,947,053	2,812,306	3,834	4,763,193
Total investments in unconsolidated joint ventures:				
June 30, 2020	\$ 7,699	\$ 192,710	\$ -	\$ 200,409
December 31, 2019	7,367	201,724	-	209,091

- (a) Total operating and interest expenses represent the sum of: real estate taxes; utilities; operating services; real estate services expenses; general and administrative, acquisition related costs and interest expense (net of interest income). All interest expense, net of interest and other investment income, (including for property-level mortgages) is excluded from segment amounts and classified in Corporate & Other for all periods.
- (b) Net operating income represents total revenues less total operating and interest expenses (as defined and classified in Note "a"), plus equity in earnings (loss) of unconsolidated joint ventures, for the period.
- (c) Long-lived assets are comprised of net investment in rental property, unbilled rents receivable and goodwill.
- (d) Segment assets and operations were owned through a consolidated variable interest entity commencing in February 2018, and which also include

[Table of Contents](#)

the Company's consolidated hotel operations.

- (e) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense, non-property general and administrative expense), as well as intercompany eliminations necessary to reconcile to consolidated Company totals.

Mack-Cali Realty Corporation

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net operating income	\$ 1,453	\$ 10,878	\$ 11,523	\$ 25,665
Add (deduct):				
Depreciation and amortization	(27,341)	(31,971)	(61,137)	(63,505)
Land and other impairments	(16,846)	(2,499)	(22,109)	(2,499)
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	255	(7,915)	268,364
Gain on disposition of developable land	-	270	4,813	270
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	588	-	1,899
Income (loss) from continuing operations	(42,734)	(22,479)	(74,825)	244,887
Discontinued operations				
Income from discontinued operations	21,729	7,952	43,722	16,180
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(11,929)	(5,802)	(39,675)	(5,802)
Total discontinued operations, net	9,800	2,150	4,047	10,378
Net income (loss)	(32,934)	(20,329)	(70,778)	255,265
Noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Noncontrolling interests in Operating Partnership	4,626	2,647	8,292	(24,196)
Noncontrolling interest in discontinued operations	(937)	(213)	(388)	(1,050)
Redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Net income (loss) available to common shareholders	\$ (34,887)	\$ (22,054)	\$ (74,811)	\$ 222,441

Mack-Cali Realty, L.P.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net operating income	\$ 1,453	\$ 10,878	\$ 11,523	\$ 25,665
Add (deduct):				
Depreciation and amortization	(27,341)	(31,971)	(61,137)	(63,505)
Land and other impairments	(16,846)	(2,499)	(22,109)	(2,499)
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	255	(7,915)	268,364
Gain on disposition of developable land	-	270	4,813	270
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	588	-	1,899
Income (loss) from continuing operations	(42,734)	(22,479)	(74,825)	244,887
Discontinued operations				
Income from discontinued operations	21,729	7,952	43,722	16,180
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(11,929)	(5,802)	(39,675)	(5,802)
Total discontinued operations, net	9,800	2,150	4,047	10,378
Net income (loss)	(32,934)	(20,329)	(70,778)	255,265
Noncontrolling interests in consolidated joint ventures	829	847	1,005	2,095
Redeemable noncontrolling interests	(6,471)	(5,006)	(12,942)	(9,673)
Net income (loss) available to common unitholders	\$ (38,576)	\$ (24,488)	\$ (82,715)	\$ 247,687

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

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

Executive Overview

Mack-Cali Realty Corporation, together with its subsidiaries, (collectively, the "General Partner"), including Mack-Cali Realty, L.P. (the "Operating Partnership"), has been involved in all aspects of commercial real estate development, management and ownership for over 60 years and the General Partner has been a publicly traded real estate investment trust ("REIT") since 1994.

The Operating Partnership conducts the business of providing leasing, management, acquisition, development, construction and tenant-related services for its General Partner. The Operating Partnership, through its operating divisions and subsidiaries, including the Mack-Cali property-owning partnerships and limited liability companies, is the entity through which all of the General Partner's operations are conducted. Unless stated otherwise or the context requires, the "Company" refers to the General Partner and its subsidiaries, including the Operating Partnership and its subsidiaries.

As of June 30, 2020, the Company owned or had interests in 71 properties (collectively, the "Properties"), consisting of 41 office properties, totaling approximately 10.5 million square feet leased to approximately 325 commercial tenants, 22 multi-family rental properties containing 6,850 apartment units, four parking/retail properties, totaling approximately 108,000 square feet, three hotels containing 723 rooms and a parcel of land leased to a third party. The Properties are located in the Northeast, some with adjacent, Company-controlled developable land sites able to accommodate up to approximately 2.0 million square feet of additional commercial space and approximately 9,500 apartment units.

The Company's historical strategy has been to focus its operations, acquisition and development of office and multi-family rental properties in high-barrier-to-entry markets and sub-markets where it believes it is, or can become, a significant and preferred owner and operator. In September 2015, the Company announced an initiative to transform into a more concentrated owner of New Jersey Hudson River waterfront and transit-oriented office properties and a regional owner of luxury multi-family rental properties. As part of this

plan, the Company has sold or has contracted to sell multiple properties, primarily commercial office and office/flex properties, which it believes do not meet its long-term goals.

STRATEGIC DIRECTION

On December 19, 2019, the Company announced that its Board had determined to sell the Company's entire suburban New Jersey office portfolio totaling approximately 6.6 million square feet (collectively, the "Suburban Office Portfolio"). This does not include the Company's waterfront office properties in Jersey City and Hoboken, New Jersey. As the decision to sell the Suburban Office Portfolio represented a strategic shift in the Company's operations, the portfolio's results are being classified as discontinued operations for all periods presented herein. See Note 7: Discontinued Operations – to the Financial Statements.

In late 2019 through June 30, 2020, the Company completed the sale of three of these suburban office properties, totaling 697,000 square feet, for net sales proceeds of \$87.2 million. As of June 30, 2020, the Company has identified as held for sale the remaining 34 office properties (comprised of 13 disposal groups) in the Suburban Office Portfolio, totaling 5.9 million square feet (of which the Company currently has 17 properties totaling 2.7 million square feet under contract for sale for aggregate gross proceeds of \$305.4 million). On July 22, 2020, the Company completed the sale of one of the properties held for sale, which was a 141,000 square foot office property, for gross proceeds of \$7.9 million.

The Company plans to complete the sale of its remaining Suburban Office Portfolio properties in 2020 and early 2021, and to use the available sales proceeds to pay down its corporate-level, unsecured indebtedness. However, the Company cannot predict whether or to what extent the timing of these sales and the expected amount and use of proceeds may be impacted by the ongoing coronavirus ("COVID-19"). After the completion of the Suburban Office Portfolio sales, the Company's holdings will consist of its waterfront class A office portfolio and its multi-family rental portfolio, and related development projects and land holdings.

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

- ⌚ the general economic climate;
- ⌚ the occupancy rates of the Properties;
- ⌚ rental rates on new or renewed leases;
- ⌚ tenant improvement and leasing costs incurred to obtain and retain tenants;
- ⌚ the extent of early lease terminations;
- ⌚ the value of our office properties and the cash flow from the sale of such properties;
- ⌚ operating expenses;
- ⌚ anticipated acquisition and development costs for office and multi-family rental properties and the revenues and earnings from these properties;
- ⌚ cost of capital; and
- ⌚ the extent of acquisitions, development and sales of real estate, including the execution of the Company's current strategic initiative.

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

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

In addition, the COVID-19 pandemic could potentially cause deterioration in the financial condition or liquidity of the Company's tenants, which could impair their ability to pay rents. A number of the Company's tenants have requested rent relief during this pandemic. The COVID-19 pandemic could also potentially cause reduced demand for space at the Company's office properties and/or units at its multifamily residential properties, parking facilities and hotel properties, which could have a negative impact on the Company's prospects for leasing current or additional space and/or renewing leases with existing tenants.

Of the Company's core office markets, most continue to show signs of rental rate improvement, while the lease percentage has declined or stabilized. The percentage leased in the Company's stabilized core operating commercial properties included in its Consolidated Properties aggregating 10.1 million, 10.1 million and 11.2 million square feet at June 30, 2020, March 31, 2020 and June 30, 2019, respectively, was 80.3 percent leased at June 30, 2020 as compared to 81.1 percent leased at March 31, 2020 and 79.8 percent leased at

[Table of Contents](#)

June 30, 2019 (after adjusting for properties identified as non-core at the time). Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future and leases that expire at the period end date. Leases that expired as of June 30, 2020, March 31, 2020 and June 30, 2019 aggregate 18,457, 39,211 and 18,432 square feet, respectively, or 0.2, 0.4 and 0.2 percentage of the net rentable square footage, respectively. Rental rates (including escalations) on the Company's core commercial space that was renewed (based on first rents payable) during the three months ended June 30, 2020 (on 137,758 square feet of renewals) increased an average of 12.7 percent compared to rates that were in effect under the prior leases, as compared to an 18.5 percent increase during the three months ended June 30, 2019 (on 24,686 square feet of renewals). Estimated lease costs for the renewed leases during the three months ended June 30, 2020 averaged \$3.86 per square foot per year for a weighted average lease term of 2.8 years, and estimated lease costs for the renewed leases during the three months ended June 30, 2019 averaged \$4.34 per square foot per year for a weighted average lease term of 5.5 years. The Company believes, although there can be no assurance, that vacancy rates at its commercial properties have begun to bottom as the majority of the known move-outs at its waterfront portfolio have already occurred. As of June 30, 2020, commercial leases which comprise approximately 2.2 and 10.3 percent of the Company's annualized base rent are scheduled to expire during the years ending December 31, 2020 and 2021, respectively. With the positive rental rate results the Company has achieved in most of its markets recently, the Company believes, although there can be no assurance, that rental rates on new leases will generally be, on average, not lower than rates currently being paid. If these recent leasing results do not prove to be sustaining through the remainder of 2020, the Company may receive less revenue from the same space.

During 2017, Moody's downgraded its investment grade rating on the Company's senior unsecured debt to sub-investment grade and during 2018, Standard & Poor's lowered its investment grade rating on the Company's senior unsecured debt to sub-investment grade (current ratings are Ba2 and BB- by Moody's and S&P, respectively). Amongst other things, such downgrade would have increased the interest rate on outstanding borrowings under the Company's current \$600 million unsecured revolving credit facility (which was amended in January 2017) from the London Inter-Bank Offered Rate ("LIBOR") plus 120 basis points to LIBOR plus 155 basis points and the annual credit facility fee it pays would have increased from 25 to 30 basis points. Additionally, any such downgrade would have increased the current interest rate on each of the Company's 2016 Term Loan and 2017 Term Loan from LIBOR plus 140 basis points to LIBOR plus 185 points. Effective March 6, 2018, the Company elected to utilize the leverage grid pricing available under the unsecured revolving credit facility and both unsecured term loans. This resulted in an interest rate of LIBOR plus 130 basis points for the Company's unsecured revolving credit facility and 25 basis points for the facility fee and LIBOR plus 155 basis points for both unsecured term loans at the Company's then total leverage ratio. In addition, the downgrade in its ratings to sub-investment grade could result in higher interest rates on senior unsecured debt that the Company may issue in the future as compared to issuing such debt with investment grade ratings.

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

- ① recent transactions;
- ① critical accounting policies and estimates;
- ① results from operations for the three and six months ended June 30, 2020, as compared to the three and six months ended June 30, 2019, and
- ① liquidity and capital resources.

Recent Transactions

Properties Commencing Initial Operations

The following property commenced initial operations during the six months ended June 30, 2020 (*dollars in thousands*):

In Service Date	Property	Location	Property Type	# of Apartment Units	Total Development Costs Incurred
03/01/20	Emery at Overlook Ridge (a)	Malden, MA	Multi-Family	166	\$ 49,179
Totals				166	\$ 49,179

- (a) The Emery at Overlook Ridge property consists of a total of 326 multi-family units. The remaining 160 multi-family units are currently in construction and are expected to be placed in service in late-2020.

Consolidations

On March 12, 2020, the Company, acquired its equity partner's 80 percent interest in Port Imperial North Retail L.L.C. a ground floor retail space totaling 30,745 square feet located at Port Imperial, West New York, New Jersey for \$13.3 million in cash (funded through borrowing under the Company's unsecured credit facility.) The results of the transaction increased the Company's interest to 100

[Table of Contents](#)

percent. Upon the acquisition, the Company consolidated the MC Roseland North Retail L.L.C. joint venture, a voting interest entity. As an acquisition of the remaining interests in the venture which owns the Port Imperial North Retail L.L.C., the Company accounted for the transaction as an asset acquisition under a cost accumulation model, no gain on change of control of interest was recognized in consolidation, resulting in total consolidated net assets of \$15.0 million, which are allocated as follows:

	Port Imperial North Retail L.L.C.
Land and leasehold interests	\$ 4,305
Buildings and improvements and other assets, net	8,912
In-place lease values (a)	1,503
Above/Below market lease value, net (a)	313
Net assets recorded upon consolidation	\$ 15,033

(a) In-place and below market lease values are being amortized over a weighted-average term of 7.5 years.

Real Estate Held for Sale/Discontinued Operations/Dispositions

The Company identified 34 office properties (comprised of 13 disposal groups) totaling 5.9 million square feet (See Note 7: Discontinued Operations – to the Financial Statements), another office property, a retail pad leased to others and several developable land parcels as held for sale as of June 30, 2020. The total estimated sales proceeds, net of expected selling costs, from the sales of all the assets held for sale are expected to be approximately \$1.3 billion, however there can be no assurance of the amount and timing of any such sales proceeds. As a result of recent sales contract amendments and after considering the current market conditions as a result of the challenging economic climate with the current worldwide COVID-19 pandemic, the Company determined that the carrying value of 21 of the properties (comprised of seven disposal groups), several land parcels held for sale and two developable land parcels classified as held and used was not expected to be recovered from estimated net sales proceeds, and accordingly, during the three and six months ended June 30, 2020, recognized an unrealized loss allowance of \$11.9 million and \$64.9 million (\$11.9 million and \$57.0 million of which are from discontinued operations), respectively, for the properties and land impairments of \$16.8 million and \$22.1 million, respectively.

