

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 September 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  
Mack-Cali Realty, L.P.

YES ☒ NO ☐  
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  
Mack-Cali Realty, L.P.

YES ☒ NO ☐  
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  
Mack-Cali Realty, L.P.

YES ☐ NO ☒  
YES ☐ NO ☒

As of November 2, 2020, there were 90,712,389 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 September 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 September 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 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.:
  - ②Note 2. Significant Accounting Policies, where applicable;
  - ②Note 15. Redeemable Noncontrolling Interests;
  - ②Note 16. Mack-Cali Realty Corporation's Stockholders' Equity and Mack-Cali Realty, L.P.'s Partners' Capital;
  - ②Note 17. Noncontrolling Interests in Subsidiaries; and
  - ②Note 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**

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**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 nine-month periods ended September 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)

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
Rental property		
Land and leasehold interests	\$ 641,962	\$ 653,231
Buildings and improvements	3,669,960	3,361,435
Tenant improvements	163,900	163,299
Furniture, fixtures and equipment	78,558	78,716
	4,554,380	4,256,681
Less – accumulated depreciation and amortization	(627,995)	(558,617)
	3,926,385	3,698,064
Real estate held for sale, net	714,404	966,497
Net investment in rental property	4,640,789	4,664,561
Cash and cash equivalents	22,872	25,589
Restricted cash	14,507	15,577
Investments in unconsolidated joint ventures	194,779	209,091
Unbilled rents receivable, net	86,818	95,686
Deferred charges, goodwill and other assets, net	220,194	275,102
Accounts receivable	10,784	7,192
<b>Total assets</b>	<b>\$ 5,190,743</b>	<b>\$ 5,292,798</b>
<b>LIABILITIES AND EQUITY</b>		
Senior unsecured notes, net	\$ 572,360	\$ 571,484
Unsecured revolving credit facility and term loans	156,000	329,000
Mortgages, loans payable and other obligations, net	2,167,522	1,908,034
Dividends and distributions payable	1,537	22,265
Accounts payable, accrued expenses and other liabilities	205,637	209,510
Rents received in advance and security deposits	36,575	39,463
Accrued interest payable	15,642	10,185
<b>Total liabilities</b>	<b>3,155,273</b>	<b>3,089,941</b>
Commitments and contingencies		
Redeemable noncontrolling interests	511,352	503,382
Equity:		
Mack-Cali Realty Corporation stockholders' equity:		
Common stock, \$0.01 par value, 190,000,000 shares authorized, 90,712,055 and 90,595,176 shares outstanding	907	906
Additional paid-in capital	2,531,122	2,535,440
Dividends in excess of net earnings	(1,195,909)	(1,042,629)
Accumulated other comprehensive income (loss)	-	(18)
<b>Total Mack-Cali Realty Corporation stockholders' equity</b>	<b>1,336,120</b>	<b>1,493,699</b>
Noncontrolling interests in subsidiaries:		
Operating Partnership	142,469	158,480
Consolidated joint ventures	45,529	47,296
<b>Total noncontrolling interests in subsidiaries</b>	<b>187,998</b>	<b>205,776</b>
<b>Total equity</b>	<b>1,524,118</b>	<b>1,699,475</b>
<b>Total liabilities and equity</b>	<b>\$ 5,190,743</b>	<b>\$ 5,292,798</b>