The Company disposed of the following office and multi-family properties during the six months ended June 30, 2020 (*dollars in thousands*):

Disposition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet/Units	Property Type	Net Sales Proceeds	Net Carrying Value	Realized Gains (losses)/ Unrealized Losses, net	Discontinued Operations: Realized Gains (losses)/ Unrealized Losses, net
03/17/20	One Bridge Plaza	Fort Lee, New Jersey	1	200,000	Office	\$ 35,065	\$ 17,743	\$ -	17,322
Sub-total			1	200,000		35,065	17,743	-	17,322
Unrealized losses on real estate held for sale								(7,915)	(56,997)
Totals			1	200,000		\$ 35,065	\$ 17,743	\$ (7,915)	\$ (39,675)

The Company disposed of the following developable land holdings during the six months ended June 30, 2020 (*dollars in thousands*):

Disposition Date	Property Address	Location	Net Sales Proceeds	Net Carrying Value	Realized Gains (losses)/ Unrealized Losses, net
01/03/20	230 & 250 Half Mile Road	Middletown, New Jersey	\$ 7,018	\$ 2,969	\$ 4,049
03/27/20	Capital Office Park land	Greenbelt, Maryland	8,974	8,210	764
Totals			\$ 15,992	\$ 11,179	\$ 4,813

Rockpoint Transaction

On February 27, 2017, the Company, Roseland Residential Trust (“RRT”), the Company’s subsidiary through which the Company conducts its multi-family residential real estate operations, Roseland Residential, L.P. (“RRLP”), the operating partnership through which RRT conducts all of its operations, and certain other affiliates of the Company entered into a preferred equity investment agreement (the “Original Investment Agreement”) with certain affiliates of Rockpoint Group, L.L.C. (Rockpoint Group, L.L.C. and its affiliates, collectively, “Rockpoint”). The Original Investment Agreement provided for RRT to contribute property to RRLP in exchange for common units of limited partnership interests in RRLP (the “Common Units”) and for multiple equity investments by Rockpoint in RRLP from time to time for up to an aggregate of \$300 million of preferred units of limited partnership interests in RRLP (the “Preferred Units”). The initial closing under the Original Investment Agreement occurred on March 10, 2017 for \$150 million of Preferred Units and the parties agreed that the Company’s contributed equity value (“RRT Contributed Equity Value”), was \$1.23 billion at closing. During the year ended December 31, 2018, a total additional amount of \$105 million of Preferred Units were issued and sold to Rockpoint pursuant to the Original Investment Agreement. During the three months ended March 31, 2019, a total additional amount of \$45 million of Preferred Units were issued and sold to Rockpoint pursuant to the Original Investment Agreement, which brought the Preferred Units to the full balance of \$300 million. In addition, certain contributions of property to RRLP by RRT subsequent to the execution of the Original Investment Agreement resulted in RRT being issued approximately \$46 million of Preferred Units as well as Common Units in RRLP prior to June 26, 2019.

On June 26, 2019, the Company, RRT, RRLP, certain other affiliates of the Company and Rockpoint entered into an additional preferred equity investment agreement (the “Add On Investment Agreement”). The closing under the Add On Investment Agreement occurred on June 28, 2019. Pursuant to the Add On Investment Agreement, Rockpoint invested an additional \$100 million in Preferred Units and the Company and RRT agreed to contribute to RRLP two additional properties located in Jersey City, New Jersey. The Company used the \$100 million in proceeds received to repay outstanding borrowings under its unsecured revolving credit facility and other debt by June 30, 2019. In addition, Rockpoint has a right of first refusal to invest another \$100 million in Preferred Units in the event RRT determines that RRLP requires additional capital prior to March 1, 2023 and, subject thereto, RRLP may issue up to approximately \$154 million in Preferred Units to RRT or an affiliate so long as at the time of such funding RRT determines in good faith that RRLP has a valid business purpose to use such proceeds. See Note 15: Redeemable Noncontrolling Interests – to the Financial Statements for additional information about the Add On Investment Agreement and the related transactions with Rockpoint.

Critical Accounting Policies and Estimates

The accompanying consolidated financial statements include all accounts of the Company, its majority-owned and/or controlled subsidiaries, which consist principally of the Operating Partnership and variable interest entities for which the Company has determined itself to be the primary beneficiary, if any. See Note 2: Significant Accounting Policies – to the Financial Statements, for the Company’s treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

Accounting Standards Codification (“ASC”) 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights (“variable interest entities” or “VIEs”) and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack (i) the ability to make decisions about the entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; (2) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and substantially all of the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity’s performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

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

The financial statements have been prepared in conformity with generally accepted accounting principles (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience that are believed to be reasonable at the time. However, because future events and their effects cannot be determined with certainty, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates. Certain reclassifications have been made to prior period amounts in order to conform with current period presentation, primarily related to classification of certain properties as discontinued operations. The Company's critical accounting policies are those which require assumptions to be made about matters that are highly uncertain. Different estimates could have a material effect on the Company's financial results. Judgments and uncertainties affecting the application of these policies and estimates may result in materially different amounts being reported under different conditions and circumstances.

Rental Property

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition, development and construction of rental properties are capitalized. The Company adopted FASB guidance Accounting Standards Update ("ASU") 2017-01 on January 1, 2017, which revises the definition of a business and is expected to result in more transactions to be accounted for as asset acquisitions and significantly limit transactions that would be accounted for as business combinations. Where an acquisition has been determined to be an asset acquisition, acquisition-related costs are capitalized. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Interest capitalized by the Company for the six months ended June 30, 2020 and 2019 was \$11.8 million and \$9.5 million, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

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

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

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

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

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

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

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental properties held for use may be impaired. In addition to identifying any specific circumstances which may affect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management, depending on the type of property, may include reviewing low leased percentages, significant near-term lease expirations, current and historical operating and/or cash flow losses, construction cost overruns and/or other factors, including those that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property over its estimated holding period is less than the carrying value of the property. If there are different possible scenarios for a property, the Company will take a probability-weighted approach to estimating future cash flow scenarios. To the extent impairment has occurred, the impairment loss is measured as the excess of the carrying value of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated and estimated fair values for each property are based on a number of assumptions, including but not limited to estimated holding periods, market capitalization rates and discount rates, if applicable. For developable land holdings, an estimated per-unit market value assumption is also considered based on development rights for the land. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairments may be realized in the future.

Real Estate Held for Sale and Discontinued Operations

When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. The Company generally considers assets (as identified by their disposal groups) to be held for sale when the transaction has received appropriate corporate authority, it is probable to be sold within the following 12 months, and there are no significant contingencies relating to a sale. If, in management's opinion, the estimated net sales price, net of selling costs, of the disposal groups which have been identified as held for sale is less than the carrying value of the assets, a valuation allowance (which is recorded as unrealized losses on disposition of rental property) is established. In the absence of an executed sales agreement with a set sales price, management's estimate of the net sales price may be based on a number of assumptions, including but not limited to the Company's estimates of future and stabilized cash flows, market capitalization rates and discount rates, if applicable. For developable land holdings, an estimated per-unit market value assumption is also considered based on development rights for the land. In addition, the Company classifies assets held for sale or sold as discontinued operations if the disposal groups represent a strategic shift that will have a major effect on the Company's operations and financial results. For any disposals qualifying as discontinued operations, the assets and their results are presented in discontinued operations in the financial statements for all periods presented. See Note 7: Discontinued Operations – to the Financial Statements.

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

Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. The Company applies the equity method by initially recording these investments at cost, as Investments in Unconsolidated Joint Ventures, subsequently adjusted for equity in earnings and cash contributions and distributions. The outside basis portion of the Company's joint ventures is amortized over the anticipated useful lives of the underlying ventures' tangible and intangible assets acquired and liabilities assumed. Generally, the Company would discontinue applying the equity method when the investment (and any advances) is reduced to zero and

would not provide for additional losses unless the Company has guaranteed obligations of the venture or is otherwise committed to providing further financial support for the investee. If the venture subsequently generates income, the Company only recognizes its share of such income to the extent it exceeds its share of previously unrecognized losses.

If the venture subsequently makes distributions and the Company does not have an implied or actual commitment to support the operations of the venture, the Company will not record a basis less than zero, rather such amounts will be recorded as equity in earnings of unconsolidated joint ventures.

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

Revenue Recognition

Revenue from leases includes fixed base rents under leases, which are recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the cumulative amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements.

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

The Company elected a practical expedient for its rental properties (as lessor) to avoid separating non-lease components that otherwise would need to be accounted for under the recently-adopted revenue accounting guidance (such as tenant reimbursements of property operating expenses) from the associated lease component since (1) the non-lease components have the same timing and pattern of transfer as the associated lease component and (2) the lease component, if accounted for separately, would be classified as an operating lease; this enables the Company to account for the combination of the lease component and non-lease components as an operating lease since the lease component is the predominant component of the combined components.

Due to the Company's adoption of the practical expedient discussed above to not separate non-lease component revenue from the associated lease component, the Company is aggregating revenue from its lease components and non-lease components (comprised predominantly of tenant operating expense reimbursements) into the line entitled "Revenue from leases."

Revenue from leases also includes reimbursements and recoveries from tenants received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 14: Tenant Leases – to the Financial Statements.

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

Parking income is comprised of income from parking spaces leased to tenants and others.

Hotel income includes all revenue generated from hotel properties.

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

All bad debt expense is being recorded as a reduction of the corresponding revenue account starting on January 1, 2019. Management performs a detailed review of amounts due from tenants for collectability based on factors affecting the billings and status of individual tenants. The factors considered by management in determining which individual tenant's revenues are affected include the age of the receivable, the tenant's payment history, the nature of the charges, any communications regarding the charges and other related information. Management's estimate of bad debt write-off's requires management to exercise judgment about the timing, frequency and severity of collection losses, which affects the revenue recorded.

Redeemable Noncontrolling Interests

The Company evaluates the terms of the partnership units issued in accordance with the FASB's Distinguishing Liabilities from Equity guidance. Units which embody an unconditional obligation requiring the Company to redeem the units for cash after a specified or determinable date (or dates) or upon the occurrence of an event that is not solely within the control of the issuer are determined to be contingently redeemable under this guidance and are included as Redeemable noncontrolling interests and classified within the mezzanine section between Total liabilities and Stockholders' equity on the Company's Consolidated Balance Sheets. The carrying amount of the redeemable noncontrolling interests will be changed by periodic accretions, so that the carrying amount will equal the estimated future redemption value at the redemption date.

Results From Operations

The following comparisons for the three and six months ended June 30, 2020 ("2020"), as compared to the three and six months ended June 30, 2019 ("2019"), make reference to the following: (i) the effect of the "Same-Store Properties," which represent all in-service properties owned by the Company at March 31, 2019 (for which the three-month period comparisons), and which represent all in-service properties owned by the Company at December 31, 2018, (for the six-month period comparison) excluding properties sold, disposed of, removed from service, or being redeveloped or repositioned from January 1, 2019 through June 30, 2020; (ii) the effect of the "Acquired Properties," which represent all properties acquired by the Company or commencing initial operations from April 1, 2019 through June 30, 2020 (for the three-month period comparisons), and which represent all properties acquired by the Company or commencing initial operations from January 1, 2019 through June 30, 2020 (for the six-month period comparisons) and (iii) the effect of "Properties Sold", which represent properties sold, disposed of, or removed from service (including properties being redeveloped or repositioned) by the Company from January 1, 2019 through June 30, 2020.

Three Months Ended June 30, 2020 Compared to Three Months Ended June 30, 2019

<i>(dollars in thousands)</i>	Three Months Ended June 30,		Dollar	Percent
	2020	2019	Change	Change
Revenue from rental operations and other:				
Revenue from leases	\$ 64,792	\$ 73,018	\$ (8,226)	(11.3) %
Parking income	3,034	5,515	(2,481)	(45.0)
Hotel income	772	2,094	(1,322)	(63.1)
Other income	1,297	2,448	(1,151)	(47.0)
Total revenues from rental operations	69,895	83,075	(13,180)	(15.9)
Property expenses:				
Real estate taxes	10,573	11,018	(445)	(4.0)
Utilities	3,113	4,091	(978)	(23.9)
Operating services	15,633	17,913	(2,280)	(12.7)
Total property expenses	29,319	33,022	(3,703)	(11.2)
Non-property revenues:				
Real estate services	2,755	3,530	(775)	(22.0)
Total non-property revenues	2,755	3,530	(775)	(22.0)
Non-property expenses:				
Real estate services expenses	3,085	3,979	(894)	(22.5)
General and administrative	17,242	16,946	296	1.7
Depreciation and amortization	27,341	31,971	(4,630)	(14.5)
Land and other impairments	16,846	2,499	14,347	574.1
Total non-property expenses	64,514	55,395	9,119	16.5
Operating income (loss)	(21,183)	(1,812)	(19,371)	(1,069.0)
Other (expense) income:				
Interest expense	(20,612)	(22,207)	1,595	7.2
Interest and other investment income (loss)	7	515	(508)	(98.6)
Equity in earnings (loss) of unconsolidated joint ventures	(946)	(88)	(858)	(975.0)
Gain on change of control of interests	-	-	-	-
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	255	(255)	(100.0)
Gain on disposition of developable land	-	270	(270)	(100.0)
Gain on sale of investment in unconsolidated joint ventures	-	-	-	-
Gain from extinguishment of debt, net	-	588	(588)	(100.0)
Total other (expense) income	(21,551)	(20,667)	(884)	(4.3)
Income (loss) from continuing operations	(42,734)	(22,479)	(20,255)	(90.1)
Discontinued operations:				
Income from discontinued operations	21,729	7,952	13,777	173.3
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(11,929)	(5,802)	(6,127)	(105.6)
Total discontinued operations	9,800	2,150	7,650	355.8
Net income (loss)	\$ (32,934)	\$ (20,329)	\$ (12,605)	(62.0) %

[Table of Contents](#)

The following is a summary of the changes in revenue from rental operations and other, and property expenses in 2020 as compared to 2019 divided into Same-Store Properties, Acquired Properties and Properties Sold in 2019 and 2020 (excluding properties classified as discontinued operations):

(dollars in thousands)	Total Company		Same-Store Properties		Acquired Properties		Properties Sold in 2019 and 2020	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:								
Revenue from leases	\$ (8,226)	(11.3) %	\$ (2,967)	(4.1) %	\$ 9,586	13.1 %	\$ (14,845)	(20.3) %
Parking income	(2,481)	(45.0)	(2,449)	(44.4)	276	5.0	(308)	(5.6)
Hotel income	(1,322)	(63.1)	(1,340)	(64.0)	18	0.9	-	-
Other income	(1,151)	(47.0)	(257)	(10.4)	160	6.5	(1,054)	(43.1)
Total	\$ (13,180)	(15.9) %	\$ (7,013)	(8.5) %	\$ 10,040	12.1 %	\$ (16,207)	(19.5) %
Property expenses:								
Real estate taxes	\$ (445)	(4.0) %	\$ (733)	(6.6) %	2,416	21.9 %	(2,128)	(19.3) %
Utilities	(978)	(23.9)	70	1.7	335	8.2	(1,383)	(33.8)
Operating services	(2,280)	(12.7)	(3,426)	(19.1)	4,339	24.2	(3,193)	(17.8)
Total	\$ (3,703)	(11.2) %	\$ (4,089)	(12.4) %	\$ 7,090	21.5 %	\$ (6,704)	(20.3) %
OTHER DATA:								
Number of Consolidated Properties	26		23		3		102	
Commercial Square feet (in thousands)	4,535		4,535		-		10,916	
Multi-family portfolio (number of units)	4,239		3,265		974		1,545	

Revenue from leases. Revenue from leases for the Same-Store Properties decreased \$3.0 million, or 4.1 percent, for 2020 as compared to 2019, due primarily to a decrease in average same store percent leased of the office portfolio as well as lower property expenses to be reimbursed from tenants in 2020.

Parking income. Parking income for the Same-Store Properties decreased \$2.4 million, or 44.4 percent, for 2020 as compared to 2019, due primarily to a decrease in usage at commercial properties, due to the COVID-19 pandemic in 2020.

Hotel income. Hotel income for the Same-Store Properties decreased \$1.3 million, or 64.0 percent, for 2020 as compared to 2019 due to the partial shutdown of hotel operations due to the COVID-19 pandemic in 2020.

Other income. Other income for the Same-Store Properties decreased \$0.3 million, or 10.5 percent, for 2020 as compared to 2019, due primarily to small decreases in several other income items in 2020, as compared to 2019.

Real estate taxes. Real estate taxes for the Same-Store Properties decreased \$0.7 million, or 6.6 percent, for 2020 as compared to 2019, due primarily to lower tax assessment values for the Company's office properties in Jersey City, New Jersey, in 2020 as compared to 2019.

Utilities. Utilities for the Same-Store Properties were relatively unchanged with an increase of \$0.1 million, or 1.7 percent, for 2020 as compared to 2019.

Operating services. Operating services for the Same-Store Properties decreased \$3.4 million, or 19.1 percent, for 2020 as compared to 2019, due primarily to a decrease in maintenance expenses in 2020 as compared to 2019.

Real estate services revenue. Real estate services revenue (primarily reimbursement of property personnel costs) decreased \$0.8 million, or 22.0 percent, for 2020 as compared to 2019, due primarily to decreased third party development and management activity in multi-family services in 2020, as compared to 2019.

Real estate services expense. Real estate services expense decreased \$0.9 million, or 22.5 percent, for 2020 as compared to 2019, due primarily to decreased salaries and related expenses from lower third party development and management activities in 2020, as compared to 2019.

General and administrative. General and administrative expenses increased \$0.3 million, or 1.7 percent, for 2020 as compared to 2019. This increase was due primarily to an increase of \$0.9 million in costs incurred in connection with contested elections of the Board of Directors (\$5.0 million in 2020 versus \$4.1 million in 2019), and dead deal costs incurred in 2020 of \$0.3 million. These

increases were partially offset by capital raise transaction costs in 2019 of \$0.4 million and a decrease in salaries and related expenses of \$0.3 million for 2020 as compared to 2019.

Depreciation and amortization. Depreciation and amortization decreased \$4.6 million, or 14.5 percent, for 2020 over 2019. This decrease was primarily due to lower depreciation of approximately \$3.8 million on the Same-Store Properties for 2020 as compared to 2019, and a decrease of approximately \$4.6 million in 2020 as compared to 2019 for properties sold or removed from service. These were partially offset by an increase of approximately \$3.8 million for 2020 as compared to 2019 on the Acquired Properties.

Land and other impairments. In 2020, the Company recorded \$16.8 million of impairments of developable land parcels. In 2019, the Company incurred a valuation impairment charge of \$2.5 million on a developable land parcel. See Note 12: Disclosure of Fair Value of Assets and Liabilities.

Interest expense. Interest expense decreased \$1.6 million, or 7.2 percent, for 2020 as compared to 2019. This decrease was primarily the result of lower average interest rates in 2020 as compared to 2019.

Interest and other investment income. Interest and other investment income decreased \$0.5 million, or 98.6 percent for 2020 as compared to 2019, due primarily to lower average notes receivable balances outstanding in 2020 as compared to 2019.

Equity in earnings (loss) of unconsolidated joint ventures. Equity in earnings of unconsolidated joint ventures decreased \$0.9 million or 975.0 percent for 2020 as compared to 2019, due primarily to decreased activity at the Hyatt Regency Hotel Jersey City venture.

Realized gains (losses) and unrealized losses on disposition of rental property, net. The Company had realized gains (unrealized losses) on disposition of rental property of a net gain of \$0.3 million in 2019. See Note 3: Recent Transactions – Dispositions – to the Financial Statements.

Gain on disposition of developable land. In 2019, the Company recorded a gain of \$0.3 million on the sale of land holdings located in Malden, Massachusetts. See Note 3: Recent Transactions – Dispositions – to the Financial Statements.

Gain(loss) from extinguishment of debt, net. In 2019, the Company recognized a gain from extinguishment of debt of \$0.6 million in connection with the early termination of certain interest rate swap agreements, which resulted from the early repayment of \$160 million of an unsecured term loan in 2019. See Note 8 to the Financial Statements: Unsecured Revolving Credit Facility and Term Loans.

Discontinued operations. For all periods presented, the Company classified 37 office properties totaling 6.6 million square feet as discontinued operations, some of which were sold during the periods. The income from these properties increased \$13.8 million for 2020 as compared to 2019, due primarily to a decrease in depreciation and amortization costs of \$15.9 million for 2020 as compared to 2019. The Company recognized realized gains (losses) and unrealized losses on disposition of rental property and impairments, net, of a loss of \$11.9 million on these properties in 2020, and a loss of \$5.8 million in 2019.

Net income (loss). Net income (loss) decreased to a loss of \$32.9 million in 2020 from a loss of \$20.3 million in 2019. The decrease was due to the factors discussed above.

<i>(dollars in thousands)</i>	Six Months Ended		Dollar Change	Percent Change	
	2020	June 30, 2019			
Revenue from rental operations and other:					
Revenues from leases	\$ 135,242	\$ 152,409	\$ (17,167)	(11.3)	%
Parking income	8,299	10,381	(2,082)	(20.1)	
Hotel income	2,397	2,377	20	0.8	
Other income	3,021	4,332	(1,311)	(30.3)	
Total revenues from rental operations	148,959	169,499	(20,540)	(12.1)	
Property expenses:					
Real estate taxes	21,510	22,662	(1,152)	(5.1)	
Utilities	6,966	10,203	(3,237)	(31.7)	
Operating services	31,697	34,712	(3,015)	(8.7)	
Total property expenses	60,173	67,577	(7,404)	(11.0)	
Non-property revenues:					
Real estate services	5,748	7,372	(1,624)	(22.0)	
Total non-property revenues	5,748	7,372	(1,624)	(22.0)	
Non-property expenses:					
Real estate services expenses	6,806	8,245	(1,439)	(17.5)	
General and administrative	33,060	30,265	2,795	9.2	
Depreciation and amortization	61,137	63,505	(2,368)	(3.7)	
Land and other impairments	22,109	2,499	19,610	784.7	
Total non-property expenses	123,112	104,514	18,598	17.8	
Operating income	(28,578)	4,780	(33,358)	(697.9)	
Other (expense) income:					
Interest expense	(41,530)	(45,688)	4,158	9.1	
Interest and other investment income	39	1,338	(1,299)	(97.1)	
Equity in earnings (loss) of unconsolidated joint ventures	(1,654)	(769)	(885)	(115.1)	
Gain on change of control of interests	-	13,790	(13,790)	(100.0)	
Realized gains (losses) and unrealized losses on disposition of rental property, net	(7,915)	268,364	(276,279)	(102.9)	
Gain on disposition of developable land	4,813	270	4,543	1,682.6	
Gain on sale of investment in unconsolidated joint venture	-	903	(903)	(100.0)	
Gain from extinguishment of debt, net	-	1,899	(1,899)	(100.0)	
Total other (expense) income	(46,247)	240,107	(286,354)	(119.3)	
Income (loss) from continuing operations	(74,825)	244,887	(319,712)	(130.6)	
Discontinued operations:					
Income from discontinued operations	43,722	16,180	27,542	170.2	
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(39,675)	(5,802)	(33,873)	(583.8)	
Total discontinued operations, net	4,047	10,378	(6,331)	(61.0)	
Net income (loss)	\$ (70,778)	\$ 255,265	\$ (326,043)	(127.7)	%

[Table of Contents](#)

(dollars in thousands)	Total Company		Same-Store Properties		Acquired Properties		Properties Sold in 2019 and 2020	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:								
Revenue from leases	\$ (17,167)	(11.3) %	\$ 3,146	2.0 %	\$ 23,562	15.5 %	\$ (43,875)	(28.8) %
Parking income	(2,082)	(20.1)	(2,420)	(23.4)	976	9.4	(638)	(6.1)
Hotel Income	20	0.8	(983)	(41.4)	1,003	42.2	-	-
Other income	(1,311)	(30.3)	328	7.5	372	8.6	(2,011)	(46.4)
Total	\$ (20,540)	(12.1) %	\$ 71	- %	\$ 25,913	15.3 %	\$ (46,524)	(27.4) %
Property expenses:								
Real estate taxes	\$ (1,152)	(5.1) %	\$ (758)	(3.3) %	\$ 5,699	25.1 %	\$ (6,093)	(26.9) %
Utilities	(3,237)	(31.7)	(176)	(1.7)	837	8.2	(3,898)	(38.2)
Operating services	(3,015)	(8.7)	(3,489)	(10.1)	9,155	26.4	(8,681)	(25.0)
Total	\$ (7,404)	(11.0) %	\$ (4,423)	(6.6) %	\$ 15,691	23.2 %	\$ (18,672)	(27.6) %
OTHER DATA:								
Number of Consolidated Properties	26		21		5		102	
Commercial Square feet (in thousands)	4,535		4,535		-		10,916	
Multi-family portfolio (number of units)	4,239		2,577		1,662		1,545	

Revenue from leases. Revenue from leases for the Same-Store Properties increased \$3.1 million, or 2.0 percent, for 2020 as compared to 2019, due primarily to an increase in average same store percent leased of the office portfolio in 2020, as compared to 2019.

Parking income. Parking income for the Same-Store Properties decreased \$2.4 million, or 23.3 percent, for 2020 as compared to 2019, due primarily to a decrease in usage at commercial properties, due to the COVID-19 pandemic in 2020.

Hotel income. Hotel income for the Same-Store Properties decreased \$1.0 million, or 41.4 percent, for 2020 as compared to 2019 due to the partial shutdown of hotel operations due to the COVID-19 pandemic in 2020.

Other income. Other income for the Same-Store Properties increased \$0.3 million, or 7.6 percent, for 2020 as compared to 2019, due primarily to small increases in several other income items in 2020, as compared to 2019.

Real estate taxes. Real estate taxes for the Same-Store Properties decreased \$0.8 million, or 3.3 percent, for 2020 as compared to 2019, due primarily to lower tax assessment values for the Company's office properties in Jersey City, New Jersey, in 2020 as compared to 2019.

Utilities. Utilities for the Same-Store Properties decreased \$0.2 million, or 1.7 percent, for 2020 as compared to 2019, due primarily to decreased electricity rates in 2020 as compared to 2019.

Operating services. Operating services for the Same-Store Properties decreased \$3.5 million, or 10.1 percent, for 2020 as compared to 2019, due primarily to a decrease in property maintenance costs and salaries and related expenses in 2020 as compared to 2019.

Real estate services revenue. Real estate services revenue (primarily reimbursement of property personnel costs) decreased \$1.6 million, or 22.0 percent, for 2020 as compared to 2019, due primarily to decreased third party development and management activity in multi-family services in 2020, as compared to 2019.

Real estate services expense. Real estate services expense decreased \$1.4 million, or 17.5 percent, for 2020 as compared to 2019, due primarily to decreased salaries and related expenses from lower third party development and management activities in 2020, as compared to 2019.

General and administrative. General and administrative expenses increased \$2.8 million, or 9.2 percent, for 2020 as compared to 2019. This increase is due primarily to an increase in costs incurred in connection with contested elections of the Board of Directors of \$1.7 million (\$5.8 million in 2020 versus \$4.1 million in 2019), reporting system conversion costs in 2020 of \$0.4 million, dead deal costs incurred in 2020 of \$0.3 million, and an increase in professional fees of \$0.5 million for 2020 as compared to 2019.

Depreciation and amortization. Depreciation and amortization decreased \$2.4 million, or 3.7 percent, for 2020 over 2019. This decrease was due primarily to a decrease of approximately \$12.6 million for 2020 as compared to 2019 for properties sold or removed from

[Table of Contents](#)

service. This was partially offset by higher depreciation of approximately \$0.3 million on the Same-Store Properties for 2020 as compared to 2019, and an increase of approximately \$9.9 million in 2020 as compared to 2019 for the Acquired Properties.

Land and other impairments. In 2020, the Company recorded \$22.1 million of impairments of developable land parcels. See Note 3: Recent Transactions – Real Estate Held For Sale – to the Financial Statements. In 2019, the Company incurred a valuation impairment charge of \$2.5 million on a developable land parcel. See Note 12: Disclosure of Fair Value of Assets and Liabilities – to the Financial Statements.

Interest expense. Interest expense decreased \$4.2 million, or 9.1 percent, for 2020 as compared to 2019. This decrease was primarily the result of lower average interest rates in 2020 as compared to 2019.

Interest and other investment income. Interest and other investment income decreased \$1.3 million, or 97.1 percent for 2020 as compared to 2019, due primarily to lower average notes receivable balances outstanding in 2020 as compared to 2019.

Equity in earnings (loss) of unconsolidated joint ventures. Equity in earnings of unconsolidated joint ventures decreased \$0.9 million or 115.1 percent, for 2020 as compared to 2019, due primarily to decreased activity at the Hyatt Regency Hotel Jersey City venture.

Gain on change of control of interests. The Company recorded a gain on change of control of interests of \$13.8 million in 2019 as a result of its acquisition of the controlling interest of its equity partners in a joint venture which owns a multi-family property located in Jersey City, New Jersey.

Realized gains (losses) and unrealized losses on disposition of rental property, net. The Company had realized gains (unrealized losses) on disposition of rental property of a net loss of \$7.9 million in 2020, as compared to a net gain of \$268.4 million in 2019. See Note 3: Recent Transactions – Dispositions – to the Financial Statements.

Gain on disposition of developable land. In 2020, the Company recorded a gain of \$4.8 million on the sale of land holdings located in Middletown, New Jersey and Greenbelt, Maryland. In 2019, the Company recorded a gain of \$0.3 million on the sale of a land holding located in Malden, Massachusetts. See Note 3: Recent Transactions – Dispositions – to the Financial Statements.

Gain on sale of investment in unconsolidated joint venture. The Company recorded a \$0.9 million gain on the sale in 2019 of its interests in a joint venture, which owned a property in Red Bank, New Jersey. See Note 4: Investments in Unconsolidated Joint Ventures – to the Financial Statements.