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>REVENUES</b>				
Revenue from leases	\$ 65,849	\$ 72,538	\$ 201,091	\$ 224,947
Real estate services	2,876	3,411	8,624	10,783
Parking income	4,033	5,716	12,332	16,097
Hotel income	893	3,325	3,290	5,702
Other income	3,999	2,400	7,020	6,732
Total revenues	77,650	87,390	232,357	264,261
<b>EXPENSES</b>				
Real estate taxes	10,816	11,151	32,326	33,813
Utilities	3,598	4,402	10,564	14,605
Operating services	18,942	18,109	50,639	52,821
Real estate services expenses	3,300	3,905	10,106	12,150
General and administrative	28,945	12,571	62,005	42,836
Depreciation and amortization	31,670	32,605	92,807	96,110
Property impairments	36,582	-	36,582	-
Land and other impairments	1,292	2,589	23,401	5,088
Total expenses	135,145	85,332	318,430	257,423
<b>OTHER (EXPENSE) INCOME</b>				
Interest expense	(20,265)	(22,129)	(61,795)	(67,817)
Interest and other investment income (loss)	3	188	42	1,526
Equity in earnings (loss) of unconsolidated joint ventures	1,373	(113)	(281)	(882)
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	(34,666)	(7,915)	233,698
Gain on disposition of developable land	-	296	4,813	566
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	(98)	-	1,801
Total other income (expense)	(18,889)	(56,522)	(65,136)	183,585
Income (loss) from continuing operations	(76,384)	(54,464)	(151,209)	190,423
Discontinued operations:				
Income from discontinued operations	19,491	8,506	63,213	24,686
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	15,775	(10,063)	(23,900)	(15,865)
Total discontinued operations, net	35,266	(1,557)	39,313	8,821
Net income (loss)	(41,118)	(56,021)	(111,896)	199,244
Noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Noncontrolling interests in Operating Partnership of income from continuing operations	7,874	6,005	16,166	(18,191)
Noncontrolling interests in Operating Partnership in discontinued operations	(3,388)	154	(3,776)	(896)
Redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
Net income (loss) available to common shareholders	\$ (42,208)	\$ (55,928)	\$ (117,019)	\$ 166,513
<b>Basic earnings per common share:</b>				
Income (loss) from continuing operations	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Discontinued operations	0.35	(0.02)	0.39	0.09
Net income (loss) available to common shareholders	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59
<b>Diluted earnings per common share:</b>				
Income (loss) from continuing operations	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Discontinued operations	0.35	(0.02)	0.39	0.09
Net income (loss) available to common shareholders	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59
Basic weighted average shares outstanding	90,671	90,584	90,639	90,539
Diluted weighted average shares outstanding	100,307	100,560	100,235	100,802

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss)	\$ (41,118)	\$ (56,021)	\$ (111,896)	\$ 199,244
Other comprehensive income (loss):				
Net unrealized gain (loss) on derivative instruments for interest rate swaps	-	(878)	(16)	(9,953)
Comprehensive income (loss)	\$ (41,118)	\$ (56,899)	\$ (111,912)	\$ 189,291
Comprehensive (income) loss attributable to noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Comprehensive (income) loss attributable to redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
Comprehensive (income) loss attributable to noncontrolling interests in Operating Partnership	4,486	6,246	12,424	(18,127)
Comprehensive income (loss) attributable to common shareholders	\$ (42,208)	\$ (56,719)	\$ (117,001)	\$ 157,520

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					
<b>For the Three Months Ended September 30, 2020</b>							
Balance at July 1, 2020	90,597	\$ 906	\$ 2,533,686	\$ (1,135,559)	\$ -	\$ 194,463	\$ 1,593,496
Net income (loss)	-	-	-	(42,208)	-	1,090	(41,118)
Common stock dividends	-	-	-	(18,142)	-	-	(18,142)
Common unit distributions	-	-	-	-	-	(2,029)	(2,029)
Redeemable noncontrolling interests	-	-	(2,167)	-	-	(6,701)	(8,868)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	-	-
Redemption of common units for common stock	-	-	-	-	-	-	-
Redemption of common units	-	-	-	-	-	(29)	(29)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1	-	9	-	-	-	9
Directors' deferred compensation plan	61	1	75	-	-	-	76
Stock compensation	53	-	394	-	-	329	723
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	-	-
Rebalancing of ownership percentage between parent and subsidiaries	-	-	(875)	-	-	875	-
Balance at September 30, 2020	90,712	\$ 907	\$ 2,531,122	\$ (1,195,909)	\$ -	\$ 187,998	\$ 1,524,118

  