Gain(loss) from extinguishment of debt, net. In 2019, the Company recognized a gain from extinguishment of debt of \$1.9 million in connection with the early termination of part of interest rate swap agreements, which resulted from the early repayment of \$250 million of an unsecured term loan in 2019. See Note 8 to the Financial Statements: Unsecured Revolving Credit Facility and Term Loans.

Discontinued operations. For all periods presented, the Company classified 37 office properties totaling 6.6 million square feet as discontinued operations, some of which were sold during the periods. The income from these properties increased \$27.5 million for 2020 as compared to 2019, due primarily to a decrease in depreciation and amortization costs of \$31.0 million for 2020 as compared to 2019. The Company recognized realized gains (losses) and unrealized losses on disposition of rental property and impairments, net, of a loss of \$39.7 million on these properties in 2020, and a loss of \$5.8 million in 2019.

Net income (loss). Net income (loss) decreased to a loss of \$70.8 million in 2020 from net income of \$255.3 million in 2019. The decrease was due to the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Overview

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

The Company expects to meet its short-term liquidity requirements generally through its working capital, which may include proceeds from the sales of office properties (including the Suburban Office Portfolio, of which \$305.4 million of properties are under contract for

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

The recent outbreak of COVID-19 across many countries around the globe, including the U.S., has significantly slowed global economic activity, caused significant volatility in financial markets, and resulted in unprecedented job losses causing many to fear an imminent global recession. The global impact of the outbreak has been rapidly evolving the responses of many countries, including the U.S., have included quarantines, restrictions on business activities, including construction activities, restrictions on group gatherings, and restrictions on travel. These actions are creating disruption in the global economy and supply chains and adversely impacting many industries, including owners and developers of office and mixed-use buildings. Moreover, there is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy and consumer confidence. Demand for space at the Company's properties is dependent on a variety of macroeconomic factors, such as employment levels, interest rates, changes in stock market valuations, rent levels and availability of competing space. These factors can be significantly adversely affected by a variety of factors beyond the Company's control. The extent to which COVID-19 impacts the Company's results will depend on future developments, many of which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken to contain it or treat its impact. If the outbreak continues, there will likely be continued negative economic impacts, market volatility, and business disruption which could negatively impact the Company's tenants' ability to pay rent, the Company's ability to lease vacant space, the Company's ability to complete development and redevelopment projects and the Company's ability to dispose of the assets held for sale and these consequences, in turn, could materially impact the Company's results of operations.

Repositioning of the Company's Portfolio

In September 2015, the Company announced an initiative to transform into a more concentrated owner of New Jersey Hudson River waterfront and transit-oriented office properties and a regional owner of luxury multi-family rental properties. As part of this plan, the Company has sold multiple properties, primarily commercial office and office/flex properties, which it believes do not meet its long-term goals, and has invested in other real estate assets that the Company believes meet the Company's long-term goals.

In December 2019, the Company announced that the Board of Directors of the General Partner has determined to sell the Company's remaining Suburban Office Portfolio totaling approximately 5.9 million square feet of office space. The Company plans to use the available estimated net sales proceeds of approximately \$1.0 billion to pay down its corporate-level, unsecured indebtedness, however there can be no assurance of the amount and timing of any such sales proceeds.

Construction Projects

The Company is developing a 313-unit multi-family project known as Port Imperial South 9 at Port Imperial in Weehawken, New Jersey, which began construction in third quarter 2018. The construction project, which is estimated to cost \$142.9 million, of which construction costs of \$79.8 million have been incurred through June 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$50.9 million as of June 30, 2020, and the remaining construction costs are expected to be funded from a \$92 million construction loan (of which \$28.9 million was drawn as of June 30, 2020).

The Company is developing a 198-unit multi-family project known as The Upton at Short Hills located in Short Hills, New Jersey, which began construction in fourth quarter 2018. The construction project, which is estimated to cost \$99.4 million, of which \$65.6 million have been incurred through June 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$38.9 million of the construction costs, and the remaining construction costs are expected to be funded from a \$64 million construction loan (of which \$26.7 million was drawn as of June 30, 2020).

The Company is developing a 750-unit multi-family project at 25 Christopher Columbus in Jersey City, New Jersey, which began construction in first quarter 2019. The construction project, which is estimated to cost \$469.5 million, of which \$227.8 million have been incurred through June 30, 2020, is expected to be ready for occupancy in first quarter 2022. The Company is expected to fund \$169.5 million of the construction costs of which the Company has funded \$155 million as of June 30, 2020, and the remaining construction costs are expected to be funded from a \$300 million construction loan (of which \$72.8 million was drawn as of June 30, 2020).

REIT Restrictions

To maintain its qualification as a REIT under the IRS Code, the General Partner must make annual distributions to its stockholders of at least 90 percent of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains. Moreover, the General Partner intends to continue to make regular quarterly distributions to its common stockholders. Based upon the most recently paid common stock dividend rate of \$0.20 per common share, in the aggregate, such distributions would equal approximately \$72.50 million (\$81.20 million, including units in the Operating Partnership held by parties other than the General Partner) on an annualized basis. However, any such distributions, whether for federal income tax purposes or otherwise, would be paid out of available cash, including borrowings and other sources, after meeting operating requirements, preferred stock dividends and distributions, and scheduled debt service on the Company's debt. If and to the extent the Company retains and does not distribute any net capital gains, the General Partner will be required to pay federal, state and local taxes on such net capital gains at the rate applicable to capital gains of a corporation.

Property Lock-Ups

Through February 2016, the Company could not dispose of or distribute certain of its properties, which were originally contributed by certain unrelated common unitholders of the Operating Partnership, without the express written consent of such common unitholders, as applicable, except in a manner which did not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimbursed the appropriate specific common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). Upon the expiration in February 2016 of the Property Lock-Ups, the Company is generally required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the specific common unitholders, which include members of the Mack Group (which includes William L. Mack, a former director; David S. Mack, a former director; and Earle I. Mack, a former director), the Robert Martin Group, and the Cali Group (which includes John R. Cali, a former director). As of June 30, 2020, after the effects of tax-free exchanges on certain of the originally contributed properties, either wholly or partially, over time, 27 of the Company's properties, as well as certain land and development projects, including properties classified as held for sale as of June 30, 2020, with an aggregate carrying value of approximately \$1.7 billion, are subject to these conditions.

Unencumbered Properties

As of June 30, 2020, the Company had 36 unencumbered properties with a carrying value of \$1.1 billion representing 70.6 percent of the Company's total consolidated property count.

Cash Flows

Cash, cash equivalents and restricted cash decreased by \$0.1 million to \$40.4 million at June 30, 2020, compared to \$41.2 million at December 31, 2019. This increase is comprised of the following net cash flow items:

- (1) \$68.2 million provided by operating activities.
- (2) \$194.2 million used in investing activities, consisting primarily of the following:
 - (a) \$1.6 million used for investments in unconsolidated joint ventures; plus
 - (b) \$16.2 million used for rental property acquisitions and related intangibles; plus
 - (c) \$104.4 million used for additions to rental property and improvements; plus
 - (d) \$146.8 million used for the development of rental property, other related costs and deposits; minus
 - (e) \$52.2 million net cash from investing activities - discontinued operations; minus
 - (f) \$16.4 million from proceeds from the sales of rental property; minus
 - (g) \$0.2 million received from repayments of notes receivables; minus
 - (h) \$5.9 million received from distributions in excess of cumulative earnings from unconsolidated joint ventures.
- (3) \$125.2 million provided by financing activities, consisting primarily of the following:
 - (a) \$140 million from borrowings under the unsecured revolving credit facility; plus
 - (b) \$181.4 million from proceeds received from mortgages and loans payable; plus
 - (c) \$0.1 million used for distribution to noncontrolling interests; minus
 - (d) \$140 million used for repayments of unsecured revolving credit facility; minus

[Table of Contents](#)

- (e) \$0.3 million used for repayments of mortgages, loans payable and other obligations; minus
- (f) \$53.2 million used for payments of dividends and distributions; minus
- (g) \$0.7 million used for payment of finance cost; minus
- (h) \$2.1 million used for common unit redemptions.

Debt Financing

Summary of Debt

The following is a breakdown of the Company's debt between fixed and variable-rate financing as of June 30, 2020:

	Balance (\$000's)	% of Total	Weighted Average Interest Rate (a)	Weighted Average Maturity in Years
Fixed Rate Unsecured Debt and Other Obligations	\$ 575,000	19.11%	4.09%	2.31
Fixed Rate Secured Debt (b)	1,769,695	58.81%	3.79%	5.99
Variable Rate Secured Debt	335,612	11.15%	3.19%	3.38
Variable Rate Unsecured Debt (c)	329,000	10.93%	1.48%	0.57
Totals/Weighted Average:	\$ 3,009,307	100.00%	3.53% (b)	4.40
Adjustment for unamortized debt discount	(1,837)			
Unamortized deferred financing costs	(17,005)			
Total Debt, Net	\$ 2,990,465			

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.18 percent as of June 30, 2020, plus the applicable spread.

(b) Balance includes two ten-year mortgage loans obtained by the Company which have fixed rates for the first five years only.

(c) Excludes amortized deferred financing costs primarily pertaining to the Company's unsecured revolving credit facility which amounted to \$1.9 million for the six months ended June 30, 2020.

Debt Maturities

Scheduled principal payments and related weighted average annual effective interest rates for the Company's debt as of June 30, 2020 are as follows:

Period	Scheduled Amortization (\$000's)	Principal Maturities (\$000's)	Total (\$000's)	Weighted Avg. Effective Interest Rate of Future Repayments (a)
2020	\$ 288	\$ -	\$ 288	4.82%
2021 (b)	591	497,800	498,391	2.06%
2022	550	473,067	473,617	4.06%
2023	2,323	360,747	363,070	3.44%
2024	3,927	380,795	384,722	3.67%
2025	3,799	-	3,799	3.96%
Thereafter	14,701	1,269,775	1,284,476	3.88%
Sub-total	26,179	2,982,184	3,008,363	3.53%
Adjustment for unamortized debt discount/premium, net as of June 30, 2020	(1,837)	-	(1,837)	
Unamortized mark-to-market	944	-	944	
Unamortized deferred financing costs	(17,005)	-	(17,005)	
Totals/Weighted Average	\$ 8,281	\$ 2,982,184	\$ 2,990,465	3.53% (c)

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.18 percent as of June 30, 2020, plus the applicable spread.

(b) Includes outstanding borrowings of the Company's unsecured revolving credit facility of \$329 million

(c) Excludes amortized deferred financing costs primarily pertaining to the Company's unsecured revolving credit facility which amounted to \$1.9 million for the six months ended June 30, 2020.

Senior Unsecured Notes

The terms of the Company's senior unsecured notes (which totaled approximately \$575.0 million as of June 30, 2020) include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt

as a percent of unsecured assets.

Unsecured Revolving Credit Facility and Term Loans

On January 25, 2017, the Company entered into an amended revolving credit facility and new term loan agreement (“2017 Credit Agreement”) with a group of 13 lenders. Pursuant to the 2017 Credit Agreement, the Company refinanced its existing \$600 million unsecured revolving credit facility (“2017 Credit Facility”) and entered into a new \$325 million unsecured term loan facility (“2017 Term Loan”). Effective March 6, 2018, the Company elected to determine its interest rate under the 2017 Credit Agreement and under the 2017 Term Loan using the defined leverage ratio option, resulting in an interest rate of LIBOR plus 130 basis points and LIBOR plus 155 basis points, respectively.

The terms of the 2017 Credit Facility include: (1) a four-year term ending in January 2021, with two six-month extension options, subject to the Company not being in default on the facility and with the payment of a fee of 7.5 basis points for each extension; (2) revolving credit loans may be made to the Company in an aggregate principal amount of up to \$600 million (subject to increase as discussed below), with a sublimit under the 2017 Credit Facility for the issuance of letters of credit in an amount not to exceed \$60 million (subject to increase as discussed below); (3) an interest rate based on the Operating Partnership’s unsecured debt ratings from Moody’s or S&P, or, at the Operating Partnership’s option, if it no longer maintains a debt rating from Moody’s or S&P or such debt ratings fall below Baa3 and BBB-, based on a defined leverage ratio; and (4) a facility fee, currently 25 basis points, payable quarterly based on the Operating Partnership’s unsecured debt ratings from Moody’s or S&P, or, at the Operating Partnership’s option, if it no longer maintains a debt rating from Moody’s or S&P or such debt ratings fall below Baa3 and BBB-, based on a defined leverage ratio. The Company’s unsecured debt is currently rated Ba2 by Moody’s and BB- by S&P.

After electing to use the defined leverage ratio to determine the interest rate, the interest rate under the 2017 Credit Facility is currently based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points Above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans	Facility Fee Basis Points
<45%	125.0	25.0	20.0
≥45% and <50% (current ratio)	130.0	30.0	25.0
≥50% and <55%	135.0	35.0	30.0
≥55%	160.0	60.0	35.0

Prior to the election to use the defined leverage ratio option, the interest rates on outstanding borrowings, alternate base rate loans and the facility fee on the current borrowing capacity, payable quarterly in arrears, on the 2017 Credit Facility were based upon the Operating Partnership’s unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans	Facility Fee Basis Points
No ratings or less than BBB-/Baa3	155.0	55.0	30.0
BBB- or Baa3 (interest rate based on Company's election through March 5, 2018)	120.0	20.0	25.0
BBB or Baa2	100.0	0.0	20.0
BBB+ or Baa1	90.0	0.0	15.0
A- or A3 or higher	87.5	0.0	12.5

The terms of the 2017 Term Loan included: (1) a three-year term ending in January 2020, with two one-year extension options; (2) multiple draws of the term loan commitments may be made within 12 months of the effective date of the 2017 Credit Agreement up to an aggregate principal amount of \$325 million (subject to increase as discussed below), with no requirement to be drawn in full; provided, that, if the Company does not borrow at least 50 percent of the initial term commitment from the term lenders (i.e. 50 percent of \$325 million) on or before July 25, 2017, the amount of unused term loan commitments shall be reduced on such date so that, after giving effect to such reduction, the amount of unused term loan commitments is not greater than the outstanding term loans on such date; (3) an interest rate, based on the Operating Partnership’s unsecured debt ratings from Moody’s or S&P or, at the Operating Partnership’s option if it no longer maintains a debt rating from Moody’s or S&P or such debt ratings fall below Baa3 and BBB-, based

[Table of Contents](#)

on a defined leverage ratio; and (4) a term commitment fee on any unused term loan commitment during the first 12 months after the effective date of the 2017 Credit Agreement at a rate of 0.25 percent per annum on the sum of the average daily unused portion of the aggregate term loan commitments.

On March 29, 2017, the Company executed interest rate swap arrangements to fix LIBOR with an aggregate average rate of 1.6473% for the swaps and a current aggregate fixed rate of 3.0473% for borrowings under the 2017 Term Loan.

During the year ended December 31, 2019, the Company prepaid the 2017 Term Loan (using a portion of the proceeds from a new mortgage loan collateralized by an office building located at 111 River Street and using borrowings under the Company's unsecured revolving credit facility) and recorded a net loss of \$173,000 from extinguishment of debt, as a result of a gain of \$80,000 due to the early termination of part of the interest rate swap arrangements, and the write off of unamortized deferred financing costs and fees of \$253,000 due to the early debt prepayment.

After electing to use the defined leverage ratio to determine the interest rate, the interest rate under the 2017 Term Loan was currently based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans
<45%	145.0	45.0
≥45% and <50% (current ratio)	155.0	55.0
≥50% and <55%	165.0	65.0
≥55%	195.0	95.0

Prior to the election to use the defined leverage ratio option, the interest rate on the 2017 Term Loan was based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans
No ratings or less than BBB-/Baa3	185.0	85.0
BBB- or Baa3 (interest rate based on Company's election through March 5, 2018)	140.0	40.0
BBB or Baa2	115.0	15.0
BBB+ or Baa1	100.0	0.0
A- or A3 or higher	90.0	0.0

On up to four occasions at any time after the effective date of the 2017 Credit Agreement, the Company may elect to request (1) an increase to the existing revolving credit commitments (any such increase, the "New Revolving Credit Commitments") and/or (2) the establishment of one or more new term loan commitments (the "New Term Commitments", together with the 2017 Credit Commitments, the "Incremental Commitments"), by up to an aggregate amount not to exceed \$350 million for all Incremental Commitments. The Company may also request that the sublimit for letters of credit available under the 2017 Credit Facility be increased to \$100 million (without arranging any New Revolving Credit Commitments). No lender or letter of credit issued has any obligation to accept any Incremental Commitment or any increase to the letter of credit subfacility. There is no premium or penalty associated with full or partial prepayment of borrowings under the 2017 Credit Agreement.

The 2017 Credit Agreement, which applies to both the 2017 Credit Facility and 2017 Term Loan, includes certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the 2017 Credit Agreement (described below), or (ii) the property dispositions are completed while the Company is under an event of default under the 2017 Credit Agreement, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally

15 percent of total capitalization). The 2017 Credit Agreement contains “change of control” provisions that permit the lenders to declare a default and require the immediate repayment of all outstanding borrowings under the 2017 Credit Facility. These change of control provisions, which have been an event of default under the agreements governing the Company’s revolving credit facilities since June 2000, are triggered if, among other things, a majority of the seats on the Board of Directors (other than vacant seats) become occupied by directors who were neither nominated by the Board Directors nor appointed by a majority of directors nominated by the Board of Directors. Furthermore, the agreements governing the Company’s Senior Unsecured Notes include cross-acceleration provisions that would constitute an event of default requiring immediate repayment of the Notes if the change of control provisions under the 2017 Credit Facility are triggered and the lenders declare a default and exercise their rights under the 2017 Credit Facility and accelerate repayment of the outstanding borrowings thereunder. In addition, construction loans secured by two multi-family residential property development projects contain cross-acceleration provisions similar to those in the agreements governing the Notes for defaults by the Company. If these change of control provisions were triggered, the Company could seek a forbearance, waiver or amendment of the change of control provisions from the lenders, however there can be no assurance that the Company would be able to obtain such forbearance, waiver or amendment on acceptable terms or at all. If an event of default has occurred and is continuing, the entire outstanding balance under the 2017 Credit Agreement may (or, in the case of any bankruptcy event of default, shall) become immediately due and payable, and the Company will not make any excess distributions except to enable the General Partner to continue to qualify as a REIT under the IRS Code.

Before it amended and restated its unsecured revolving credit facility in January 2017, the Company had a \$600 million unsecured revolving credit facility with a group of 17 lenders that was scheduled to mature in July 2017. The interest rate on outstanding borrowings (not electing the Company’s competitive bid feature) and the facility fee on the current borrowing capacity payable quarterly in arrears was based upon the Operating Partnership’s unsecured debt ratings at the time, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR	Facility Fee Basis Points
No ratings or less than BBB-/Baa3	170.0	35.0
BBB- or Baa3 (since January 2017 amendment)	130.0	30.0
BBB or Baa2	110.0	20.0
BBB+ or Baa1	100.0	15.0
A- or A3 or higher	92.5	12.5

In January 2016, the Company obtained a \$350 million unsecured term loan (“2016 Term Loan”), which had been scheduled to mature in January 2019 with two one-year extension options. On January 7, 2019, the Company exercised the first one-year extension option with the payment of an extension fee of \$0.5 million, which extended the maturity of the 2016 Term Loan to January 2020. The interest rate for the term loan is based on the Operating Partnership’s unsecured debt ratings, or, at the Company’s option, a defined leverage ratio. Effective March 6, 2018, the Company elected to determine its interest rate under the 2016 Term Loan using the defined leverage ratio option, resulting in an interest rate of LIBOR plus 155 basis points. The Company entered into interest rate swap arrangements to fix LIBOR for the duration of the term loan. Including costs, the current all-in fixed rate is 3.13 percent. The proceeds from the loan were used primarily to repay outstanding borrowings on the Company’s then existing unsecured revolving credit facility and to repay \$200 million senior unsecured notes that matured on January 15, 2016.

During the year ended December 31 2019, the Company prepaid the 2016 Term Loan (using a portion of the cash sales proceeds from the Flex portfolio sale, using the proceeds from a mortgage loan financing obtained on Soho Lofts Apartments) and using a portion of the proceeds from a new mortgage loan collateralized by an office building located at 111 River Street) and recorded a gain of \$2.1 million due to the early termination of part of the interest rate swap arrangements and the write off of unamortized deferred financing costs and fees of \$242,000 due to the early debt prepayments.

In summary, the Company recorded a net gain(loss) on extinguishment of debt of \$1.6 million during the year ended December 31, 2019, as described above.

After electing to use the defined leverage ratio to determine interest rate, the interest rate under the 2016 Term Loan was based on the following total leverage ratio grid:

Total Leverage Ratio	Interest Rate - Applicable Basis Points above LIBOR
<45%	145.0
≥45% and <50% (current ratio)	155.0
≥50% and <55%	165.0
≥55%	195.0

Prior to the election to use the defined leverage ratio option, the interest rate on the 2016 Term Loan was based upon the Operating Partnership's unsecured debt ratings, as follows:

Operating Partnership's Unsecured Debt Ratings: Higher of S&P or Moody's	Interest Rate - Applicable Basis Points Above LIBOR
No ratings or less than BBB-/Baa3	185.0
BBB- or Baa3 (interest rate based on Company's election through March 5, 2018)	140.0
BBB or Baa2	115.0
BBB+ or Baa1	100.0
A- or A3 or higher	90.0

The terms of the 2016 Term Loan include certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the term loan described below, or (ii) the property dispositions are completed while the Company is under an event of default under the term loan, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the General Partner to continue to qualify as a REIT under the IRS Code.

On August 30, 2018, the Company entered into an amendment to the 2017 Credit Agreement (the "2017 Credit Agreement Amendment") and an amendment to the 2016 Term Loan (the "2016 Term Loan Agreement Amendment").

Each of the 2017 Credit Agreement Amendment and the 2016 Term Loan Amendment was effective as of June 30, 2018 and provided for the following material amendments to the terms of both the 2017 Credit Agreement and 2016 Term Loan):

1. The unsecured debt ratio covenant has been modified with respect to the measurement of the unencumbered collateral pool of assets in the calculation of such ratio for the period commencing July 1, 2018 and continuing until December 31, 2019 to allow the Operating Partnership to utilize the "as-is" appraised value of the properties known as 'Harborside Plaza I' and 'Harborside Plaza V' properties located in Jersey City, NJ in such calculation; and
2. A new covenant has been added that prohibits the Company from making any optional or voluntary payment, repayment, repurchase or redemption of any unsecured indebtedness of the Company (or any subsidiaries) that matures after January 25, 2022, at any time when any of the Total Leverage Ratio or the unsecured debt ratio covenants exceeds 60 percent (all as defined in the 2017 Credit Agreement and the 2016 Term Loan) or an appraisal is being used to determine the value of Harborside Plaza I and Harborside Plaza V for the unsecured debt ratio covenant.

All other terms and conditions of the 2017 Credit Agreement remained unchanged.

Mortgages, Loans Payable and Other Obligations

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

Debt Strategy

The Company does not intend to reserve funds to retire the Company’s senior unsecured notes, outstanding borrowings under its unsecured revolving credit facility, or its mortgages, loans payable and other obligations upon maturity. Instead, the Company will seek to retire such debt primarily with available proceeds to be received from the Company’s planned sales of its Suburban Office Portfolio assets over time, as well as obtaining additional mortgage financings on or before the applicable maturity dates. If it cannot raise sufficient proceeds to retire the maturing debt, the Company may draw on its revolving credit facility to retire the maturing indebtedness, which would reduce the future availability of funds under such facility. As of July 29, 2020, the Company had outstanding borrowings of \$365 million under its unsecured revolving credit facility. The Company is reviewing various financing and refinancing options, including the redemption or purchase of the senior unsecured notes in public tender offers or privately-negotiated transactions, the issuance of additional, or exchange of current, unsecured debt of the Operating Partnership or common and preferred stock of the General Partner, and/or obtaining additional mortgage debt of the Operating Partnership, some or all of which may be completed in 2020. The Company currently anticipates that its available cash and cash equivalents, cash flows from operating activities and proceeds from the sale of real estate assets and joint ventures investments, together with cash available from borrowings and other sources, will be adequate to meet the Company’s capital and liquidity needs in the short term. However, if these sources of funds are insufficient or unavailable, due to current economic conditions or otherwise, or if capital needs to fund acquisition and development opportunities in the multi-family rental sector arise, the Company’s ability to make the expected distributions discussed in “REIT Restrictions” above may be adversely affected.

Equity Financing and Registration Statements

Common Equity

The following table presents the changes in the General Partner’s issued and outstanding shares of common stock and the Operating Partnership’s common units for the three months ended June 30, 2020 and 2019, respectively.

	Common Stock	Common Units/Vested LTIP Units	Total
Outstanding at April 1, 2020	90,596,079	9,518,638	100,114,717
Common units redeemed for common stock	-	-	-
Redemption of common units	-	-	-
Conversion of LTIP units for common units	-	742	742
Vested LTIP units	-	67,148	67,148
Cancellation of restricted stock	-	-	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	644	-	644
Outstanding at June 30, 2020	90,596,723	9,586,528	100,183,251
	Common Stock	Common Units/Vested LTIP Units	Total
Outstanding at April 1, 2019	90,325,783	10,009,355	100,335,138
Common units redeemed for common stock	33,011	(33,011)	-
Redemption of common units	-	-	-
Conversion of LTIP units for common units	-	9,220	9,220
Conversion of deferred stock units for common stock	193,949	-	193,949
Vested LTIP units	-	(9,220)	(9,220)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	614	-	614
Outstanding at June 30, 2019	90,553,357	9,976,344	100,529,701

[Table of Contents](#)

The following table presents the changes in the General Partner's issued and outstanding shares of common stock and the Operating Partnership's common units for the six months ended June 30, 2020 and 2019, respectively.

	Common Stock	Common Units/Vested LTIP Units	Total
Outstanding at January 1, 2020	90,595,176	9,612,064	100,207,240
Common units redeemed for common stock	-	-	-
Conversion of LTIP units for common units	-	4,430	4,430
Vested LTIP units	-	67,762	67,762
Cancellation of common unit	-	(1)	(1)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1,547	-	1,547
Redemption of common units	-	(97,727)	(97,727)
Outstanding at June 30, 2020	90,596,723	9,586,528	100,183,251

	Common Stock	Common Units/Vested LTIP Units	Total
Outstanding at January 1, 2019	90,320,306	10,229,349	100,549,655
Common units redeemed for common stock	38,011	(38,011)	-
Conversion of LTIP units for common units	-	18,438	18,438
Conversion of deferred stock units for common stock	193,949	-	193,949
Vested LTIP Units	-	68,206	68,206
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1,091	-	1,091
Redemption of common units	-	(301,638)	(301,638)
Outstanding at June 30, 2019	90,553,357	9,976,344	100,529,701

Share/Unit Repurchase Program

The General Partner has a share repurchase program which was renewed and authorized by its Board of Directors in September 2012 to purchase up to \$150 million of the General Partner's outstanding common stock ("Repurchase Program"), which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions. As of June 30, 2020, the General Partner has a remaining authorization under the Repurchase Program of \$139 million. There were no common stock repurchases in the year ended December 31, 2019 and through July 29, 2020.

Dividend Reinvestment and Stock Purchase Plan

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

Shelf Registration Statements

The General Partner has an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of \$2.0 billion in common stock, preferred stock, depositary shares, and/or warrants of the General Partner, under which no securities have been sold as of July 29, 2020.

The General Partner and the Operating Partnership also have an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of \$2.5 billion in common stock, preferred stock, depositary shares and guarantees of the General Partner and debt securities of the Operating Partnership, under which no securities have been sold as of July 29, 2020.

Off-Balance Sheet Arrangements

Unconsolidated Joint Venture Debt

The debt of the Company’s unconsolidated joint ventures generally provides for recourse to the Company for customary matters such as intentional misuse of funds, environmental conditions and material misrepresentations. The Company has agreed to guarantee repayment of a portion of the debt of its unconsolidated joint ventures. Such debt has a total facility amount of \$322.2 million of which the Company has agreed to guarantee up to \$35 million. As of June 30, 2020, the outstanding balance of such debt totaled \$263.8 million of which \$29.2 million was guaranteed by the Company.

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

Contractual Obligations

The following table outlines the timing of payment requirements related to the Company’s debt (principal and interest), PILOT agreements, ground lease agreements and other obligations, as of June 30, 2020:

<i>(dollars in thousands)</i>	Total	Payments Due by Period				
		Less than 1 Year	2 – 3 Years	4 – 5 Years	6 – 10 Years	After 10 Years
Senior unsecured notes	\$ 627,988	\$ 22,163	\$ 605,825	\$ -	\$ -	\$ -
Unsecured revolving credit facility and term loans	331,833	331,833 (a)	-	-	-	-
Mortgages, loans payable and other obligations (b)	2,436,490	231,592	344,544 (c)	585,822 (d)	1,274,532	-
Payments in lieu of taxes (PILOT)	13,594	7,683	5,911	-	-	-
Ground lease payments	162,629	1,750	3,503	3,525	8,740	145,111
Total	\$ 3,572,534	\$ 595,021	\$ 959,783	\$ 589,347	\$ 1,283,272	\$ 145,111

- (a) Interest payments assume LIBOR rate of 0.18 percent, which is the weighted average rate on this outstanding variable rate debt at June 30, 2020, plus the applicable spread
- (b) Interest payments assume LIBOR rate of 0.18 percent, which is the weighted average rate on its outstanding variable rate mortgage debt at June 30, 2020, plus the applicable spread.
- (c) Includes \$106 million pertaining to various mortgages with one-year extension options.
- (d) Includes \$73 million pertaining to various mortgages with one-year extension options.