	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					
<b>For the Three Months Ended September 30, 2019</b>							
Balance at July 1, 2019	90,553	\$ 906	\$ 2,539,547	\$ (895,824)	\$ 958	\$ 230,461	\$ 1,876,048
Net income (loss)	-	-	-	(55,928)	-	(93)	(56,021)
Common stock dividends	-	-	-	(18,106)	-	-	(18,106)
Common unit distributions	-	-	-	-	-	(2,360)	(2,360)
Redeemable noncontrolling interests	-	-	(3,025)	-	-	(6,805)	(9,830)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	-	-
Redemption of common units for common stock	-	-	-	-	-	-	-
Redemption of common units	-	-	-	-	-	(65)	(65)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1	-	10	-	-	-	10
Directors' deferred compensation plan	-	-	81	-	-	-	81
Stock compensation	(2)	-	7	-	-	1,973	1,980
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	(791)	(87)	(878)
Rebalancing of ownership percentage between parent and subsidiaries	-	-	1,426	-	-	(1,426)	-
Balance at September 30, 2019	90,552	\$ 906	\$ 2,538,046	\$ (969,858)	\$ 167	\$ 221,598	\$ 1,790,859

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	Dividends in	Accumulated	Noncontrolling	
	Shares	Par Value	Paid-In	Excess of	Other	Interests	Total Equity
			Capital	Net Earnings	Comprehensive	in Subsidiaries	
					Income (Loss)		
For the Nine Months Ended September 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)	-	-	-	(117,019)	-	5,123	(111,896)
Common stock dividends	-	-	-	(36,261)	-	-	(36,261)
Common unit distributions	-	-	-	-	-	(3,509)	(3,509)
Redeemable noncontrolling interests	-	-	(7,207)	-	-	(20,176)	(27,383)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	133	133
Redemption of common units of common stock	-	-	-	-	-	-	-
Redemption of common units	-	-	-	-	-	(2,170)	(2,170)
Shares issued under Dividend Reinvestment and							
Stock Purchase Plan	3	-	39	-	-	-	39
Directors' deferred compensation plan	61	1	214	-	-	-	215
Stock compensation	53	-	1,158	-	-	4,534	5,692
Cancellation of unvested LTIP units	-	-	-	-	-	(201)	(201)
Other comprehensive income (loss)	-	-	-	-	18	(34)	(16)
Rebalancing of ownership percentage							
between parent and subsidiaries	-	-	1,478	-	-	(1,478)	-
Balance at September 30, 2020	90,712	\$ 907	\$ 2,531,122	\$ (1,195,909)	\$ -	\$ 187,998	\$ 1,524,118
For the Nine Months Ended September 30, 2019							
	Shares	Par Value	Additional	Dividends in	Accumulated	Noncontrolling	Total Equity
			Paid-In	Excess of	Other	Interests	
			Capital	Net Earnings	Comprehensive	in Subsidiaries	
					Income (Loss)		
Balance at January 1, 2019	90,320	\$ 903	\$ 2,561,503	\$ (1,084,518)	\$ 8,770	\$ 210,523	\$ 1,697,181
Net income (loss)	-	-	-	166,513	-	32,731	199,244
Common stock dividends	-	-	-	(54,282)	-	-	(54,282)
Common unit distributions	-	-	-	-	-	(6,417)	(6,417)
Redeemable noncontrolling interest	-	-	(22,936)	-	-	(18,685)	(41,621)
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)	-	-	(5,030)	(6,695)
Shares issued under Dividend Reinvestment and							
Stock Purchase Plan	2	-	31	-	-	-	31
Directors' deferred compensation plan	194	2	236	-	-	-	238
Stock compensation	-	-	490	-	-	5,561	6,051
Cancellation of unvested LTIP units	(2)	-	-	2,819	-	(2,889)	(70)
Other comprehensive income (loss)	-	-	-	(390)	(8,603)	(960)	(9,953)
Rebalancing of ownership percentage							
between parent and subsidiaries	-	-	1,641	-	-	(1,641)	-
Balance at September 30, 2019	90,552	\$ 906	\$ 2,538,046	\$ (969,858)	\$ 167	\$ 221,598	\$ 1,790,859