Funds from Operations

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

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

[Table of Contents](#)

As the Company considers its primary earnings measure, net income available to common shareholders, as defined by GAAP, to be the most comparable earnings measure to FFO, the following table presents a reconciliation of net income available to common shareholders to FFO, as calculated in accordance with NAREIT's current definition, for the three and six months ended June 30, 2020 and 2019 (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss) available to common shareholders	\$ (34,887)	\$ (22,054)	\$ (74,811)	\$ 222,441
Add (deduct): Noncontrolling interests in Operating Partnership	(4,626)	(2,647)	(8,292)	24,196
Noncontrolling interests in discontinued operations	937	213	388	1,050
Real estate-related depreciation and amortization on continuing operations (a)	30,199	34,619	66,895	68,412
Real estate-related depreciation and amortization on discontinued operations	1,452	17,246	2,905	33,621
Property impairments on discontinued operations	-	5,802	-	5,802
Gain on change of control of interests	-	-	-	(13,790)
Gain on sale of investment in unconsolidated joint venture	-	-	-	(903)
Continuing operations: Realized (gains) losses and unrealized losses on disposition of rental property, net	-	(255)	7,915	(268,364)
Discontinued operations: Realized (gains) losses and unrealized losses on disposition of rental property, net	11,929	-	39,675	-
Funds from operations available to common stock and Operating Partnership unitholders (b)	\$ 5,004	\$ 32,924	\$ 34,675	\$ 72,465

- (a) Includes the Company's share from unconsolidated joint ventures, and adjustments for noncontrolling interests, of \$3,340 and \$3,024 for the three months ended June 30, 2020 and 2019, respectively, and \$6,689 and \$5,685 for the six months ended June 30, 2020 and 2019, respectively. Excludes non-real estate-related depreciation and amortization of \$482 and \$511 for the three months ended June 30, 2020 and 2019, respectively, and \$932 and \$1,050 for the six months ended June 30, 2020 and 2019, respectively.
- (b) Net income available to common shareholders for the three months ended June 30, 2020 and 2019, included \$16,846 and \$2,499, respectively, of land impairment charges and zero and \$270, respectively, from gains on disposition of developable land, which are included in the calculation to arrive at funds from operations as such gains and charges relate to non-depreciable assets. Net income available to common shareholders for the six months ended June 30, 2020 and 2019, included \$22,109 and \$2,499, respectively, of land impairment charges and \$4,813 and \$270, respectively, from gains on disposition of developable land, which are included in the calculation to arrive at funds from operations as such gains and charges relate to non-depreciable assets.

Inflation

The Company's leases with the majority of its commercial tenants provide for recoveries and escalation charges based upon the tenant's proportionate share of, and/or increases in, real estate taxes and certain operating costs, which reduce the Company's exposure to increases in operating costs resulting from inflation. The Company believes that inflation did not materially impact the Company's results of operations and financial condition for the periods presented.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

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

In addition, the extent to which the ongoing COVID-19 pandemic impacts us and our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, investors are cautioned to interpret many of the risks identified in the risk factors discussed in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2019, as amended by

[Table of Contents](#)

Amendment No. 1 to the Annual Report on Form 10-K, filed on April 24, 2020, as well as the risks set forth below, as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19.

Among the factors about which we have made assumptions are:

- ① risks and uncertainties affecting the general economic climate and conditions, which in turn may have a negative effect on the fundamentals of our business and the financial condition of our tenants and residents;
- ① the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing collateralized by our properties or on an unsecured basis;
- ① the extent of any tenant bankruptcies or of any early lease terminations;
- ① our ability to lease or re-lease space at current or anticipated rents;
- ① changes in the supply of and demand for our properties;
- ① changes in interest rate levels and volatility in the securities markets;
- ① our ability to complete construction and development activities on time and within budget, including without limitation obtaining regulatory permits and the availability and cost of materials, labor and equipment;
- ① forward-looking financial and operational information, including information relating to future development projects, potential acquisitions or dispositions, leasing activities, capitalization rates, and projected revenue and income;
- ① changes in operating costs;
- ① our ability to obtain adequate insurance, including coverage for terrorist acts;
- ① our credit worthiness and the availability of financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and refinance existing debt and our future interest expense;
- ① changes in governmental regulation, tax rates and similar matters; and
- ① other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants or residents will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

For further information on factors which could impact us and the statements contained herein, see Item 1A: Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019. We assume no obligation to update and supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

Item 3. Quantitative And Qualitative Disclosures About Market Risk

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

Approximately \$2.3 billion of the Company’s long-term debt as of June 30, 2020 bears interest at fixed rates and therefore the fair value of these instruments is affected by changes in market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rates on the Company’s variable rate debt as of June 30, 2020 ranged from LIBOR plus 184 basis points to LIBOR plus 340 basis points. Assuming interest-rate swaps and caps are not in effect, if market rates of interest on the Company’s variable rate debt increased or decreased by 100 basis points, then the increase or decrease in interest costs on the Company’s variable rate debt would be approximately \$105.5 million annually and the increase or decrease in the fair value of the Company’s fixed rate debt as of June 30, 2020 would be approximately \$6.6 million.

June 30, 2020												
<u>Debt,</u>												
<u>including current portion</u>												
<u>(\$s in thousands)</u>	<u>7/1/20 -</u>											<u>Fair</u>
	<u>12/31/2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Thereafter</u>	<u>Sub-total</u>	<u>Other (a)</u>	<u>Total</u>		<u>Value</u>
Fixed Rate	\$ 288	\$ 169,390	\$ 300,550	\$ 336,321	\$ 311,927	\$ 3,799	\$ 1,221,476	\$ 2,343,751	\$ (11,978)	\$ 2,331,773	\$	2,373,897
Average Interest Rate	4.82%	3.19%	4.61%	3.53%	3.43%	3.96%	3.86%					3.86%
		0										
Variable Rate	\$ -	\$ 329,000	\$ 173,067	\$ 26,749	\$ 72,795	\$ -	\$ 63,000	\$ 664,611	\$ (5,919)	\$ 658,692	\$	658,692

(a) Adjustment for unamortized debt discount/premium, net, unamortized deferred financing costs, net, and unamortized mark-to-market, net as of June 30, 2020.

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

Item 4. Controls and Procedures

Mack-Cali Realty Corporation

Disclosure Controls and Procedures. The General Partner’s management, with the participation of the General Partner’s chief executive officer and chief financial officer, has evaluated the effectiveness of the General Partner’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, the General Partner’s chief executive officer and chief financial officer have concluded that, as of the end of such period, the General Partner’s disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the General Partner in the reports that it files or submits under the Exchange Act.

Changes In Internal Control Over Financial Reporting. In January 2020, the Company implemented Company-wide a new accounting and reporting software system and accordingly has updated its internal controls over financial reporting, as necessary, to accommodate changes to its accounting and reporting processes related to the implementation of this system. Other than this change, there have not been any changes in the General Partner’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the General Partner’s internal control over financial reporting.

Mack-Cali Realty, L.P.

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

Changes In Internal Control Over Financial Reporting. In January 2020, the Company implemented Company-wide a new accounting and reporting software system and accordingly has updated its internal controls over financial reporting, as necessary, to accommodate

[Table of Contents](#)

changes to its accounting and reporting processes related to the implementation of this system. Other than this change, there have not been any changes in the Operating Partnership's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

**MACK-CALI REALTY CORPORATION
MACK-CALI REALTY, L.P.**

Part II – Other Information

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

The risks set out below represent changes to risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019. The information in this Quarterly Report on Form 10-Q should be read in conjunction with the other factors described in "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

The ongoing coronavirus ("COVID-19") pandemic and measures intended to prevent its spread present material uncertainty and risk and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

The recent outbreak of COVID-19 across many countries around the globe, including the United States, has significantly slowed global economic activity, caused significant volatility in financial markets, and resulted in unprecedented job losses causing many to fear an imminent global recession. Certain states and cities, including all of the jurisdictions in which our properties are located, have taken measures to prevent or slow the spread of COVID-19, including by instituting quarantines, restrictions on travel, "stay-at-home" rules, restrictions on types of business that may continue to operate and/or restrictions on the types of construction projects that may continue. As a result, the COVID-19 pandemic is negatively impacting almost every industry directly or indirectly, including industries in which we and our customers operate. In addition, we have adapted our operations to protect our employees, including by implementing a work from home policy. As a result, many of our employees are currently working remotely. An extended period of remote work arrangements could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair our ability to manage our business.

The COVID-19 pandemic presents material uncertainty and risk with respect to our financial condition, results of operations, cash flows and performance. The COVID-19 pandemic could negatively impact our business in a number of ways, including:

- ① a complete or partial closure of, or other operational issues at, one or more of our properties resulting from government or customer action;
- ② deterioration in the financial condition or liquidity of our tenants, customers or other counterparties, which could result in their inability to pay rents or failure to meet their contractual obligations to us;
- ③ the potential negative impact on our ability to complete planned acquisitions or dispositions of assets on expected terms or timelines, or at all;
- ④ reduced demand for space at our office properties and units at our multifamily residential properties, which could have a negative impact on our prospects for leasing current or additional space and/or renewing leases with existing tenants;
- ⑤ difficulty accessing debt and equity capital on attractive terms, or at all, which could result in reduced availability and increased cost of capital necessary to fund business operations, finance our development pipeline or address maturing liabilities on a timely basis;
- ⑥ costs associated with construction delays and cost overruns at our development and redevelopment projects;
- ⑦ unanticipated costs and operating expenses associated with remote work arrangements, sanitation measures performed at each of our properties, and other measures to protect the welfare of our employees and tenants; and

- ① the potential negative impact on the health of our employees, particularly if a significant number of them are impacted, which could result in a deterioration in our ability to ensure business continuity during this disruption.

The extent to which the COVID-19 pandemic may adversely affect our business will depend on future developments, including, among others, the severity and duration of the pandemic, the nature and duration of measures taken to contain the pandemic or mitigate its impact, and the direct and indirect economic impact of the pandemic and containment measures on the industries in which we and our customers operate. The uncertainty of many of these factors and the rapid development and fluidity of the situation precludes any prediction as to the full adverse impact of the COVID-19 pandemic. Moreover, many risk factors set forth in our Annual Report on Form 10-K should be interpreted as heightened risks as a result of the impact of the COVID-19 pandemic.

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

- (a) None.
- (b) Not Applicable.
- (c) Not Applicable.

Item 3. Defaults Upon Senior Securities

- (a) Not Applicable.
- (b) Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

- (a) Not Applicable.
- (b) Not Applicable.

Item 6. Exhibits

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

MACK-CALI REALTY CORPORATION
MACK-CALI REALTY, L.P.
EXHIBIT INDEX

Exhibit Number	Exhibit Title
3.1	<u>Articles of Restatement of Mack-Cali Realty Corporation dated September 18, 2009 (filed as Exhibit 3.2 to the Company's Form 8-K dated September 17, 2009 and incorporated herein by reference).</u>
3.2	<u>Articles of Amendment to the Articles of Restatement of Mack-Cali Realty Corporation as filed with the State Department of Assessments and Taxation of Maryland on May 14, 2014 (filed as Exhibit 3.1 to the Company's Form 8-K dated May 12, 2014 and incorporated herein by reference).</u>
3.3	<u>Second Amended and Restated Bylaws of Mack-Cali Realty Corporation dated March 14, 2018 (filed as Exhibit 3.1 to the Company's Form 8-K dated March 14, 2018 and incorporated herein by reference).</u>
3.4	<u>Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated December 11, 1997 (filed as Exhibit 10.110 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).</u>
3.5	<u>Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated August 21, 1998 (filed as Exhibit 3.1 to the Company's and the Operating Partnership's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).</u>
3.6	<u>Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated July 6, 1999 (filed as Exhibit 10.1 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).</u>
3.7	<u>Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated September 30, 2003 (filed as Exhibit 3.7 to the Company's Form 10-O dated September 30, 2003 and incorporated herein by reference).</u>
3.8	<u>Fourth Amendment dated as of March 8, 2016 to Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated as of December 11, 1997 (Filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).</u>
3.9	<u>Fifth Amendment dated as of April 4, 2017 to Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated as of December 11, 1997 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 4, 2017 and incorporated herein by reference).</u>
3.10	<u>Sixth Amendment dated as of April 20, 2018 to Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P., dated as of December 11, 1997 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 20, 2018 and incorporated herein by reference).</u>
3.11	<u>Seventh Amendment dated as of March 13, 2019 to Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P., dated as of December 11, 1997 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 19, 2019 and incorporated herein by reference).</u>
3.12	<u>Eighth Amendment dated as of March 28, 2019 to Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P., dated as of December 11, 1997 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 28, 2019 and incorporated herein by reference).</u>
3.13	<u>Ninth Amendment, dated as of March 24, 2020, to Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P., dated as of December 11, 1997 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 26, 2020 and incorporated herein by reference).</u>
3.14	<u>Certificate of Designation of 3.5% Series A Preferred Limited Partnership Units of Mack-Cali Realty, L.P. dated February 3, 2017 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated February 3, 2017 and incorporated herein by reference).</u>
3.15	<u>Certificate of Designation of 3.5% Series A-1 Preferred Limited Partnership Units of Mack-Cali Realty, L.P. dated February 28, 2017 (filed as Exhibit 3.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference).</u>
3.16	<u>Amendment No. 1 to the Second Amended and Restated Bylaws of Mack-Cali Realty Corporation (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 30, 2018 and incorporated herein by reference).</u>
3.17	<u>Articles Supplementary of Mack-Cali Realty Corporation dated June 12, 2019 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated June 17, 2019 and incorporated herein by reference).</u>

Exhibit Number	Exhibit Title
3.18	Amendment No. 2 to the Second Amended and Restated Bylaws of Mack-Cali Realty Corporation (filed as Exhibit 3.18 to the Operating Partnership's Form 10-Q dated March 31, 2020 and incorporated herein by reference).
4.1	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.2	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.3	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Operating Partnership's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
4.4	Supplemental Indenture No. 3 dated as of December 21, 2000, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 21, 2000 and incorporated herein by reference).
4.5	Supplemental Indenture No. 4 dated as of January 29, 2001, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated January 29, 2001 and incorporated herein by reference).
4.6	Supplemental Indenture No. 5 dated as of December 20, 2002, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 20, 2002 and incorporated herein by reference).
4.7	Supplemental Indenture No. 6 dated as of March 14, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
4.8	Supplemental Indenture No. 7 dated as of June 12, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated June 12, 2003 and incorporated herein by reference).
4.9	Supplemental Indenture No. 8 dated as of February 9, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated February 9, 2004 and incorporated herein by reference).
4.10	Supplemental Indenture No. 9 dated as of March 22, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 22, 2004 and incorporated herein by reference).
4.11	Supplemental Indenture No. 10 dated as of January 25, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 25, 2005 and incorporated herein by reference).
4.12	Supplemental Indenture No. 11 dated as of April 15, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 15, 2005 and incorporated herein by reference).
4.13	Supplemental Indenture No. 12 dated as of November 30, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated November 30, 2005 and incorporated herein by reference).
4.14	Supplemental Indenture No. 13 dated as of January 24, 2006, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 18, 2006 and incorporated herein by reference).
4.15	Supplemental Indenture No. 14 dated as of August 14, 2009, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated August 14, 2009 and incorporated herein by reference).
4.16	Supplemental Indenture No. 15 dated as of April 19, 2012, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 19, 2012 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.17	Supplemental Indenture No. 16 dated as of November 20, 2012, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee. (filed as Exhibit 4.2 to the Company's Form 8-K dated November 20, 2012 and incorporated herein by reference).
4.18	Supplemental Indenture No. 17 dated as of May 8, 2013, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated May 8, 2013 and incorporated herein by reference).
4.19	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (filed as Exhibit 4.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and incorporated herein by reference).
10.1	Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).
10.2#	First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.3#	Employee Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.4#	Director Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.5#	2000 Employee Stock Option Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-52478, and incorporated herein by reference).
10.6#	First Amendment to the 2000 Employee Stock Option Plan (filed as Exhibit 10.17 to the Company's Form 10-Q dated June 30, 2002 and incorporated herein by reference).
10.7#	Amended and Restated 2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Registration Statement on Form S-8, Registration No. 333-100244, and incorporated herein by reference).
10.8#	Mack-Cali Realty Corporation 2004 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-116437, and incorporated herein by reference).
10.9#	Amended and Restated Mack-Cali Realty Corporation Deferred Compensation Plan for Directors (filed as Exhibit 10.3 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.10#	Mack-Cali Realty Corporation 2013 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8 Registration No. 333-188729, and incorporated herein by reference).
10.11#	Indemnification Agreement by and between Mack-Cali Realty Corporation and William L. Mack dated October 22, 2002 (filed as Exhibit 10.101 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.12#	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan S. Bernikow dated May 20, 2004 (filed as Exhibit 10.104 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.13#	Indemnification Agreement by and between Mack-Cali Realty Corporation and Kenneth M. Duberstein dated September 13, 2005 (filed as Exhibit 10.106 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.14#	Indemnification Agreement by and between Mack-Cali Realty Corporation and Nathan Gantcher dated October 22, 2002 (filed as Exhibit 10.107 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.15#	Indemnification Agreement by and between Mack-Cali Realty Corporation and David S. Mack dated December 11, 1997 (filed as Exhibit 10.108 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.16#	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan G. Philiposian dated October 22, 2002 (filed as Exhibit 10.109 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.17#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Irvin D. Reid dated October 22, 2002 (filed as Exhibit 10.110 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).</u>
10.18#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Vincent Tese dated October 22, 2002 (filed as Exhibit 10.111 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).</u>
10.19#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Roy J. Zuckerberg dated October 22, 2002 (filed as Exhibit 10.113 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).</u>
10.20#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Rebecca Robertson dated September 27, 2016 (filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference).</u>
10.21#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Anthony Krug dated October 22, 2002 (filed as Exhibit 10.32 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and incorporated herein by reference).</u>
10.22#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Jonathan Litt dated March 3, 2014 (filed as Exhibit 10.33 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and incorporated herein by reference).</u>
10.23#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Gary T. Wagner dated November 11, 2011 (filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference).</u>
10.24	<u>Second Amendment to Contribution and Exchange Agreement, dated as of June 27, 2000, between RMC Development Company, LLC f/k/a Robert Martin Company, LLC, Robert Martin Eastview North Company, L.P., the Company and the Operating Partnership (filed as Exhibit 10.44 to the Company's Form 10-K dated December 31, 2002 and incorporated herein by reference).</u>
10.25	<u>Contribution and Exchange Agreement by and between Mack-Cali Realty, L.P. and Tenth Springhill Lake Associates L.L.P., Eleventh Springhill Lake Associates L.L.P., Twelfth Springhill Lake Associates L.L.P., Fourteenth Springhill Lake Associates L.L.P., each a Maryland limited liability limited partnership, Greenbelt Associates, a Maryland general partnership, and Sixteenth Springhill Lake Associates L.L.P., a Maryland limited liability limited partnership, and certain other natural persons, dated as of November 21, 2005 (filed as Exhibit 10.69 to the Company's Form 10-K dated December 31, 2005 and incorporated herein by reference).</u>
10.26	<u>Agreement of Purchase and Sale among SLG Broad Street A LLC and SLG Broad Street C LLC, as Sellers, and M-C Broad 125 A L.L.C. and M-C Broad 125 C L.L.C., as Purchasers, dated as of March 15, 2007 (filed as Exhibit 10.121 to the Company's Form 10-Q dated March 31, 2007 and incorporated herein by reference).</u>
10.27	<u>Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of The Northwestern Mutual Life Insurance Company, as Lender, in the principal amount of \$120,000,000, dated October 28, 2008. (filed as Exhibit 10.132 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).</u>
10.28	<u>Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of New York Life Insurance Company, as Lender, in the principal amount of \$120,000,000, dated October 28, 2008 (filed as Exhibit 10.133 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).</u>

Exhibit Number	Exhibit Title
10.29	Guarantee of Recourse Obligations of Mack-Cali Realty, L.P. in favor of The Northwestern Mutual Life Insurance Company and New York Life Insurance Company dated October 28, 2008 (filed as Exhibit 10.134 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.30	Development Agreement dated December 5, 2011 by and between M-C Plaza VI & VII L.L.C. and Ironstate Development LLC (filed as Exhibit 10.1 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).
10.31	Form of Amended and Restated Limited Liability Company Agreement (filed as Exhibit 10.2 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).
10.32	Fourth Amended and Restated Revolving Credit Agreement dated as of July 16, 2013 among Mack Cali Realty, L.P., as borrower, Mack-Cali Realty Corporation, as guarantor, and JPMorgan Chase Bank, N.A., as administrative agent and the several Lenders party thereto, as lenders (filed as Exhibit 10.1 to the Company's Form 8-K dated July 16, 2013 and incorporated herein by reference).
10.33#	Form of Restricted share Award Agreement effective December 10, 2013 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Roger W. Thomas and Anthony Krug (filed as Exhibit 10.1 to the Company's Form 8-K dated December 10, 2013 and incorporated herein by reference).
10.34#	Form of Restricted Share Award Agreement effective December 10, 2013 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philiposian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 10, 2013 and incorporated herein by reference).
10.35#	Form of Restricted Share Award Agreement effective December 9, 2014 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, Jonathan Litt, David S. Mack, Alan G. Philiposian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.1 to the Company's Form 8-K dated December 9, 2014 and incorporated herein by reference).
10.36	Membership Interest and Asset Purchase Agreement, dated as of October 8, 2012 (the "Purchase Agreement"), by and among Mack-Cali Realty, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty Acquisition Corp., Roseland Partners, L.L.C., and, for the limited purposes stated in the Purchase Agreement, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg (filed as Exhibit 10.1 to the Company's Form 8-K dated October 8, 2012 and incorporated herein by reference).
10.37	Agreement dated February 28, 2014 by and among Mack-Cali Realty Corporation, Land & Buildings Capital Growth Fund, L.P., Land & Buildings Investment Management, LLC and Jonathan Litt (filed as Exhibit 10.116 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).
10.38#	Restricted share Award Agreement effective March 19, 2014 by and between Mack-Cali Realty Corporation and Anthony Krug (filed as Exhibit 10.1 to the Company's Form 8-K dated March 21, 2014 and incorporated herein by reference).
10.39	Amendment to Membership Interest and Asset Purchase Agreement, dated as of July 18, 2014, by and among Mack-Cali Realty, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty Acquisition Corp., Canoe Brook Investors, L.L.C. (formerly known as Roseland Partners, L.L.C.), Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg (filed as Exhibit 10.124 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.40#	Separation Agreement dated November 4, 2014 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 4, 2014 and incorporated herein by reference).
10.41#	Severance Agreement dated March 4, 2015 by and between Anthony Krug and Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 4, 2015 and incorporated herein by reference).
10.42#	Severance Agreement dated March 4, 2015 by and between Gary T. Wagner and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 4, 2015 and incorporated herein by reference).
10.43#	Employment Agreement dated June 3, 2015 by and between Mitchell E. Rudin and Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 3, 2015 and incorporated herein by reference).
10.44#	Employment Agreement dated March 13, 2019 by and between Michael J. DeMarco and Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 19, 2019 and incorporated herein by reference).
10.45#	Indemnification Agreement dated June 3, 2015 by and between Mitchell E. Rudin and Mack-Cali Realty Corporation (filed as Exhibit 10.129 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and incorporated herein by reference).
10.46#	Indemnification Agreement dated June 3, 2015 by and between Michael J. DeMarco and Mack-Cali Realty Corporation (filed as Exhibit 10.130 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and incorporated herein by reference).
10.47#	Indemnification Agreement dated September 22, 2015 by and between Marshall B. Tycher and Mack-Cali Realty Corporation (filed as Exhibit 10.131 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and incorporated herein by reference).
10.48#	Employment Agreement dated October 23, 2012 by and between Marshall B. Tycher and Mack-Cali Realty Corporation (filed as Exhibit 10.132 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and incorporated herein by reference).
10.49#	Indemnification Agreement dated June 10, 2013 by and between Ricardo Cardoso and Mack-Cali Realty Corporation (filed as Exhibit 10.133 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and incorporated herein by reference).
10.50	Term Loan Agreement dated as of January 7, 2016 among Mack Cali Realty, L.P., as borrower, Mack-Cali Realty Corporation, as guarantor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Wells Fargo Securities LLC as joint lead arrangers and joint bookrunners, Bank of American, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A. and Capital One, National Association, as syndication agents, U.S. Bank National Association, as documentation agent, and the several Lenders party thereto, as lenders (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.51	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of December 30, 2015 by and between Capital One, National Association and Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.52	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of January 4, 2016 by and between Citibank, N.A. and Mack-Cali Realty, L.P. (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.53	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of January 6, 2016 by and between Comerica Bank and Mack-Cali Realty, L.P. (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.54	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of January 5, 2016 by and between PNC Bank, National Association and Mack-Cali Realty, L.P. (filed as Exhibit 10.5 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.55	International Swaps and Derivatives Association, Inc. 2002 Master Agreement dated as of December 21, 2015 by and between U.S. Bank National Association and Mack-Cali Realty, L.P. (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K dated January 6, 2016 and incorporated herein by reference).
10.56#	Form of 2016 Time-Based Long-Term Incentive Plan Award Agreement (Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).
10.57#	Form of 2016 Performance-Based Long-Term Incentive Plan Award Agreement (Filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).
10.58#	Form of Restricted Share Award Agreement effective March 8, 2016 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, Jonathan Litt, David S. Mack, Alan G. Philiposian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (Filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated March 8, 2016 and incorporated herein by reference).
10.59#	Employment Agreement dated April 15, 2016 by and between Robert Andrew Marshall and Roseland Residential Trust (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 15, 2016 and incorporated herein by reference).
10.60	Amended and Restated Revolving Credit and Term Loan Agreement dated as of January 25, 2017 among Mack-Cali Realty, L.P., as borrower, JPMorgan Chase Bank, N.A., as the administrative agent and fronting bank, Wells Fargo Bank, N.A. and Bank of America, N.A. as syndication agents and fronting banks, and the other agents listed therein and the lending institutions party thereto and referred to therein (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 25, 2017 and incorporated herein by reference).
10.61	Preferred Equity Investment Agreement among Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Mack-Cali Property Trust, Mack-Cali Texas Property, L.P., Roseland Residential Trust, Roseland Residential Holding L.L.C., Roseland Residential L.P., RPIIA-RLA, L.L.C. and RPIIA-RLB, L.L.C. dated as of February 27, 2017 (filed as Exhibit 10.125 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference).
10.62	Second Amended and Restated Limited Partnership Agreement of Roseland Residential, L.P. dated March 10, 2017 (filed as Exhibit 10.126 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).
10.63	Shareholders Agreement of Roseland Residential Trust dated March 10, 2017 (filed as Exhibit 10.127 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).
10.64	Discretionary Demand Promissory Note dated March 10, 2017 (filed as Exhibit 10.128 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).
10.65	Shared Services Agreement by and between Mack-Cali Realty, L.P. and Roseland Residential, L.P. dated March 10, 2017 (filed as Exhibit 10.129 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.66	Recourse Agreement by and between Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Roseland Residential Trust, RP-RLA, L.L.C. and RP-RLB, L.L.C. dated March 10, 2017 (filed as Exhibit 10.130 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).
10.67	Registration Rights Agreement dated March 10, 2017 (filed as Exhibit 10.131 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).
10.68	Indemnity Agreement dated March 10, 2017 (filed as Exhibit 10.132 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).
10.69	International Swaps and Derivatives Association, Inc. 2002 Master Agreement, and its schedule thereto, dated as of February 7, 2017 by and between Bank of America, N.A. and Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 29, 2017 and incorporated herein by reference).
10.70	International Swaps and Derivatives Association, Inc. 2002 Master Agreement, and its schedule thereto, dated as of March 6, 2017 by and between Fifth Third Bank and Mack-Cali Realty, L.P. (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K dated March 29, 2017 and incorporated herein by reference).
10.71	International Swaps and Derivatives Association, Inc. 2002 Master Agreement, and its schedule thereto, dated as of March 15, 2017 by and between The Bank of New York Mellon and Mack-Cali Realty, L.P. (filed as Exhibit 10.7 to the Company's Current Report on Form 8-K dated March 29, 2017 and incorporated herein by reference).
10.72#	Amendment, dated as of April 4, 2017, to Executive Employment Agreement, dated as of June 3, 2015, by and between Mitchell E. Rudin and Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 4, 2017 and incorporated herein by reference).
10.73#	Employment Agreement dated April 26, 2017 by and between Marshall B. Tycher and Roseland Residential Trust (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 26, 2017 and incorporated herein by reference).
10.74#	Employment Agreement dated January 26, 2018 between Mack-Cali Realty Corporation and David Smetana (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 26, 2018 and incorporated herein by reference).
10.75#	Employment Agreement dated January 26, 2018 between Mack-Cali Realty Corporation and Nicholas Hilton (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 26, 2018 and incorporated herein by reference).
10.76#	Employment Agreement dated January 26, 2018 between Mack-Cali Realty Corporation and Gary T. Wagner (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated January 26, 2018 and incorporated herein by reference).
10.77#	Employment Agreement dated January 26, 2018 between Mack-Cali Realty Corporation and Ricardo Cardoso (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated January 26, 2018 and incorporated herein by reference).
10.78#	Employment Agreement dated March 22, 2019 between Mack-Cali Realty Corporation and Giovanni M. DeBari (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 28, 2019 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.79#	Separation Agreement and Release dated January 26, 2018 between Mack-Cali Realty Corporation and Anthony Krug (filed as Exhibit 10.5 to the Company's Current Report on Form 8-K dated January 26, 2018 and incorporated herein by reference).
10.80#	Separation Agreement and Release dated January 26, 2018 between Mack-Cali Realty Corporation and Christopher DeLorenzo (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K dated January 26, 2018 and incorporated herein by reference).
10.81#	Indemnification Agreement by and between Mack-Cali Realty Corporation and David Smetana dated January 29, 2018 (filed as Exhibit 10.145 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and incorporated herein by reference).
10.82#	Indemnification Agreement by and between Mack-Cali Realty Corporation and Nicholas Hilton dated February 12, 2018 (filed as Exhibit 10.146 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and incorporated herein by reference).
10.83#	Separation and General Release Agreement, dated as of June 14, 2018, by and between Mack-Cali Realty Corporation and Mitchell E. Rudin (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 14, 2018 and incorporated herein by reference).
10.84#	Separation and Consulting Agreement, dated as of October 31, 2018, by and among Robert Andrew Marshall, Roseland Residential Trust and, solely for purposes of Sections 3 and 9 thereof, Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 2, 2018 and incorporated herein by reference).
10.85#	Class AO Long-Term Incentive Plan Award Agreement dated March 13, 2019 by and between Michael J. DeMarco and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 19, 2019 and incorporated herein by reference).
10.86	Amendment No. 1 dated as of August 30, 2018 but effective as of June 30, 2018 to Amended and Restated Revolving Credit and Term Loan Agreement dated as of January 25, 2017 among Mack-Cali Realty, L.P., as borrower, JPMorgan Chase Bank, N.A., as the administrative agent and fronting bank, Wells Fargo Bank, N.A. and Bank of America, N.A. as syndication agents and fronting banks, and the other agents listed therein and the lending institutions party thereto and referred to therein (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 31, 2018 and incorporated herein by reference).
10.87	Amendment No. 2 dated as of August 30, 2018 but effective as of June 30, 2018 to Term Loan Agreement dated as of January 7, 2016 among Mack-Cali Realty, L.P., as borrower, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Wells Fargo Securities LLC as joint lead arrangers, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A. and Capital One, National Association, as syndication agents, U.S. Bank National Association, as documentation agent, and PNC Bank, National Association, and Citibank, N.A. as other lenders (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated August 31, 2018 and incorporated herein by reference).
10.88	Amended and Restated Agreement of Sale and Purchase, dated March 4, 2019, by and between Mack-Cali CW Realty Associates L.L.C., Cross Westchester Realty Associates L.L.C., Clearbrook Road Associates L.L.C., So. Westchester Realty Associates L.L.C., Mack-Cali So. West Realty Associates L.L.C., 225 Corporate Realty L.L.C., 3 Odell Realty L.L.C. Mid-Westchester Realty Associates L.L.C., Mack-Cali Mid-West Realty Associates L.L.C., Skyline Realty L.L.C., 12 Skyline Associates L.L.C., 5/6 Skyline Realty L.L.C. and Talleyrand Realty Associates L.L.C., collectively, as seller, and RMC Acquisition Entity, LLC, as purchaser (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 7, 2019 and incorporated herein by reference).
10.89	Amended and Restated Agreement of Sale and Purchase, dated March 4, 2019, by and between West Avenue Realty Associates L.L.C., as Seller, and RMC Acquisition Entity, LLC, as purchaser (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 7, 2019 and incorporated herein by reference).
10.90	OP Unit Redemption Agreement, dated March 4, 2019, by and among Mack-Cali Realty, L.P., Mack-Cali CW Realty Associates L.L.C., Mack-Cali So. West Realty Associates L.L.C., Brad W. Berger Revocable Trust, Greg Berger, Robert F. Weinberg 2013 Trust and RFW Management Inc. (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated March 7, 2019 and incorporated herein by reference).
10.91#	Indemnification Agreement by and between Mack-Cali Realty Corporation and Giovanni M. DeBari dated December 6, 2008 (filed as Exhibit 10.91 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.92	<u>Preferred Equity Investment Agreement, dated as of June 26, 2019, by and among Roseland Residential, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Mack-Cali Property Trust, Mack-Cali Texas Property, L.P., Roseland Residential Trust, RPIIA-RLA Aggregator, L.L.C., and RPIIA-RLB, L.L.C. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.93	<u>Third Amended and Restated Limited Partnership Agreement of Roseland Residential, L.P., dated as of June 28, 2019, by and among Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Roseland Residential Trust, RPIIA-RLA Aggregator, L.L.C., and RPIIA-RLB, L.L.C. (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.94	<u>Amended and Restated Shareholders Agreement, dated as of June 28, 2019, by and between Roseland Residential Trust, RPIIA-RLA Aggregator, L.L.C., and RPIIA-RLB, L.L.C. (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.95	<u>Amended and Restated Discretionary Demand Promissory Note, dated as of June 28, 2019, by and between Roseland Residential, L.P. and Mack-Cali Realty, L.P. (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.96	<u>Amended and Restated Shared Services Agreement, dated as of June 28, 2019, by and between Mack-Cali Realty, L.P. and Roseland Residential, L.P. (filed as Exhibit 10.5 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.97	<u>Amended and Restated Recourse Agreement, dated as of June 28, 2019, by and among Roseland Residential Trust, Mack-Cali Realty Corporation, and Mack-Cali Realty, L.P., in favor of RPIIA-Aggregator, L.L.C. and RPIIA-RLB, L.L.C. (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.98	<u>Amended and Restated Registration Rights Agreement, dated as of June 28, 2019, by and among Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Mack-Cali Property Trust, Roseland Residential, L.P., Roseland Residential Trust, RPIIA-Aggregator, L.L.C. and RPIIA-RLB, L.L.C. (filed as Exhibit 10.7 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.99	<u>Form of Indemnity Agreement, by and among Rockpoint Growth and Income Real estate Fund II, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Mack-Cali Property Trust, Roseland Residential, L.P., Roseland Residential Trust, and the Purchaser named therein. (filed as Exhibit 10.8 to the Company's Current Report on Form 8-K dated July 2, 2019 and incorporated herein by reference).</u>
10.100#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Lisa Myers dated February 11, 2019. (filed as Exhibit 10.100 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).</u>
10.101#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Laura Pomerantz dated February 11, 2019. (filed as Exhibit 10.101 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).</u>
10.102#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan R. Batkin dated June 12, 2019. (filed as Exhibit 10.102 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).</u>
10.103#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Frederic Cumenal dated June 12, 2019. (filed as Exhibit 10.103 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).</u>
10.104#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and MaryAnne Gilmartin dated June 12, 2019. (filed as Exhibit 10.104 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).</u>
10.105#	<u>Indemnification Agreement by and between Mack-Cali Realty Corporation and Nori Gerardo Lietz dated June 12, 2019. (filed as Exhibit 10.105 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).</u>
10.106	<u>Sale, Purchase and Escrow Agreement dated as of June 28, 2019 between LT Realty Company LLC and Liberty Towers Urban Renewal LL, as Seller, and Roseland Acquisition Corp., as Buyer, and Stewart Title Guaranty Company, as Escrow Agent, and Lincoln Land Services, LLC, as Closing Agent. (filed as Exhibit 10.106 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).</u>