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)*

		Nine Months Ended September 30,	
	2020	2019	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$	(111,896)	\$ 199,244
Net (income) loss from discontinued operations		(39,313)	(8,821)
Net income (loss) from continuing operations		(151,209)	190,423
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization, including related intangible assets		90,198	93,385
Depreciation and amortization on discontinued operations		4,223	50,775
Amortization of directors deferred compensation stock units		215	238
Amortization of stock compensation		5,692	6,051
Amortization of deferred financing costs		3,158	3,478
Amortization of debt discount and mark-to-market		(711)	(711)
Equity in (earnings) loss of unconsolidated joint ventures		281	882
Distributions of cumulative earnings from unconsolidated joint ventures		4,734	5,520
Gain on change of control of interests			(13,790)
Realized (gains) losses and unrealized losses on disposition of rental property, net		7,915	(233,698)
Realized (gains) losses and unrealized losses on disposition of discontinued operations, net		23,900	413
Gain on disposition of developable land		(4,813)	(566)
Property impairments on continuing operations		36,582	-
Property impairments on discontinued operations		-	11,696
Land and other impairments		23,401	8,844
Gain on sale of investments in unconsolidated joint ventures		-	(903)
(Gain) Loss from extinguishment of debt		-	(1,801)
Changes in operating assets and liabilities:			
Decrease (increase) in unbilled rents receivable, net		750	(5,597)
Increase in deferred charges, goodwill and other assets		(4,309)	(13,469)
Increase in accounts receivable, net		(5,732)	(567)
Increase (decrease) in accounts payable, accrued expenses and other liabilities		(2,784)	20,165
Decrease in rents received in advance and security deposits		(1,441)	(23)
Increase in accrued interest payable		5,471	6,445
Net cash flows provided by operating activities - continuing operations		7,398	60,550
Net cash flows provided by operating activities - discontinued operations		69,190	60,357
Net cash provided by operating activities	\$	76,588	\$ 120,907
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Rental property acquisitions and related intangibles	\$	(16,214)	\$ (901,108)
Rental property additions and improvements		(123,785)	(79,842)
Development of rental property and other related costs		(227,509)	(155,251)
Proceeds from the sales of rental property		16,455	637,982
Proceeds from the sale of investments in unconsolidated joint ventures		-	4,039
Repayment of notes receivable		333	46,430
Investment in unconsolidated joint ventures		(1,664)	(8,859)
Distributions in excess of cumulative earnings from unconsolidated joint ventures		11,960	4,977
Net cash used in investing activities - continuing operations		(340,424)	(451,632)
Net cash provided by (used in) investing activities - discontinued operations		257,462	(84,449)
Net cash used in investing activities	\$	(82,962)	\$ (536,081)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Borrowings from revolving credit facility	\$	191,000	\$ 489,000
Repayment of revolving credit facility		(364,000)	(398,000)
Repayment of senior unsecured notes		-	(395,000)
Proceeds from mortgages and loans payable		258,483	764,583
Repayment of mortgages, loans payable and other obligations		(298)	(97,215)
Acquisition of noncontrolling interests		-	(5,017)
Issuance of redeemable noncontrolling interests, net		-	145,000
Common unit redemptions		(2,170)	-
Payment of financing costs		(668)	(7,003)
(Contributions) Distributions to noncontrolling interests		133	(407)
Payment of dividends and distributions		(79,895)	(75,918)
Net cash provided by financing activities	\$	2,585	\$ 420,023
Net (decrease) increase in cash and cash equivalents	\$	(3,789)	\$ 4,849
Cash, cash equivalents and restricted cash, beginning of period (1)		41,168	49,554
Cash, cash equivalents and restricted cash, end of period (2)	\$	37,379	\$ 54,403

- (1) Includes Restricted Cash of \$15,577 and \$19,921 as of December 31, 2019 and 2018, respectively.  
(2) Includes Restricted Cash of \$14,507 and \$19,635 as of September 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)*