[Table of Contents](#)

Exhibit Number	Exhibit Title
10.107	Second Amendment to the Contribution and Exchange Agreement dated as of August 1, 2019 by and among William L. Mack, David S. Mack, Earle I. Mack and Fredric Mack, Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. (filed as Exhibit 10.107 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 and incorporated herein by reference).
10.108	Purchase and Sale Agreement dated October 3, 2019 by and between Alterra I L.L.C., Alterra II L.L.C. and Overlook Ridge Apartments Investors LLC, as sellers, and Overlook Revere Owner LLC and Overlook Malden Owner LLC, as buyer. Exhibit 10.108 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 and incorporated herein by reference).
10.109#	Employment Agreement dated December 23, 2019 by and between Deidre Crockett and Mack-Cali Realty Corporation (filed as Exhibit 10.09 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and incorporated herein by reference).
10.110#	Indemnification Agreement by and between Mack-Cali Realty Corporation and Deidre Crockett dated June 26, 2017 (filed as Exhibit 10.110 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and incorporated herein by reference).
10.111#	Amendment No. 1, dated as of March 24, 2020, to Executive Employment Agreement, dated as of January 26, 2018, by and between Mack-Cali Realty Corporation and Gary T. Wagner (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 26, 2020 and incorporated herein by reference).
10.112#	Amendment No. 1, dated as of March 24, 2020, to Executive Employment Agreement, dated as of January 26, 2018, by and between Mack-Cali Realty Corporation and Ricardo Cardoso (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 26, 2020 and incorporated herein by reference).
10.113	Letter Agreement, dated June 10, 2020, between Mack-Cali Realty Corporation and Bow Street LLC (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 10, 2020 and incorporated herein by reference).
10.114#	Letter Agreement, by and among the Company, MAG Partners, and MaryAnne Gilmartin, dated as of July 24, 2020 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 24, 2020 and incorporated herein by reference).
10.115#	Stock Option Agreement, by and between the Company and MAG Partners, dated as of July 24, 2020 (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 24, 2020 and incorporated herein by reference).
31.1*	Certification of the General Partner's Interim Chief Executive Officer, MaryAnne Gilmartin, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the General Partner.
31.2*	Certification of the General Partner's Chief Financial Officer, David J. Smetana, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the General Partner.
31.3*	Certification of the General Partner's Interim Chief Executive Officer, MaryAnne Gilmartin, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the Operating Partnership.
31.4*	Certification of the General Partner's Chief Financial Officer, David J. Smetana, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the Operating Partnership.
32.1*	Certification of the General Partner's Interim Chief Executive Officer, MaryAnne Gilmartin and the General Partner's Chief Financial Officer, David J. Smetana, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the General Partner.
32.2*	Certification of the General Partner's Interim Chief Executive Officer, MaryAnne Gilmartin and the General Partner's Chief Financial Officer, David J. Smetana, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Operating Partnership.
101.1*	The following financial statements from Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. from their combined Report on Form 10-Q for the quarter ended June 30, 2020 formatted in Inline XBRL: (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Comprehensive Income (Loss) (unaudited), (iv) Consolidated Statements of Changes in Equity (unaudited), (v) Consolidated Statements of Cash Flows (unaudited) and (vi) Notes to Consolidated Financial Statements (unaudited).
104.1*	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL.

* filed herewith

management contract or compensatory plan or arrangement

**MACK-CALI REALTY CORPORATION
MACK-CALI REALTY, L.P.**

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 thereunto duly authorized.

Mack-Cali Realty Corporation
(Registrant)

Date: August 3, 2020 By: /s/ MaryAnne Gilmartin
MaryAnne Gilmartin
Interim Chief Executive Officer
(principal executive officer)

Date: August 3, 2020 By: /s/ David J. Smetana
David J. Smetana
Chief Financial Officer
(principal financial officer)

Date: August 3, 2020 By: /s/ Giovanni M. DeBari
Giovanni M. DeBari
Chief Accounting Officer
(principal accounting officer)
Mack-Cali Realty, L.P.
(Registrant)
By: Mack-Cali Realty Corporation
its General Partner

Date: August 3, 2020 By: /s/ MaryAnne Gilmartin
MaryAnne Gilmartin
Interim Chief Executive Officer
(principal executive officer)

Date: August 3, 2020 By: /s/ David J. Smetana
David J. Smetana
Chief Financial Officer
(principal financial officer)

Date: August 3, 2020 By: /s/ Giovanni M. DeBari
Giovanni M. DeBari
Chief Accounting Officer
(principal accounting officer)

MACK-CALI REALTY CORPORATION
Certification

I, MaryAnne Gilmartin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2020

By: /s/ MaryAnne Gilmartin
MaryAnne Gilmartin
Interim Chief Executive Officer

MACK-CALI REALTY CORPORATION
Certification

I, David J. Smetana, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2020

By: /s/ David J. Smetana
David J. Smetana
Chief Financial Officer

MACK-CALI REALTY, L.P.
Certification

I, MaryAnne Gilmartin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2020

By: /s/ MaryAnne Gilmartin
MaryAnne Gilmartin
Interim Chief Executive Officer
of Mack-Cali Realty Corporation,
the general partner of Mack-Cali Realty, L.P.

MACK-CALI REALTY, L.P.
Certification

I, David J. Smetana, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2020

By: /s/ David J. Smetana
David J. Smetana
Chief Financial Officer
of Mack-Cali Realty Corporation,
the general partner of Mack-Cali Realty, L.P.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Mack-Cali Realty Corporation (the "Company") for the quarterly period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), MaryAnne Gilmartin, as Interim Chief Executive Officer of the Company and David J. Smetana, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of §13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2020

By: /s/ MaryAnne Gilmartin
MaryAnne Gilmartin
Interim Chief Executive Officer

Date: August 3, 2020

By: /s/ David J. Smetana
David J. Smetana
Chief Financial Officer

This certification accompanies each Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by §906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Mack-Cali Realty, L.P. (the "Operating Partnership") for the quarterly period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), MaryAnne Gilmartin, as Interim Chief Executive Officer of Mack-Cali Realty Corporation, its general partner and David J. Smetana, as Chief Financial Officer of Mack-Cali Realty Corporation, its general partner, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of §13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: August 3, 2020

By: /s/ MaryAnne Gilmartin
MaryAnne Gilmartin
Interim Chief Executive Officer
of Mack-Cali Realty Corporation,
the general partner of Mack-Cali Realty, L.P.

Date: August 3, 2020

By: /s/ David J. Smetana
David J. Smetana
Chief Financial Officer
of Mack-Cali Realty Corporation,
the general partner of Mack-Cali Realty, L.P.

This certification accompanies each Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Operating Partnership for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by §906 has been provided to the Operating Partnership and will be retained by the Operating Partnership and furnished to the Securities and Exchange Commission or its staff upon request.