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
Rental property		
Land and leasehold interests	\$ 641,962	\$ 653,231
Buildings and improvements	3,669,960	3,361,435
Tenant improvements	163,900	163,299
Furniture, fixtures and equipment	78,558	78,716
	4,554,380	4,256,681
Less – accumulated depreciation and amortization	(627,995)	(558,617)
	3,926,385	3,698,064
Real estate held for sale, net	714,404	966,497
Net investment in rental property	4,640,789	4,664,561
Cash and cash equivalents	22,872	25,589
Restricted cash	14,507	15,577
Investments in unconsolidated joint ventures	194,779	209,091
Unbilled rents receivable, net	86,818	95,686
Deferred charges, goodwill and other assets, net	220,194	275,102
Accounts receivable	10,784	7,192
<b>Total assets</b>	<b>\$ 5,190,743</b>	<b>\$ 5,292,798</b>
<b>LIABILITIES AND EQUITY</b>		
Senior unsecured notes, net	\$ 572,360	\$ 571,484
Unsecured revolving credit facility and term loans	156,000	329,000
Mortgages, loans payable and other obligations, net	2,167,522	1,908,034
Distributions payable	1,537	22,265
Accounts payable, accrued expenses and other liabilities	205,637	209,510
Rents received in advance and security deposits	36,575	39,463
Accrued interest payable	15,642	10,185
<b>Total liabilities</b>	<b>3,155,273</b>	<b>3,089,941</b>
Commitments and contingencies		
Redeemable noncontrolling interests	511,352	503,382
Partners' Capital:		
General Partner, 90,712,055 and 90,595,176 common units outstanding	1,268,493	1,427,568
Limited partners, 9,672,558 and 9,612,064 common units/LTIPs outstanding	210,096	224,629
Accumulated other comprehensive income (loss)	-	(18)
<b>Total Mack-Cali Realty, L.P. partners' capital</b>	<b>1,478,589</b>	<b>1,652,179</b>
Noncontrolling interests in consolidated joint ventures	45,529	47,296
<b>Total equity</b>	<b>1,524,118</b>	<b>1,699,475</b>
<b>Total liabilities and equity</b>	<b>\$ 5,190,743</b>	<b>\$ 5,292,798</b>

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>REVENUES</b>				
Revenue from leases	\$ 65,849	\$ 72,538	\$ 201,091	\$ 224,947
Real estate services	2,876	3,411	8,624	10,783
Parking income	4,033	5,716	12,332	16,097
Hotel income	893	3,325	3,290	5,702
Other income	3,999	2,400	7,020	6,732
Total revenues	77,650	87,390	232,357	264,261
<b>EXPENSES</b>				
Real estate taxes	10,816	11,151	32,326	33,813
Utilities	3,598	4,402	10,564	14,605
Operating services	18,942	18,109	50,639	52,821
Real estate services expenses	3,300	3,905	10,106	12,150
General and administrative	28,945	12,571	62,005	42,836
Depreciation and amortization	31,670	32,605	92,807	96,110
Property impairments	36,582	-	36,582	-
Land and other impairments	1,292	2,589	23,401	5,088
Total expenses	135,145	85,332	318,430	257,423
<b>OTHER (EXPENSE) INCOME</b>				
Interest expense	(20,265)	(22,129)	(61,795)	(67,817)
Interest and other investment income (loss)	3	188	42	1,526
Equity in earnings (loss) of unconsolidated joint ventures	1,373	(113)	(281)	(882)
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	(34,666)	(7,915)	233,698
Gain on disposition of developable land	-	296	4,813	566
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	(98)	-	1,801
Total other income (expense)	(18,889)	(56,522)	(65,136)	183,585
Income (loss) from continuing operations	(76,384)	(54,464)	(151,209)	190,423
Discontinued operations:				
Income from discontinued operations	19,491	8,506	63,213	24,686
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	15,775	(10,063)	(23,900)	(15,865)
Total discontinued operations, net	35,266	(1,557)	39,313	8,821
Net income (loss)	(41,118)	(56,021)	(111,896)	199,244
Noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
Net income (loss) available to common unitholders	\$ (46,694)	\$ (62,087)	\$ (129,409)	\$ 185,600
<b>Basic earnings per common unit:</b>				
Income (loss) from continuing operations	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Discontinued operations	0.35	(0.02)	0.39	0.09
Net income (loss) available to common unitholders	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59
<b>Diluted earnings per common unit:</b>				
Income (loss) from continuing operations	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Discontinued operations	0.35	(0.02)	0.39	0.09
Net income (loss) available to common unitholders	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59
Basic weighted average units outstanding	100,307	100,560	100,235	100,607
Diluted weighted average units outstanding	100,307	100,560	100,235	100,802

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss)	\$ (41,118)	\$ (56,021)	\$ (111,896)	\$ 199,244
Other comprehensive income (loss):				
Net unrealized gain (loss) on derivative instruments for interest rate swaps	-	(878)	(16)	(9,953)
Comprehensive income (loss)	\$ (41,118)	\$ (56,899)	\$ (111,912)	\$ 189,291
Comprehensive (income) loss attributable to noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Comprehensive (income) loss attributable to redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
Comprehensive income (loss) attributable to common unitholders	\$ (46,694)	\$ (62,965)	\$ (129,425)	\$ 175,647

*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
<b>For the Three Months Ended September 30, 2020</b>							
Balance at July 1, 2020	90,597	9,586	\$ 1,330,531	\$ 216,541	\$ -	\$ 46,424	\$ 1,593,496
Net income (loss)	-	-	(42,208)	(4,486)	-	5,576	(41,118)
Distributions	-	-	(18,142)	(2,029)	-	-	(20,171)
Redeemable noncontrolling interests	-	-	(2,167)	(230)	-	(6,471)	(8,868)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	-	-
Redemption of limited partner common units for shares of general partner common units	-	-	-	-	-	-	-
Vested LTIP units	-	88	-	-	-	-	-
Redemption of limited partner common units	-	(2)	-	(29)	-	-	(29)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1	-	9	-	-	-	9
Directors' deferred compensation plan	61	-	76	-	-	-	76
Other comprehensive income (loss)	-	-	-	-	-	-	-
Stock compensation	53	-	394	329	-	-	723
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Balance at September 30, 2020	90,712	9,672	\$ 1,268,493	\$ 210,096	\$ -	\$ 45,529	\$ 1,524,118

	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
<b>For the Three Months Ended September 30, 2019</b>							
Balance at July 1, 2019	90,553	9,976	\$ 1,580,023	\$ 245,902	\$ 958	\$ 49,165	\$ 1,876,048
Net income (loss)	-	-	(55,928)	(6,159)	-	6,066	(56,021)
Distributions	-	-	(18,106)	(2,360)	-	-	(20,466)
Redeemable noncontrolling interests	-	-	(3,025)	(334)	-	(6,471)	(9,830)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	-	-	-	-
Redemption of limited partner common units for shares of general partner common units	0	-	0	-	-	-	-
Vested LTIP units	-	-	-	-	-	-	-
Redemption of limited partners common units	-	(3)	-	(65)	-	-	(65)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1	-	10	-	-	-	10
Directors' deferred compensation plan	0	-	81	-	-	-	81
Other comprehensive income (loss)	-	-	-	(87)	(791)	-	(878)
Stock compensation	(2)	-	7	1,973	-	-	1,980
Cancellation of unvested LTIP units	-	-	-	-	-	-	-
Balance at September 30, 2019	90,552	9,973	\$ 1,503,062	\$ 238,870	\$ 167	\$ 48,760	\$ 1,790,859

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
<b>For the Nine Month Ended September 30, 2020</b>							
Balance at January 1, 2020	90,595	9,612	\$ 1,427,568	\$ 224,629	\$ (18)	\$ 47,296	\$ 1,699,475
Net income	-	-	(117,019)	(12,390)	-	17,513	(111,896)
Distributions	-	-	(36,261)	(3,509)	-	-	(39,770)
Redeemable noncontrolling interest	-	-	(7,207)	(763)	-	(19,413)	(27,383)
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	-	160	-	-	-	-	-
Redemption of limited partner common units	-	(100)	-	(2,170)	-	-	(2,170)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	3	-	39	-	-	-	39
Directors' deferred compensation plan	61	-	215	-	-	-	215
Other comprehensive income (loss)	-	-	-	(34)	18	-	(16)
Stock compensation	53	-	1,158	4,534	-	-	5,692
Cancellation of unvested LTIP units	-	-	-	(201)	-	-	(201)
Balance at September 30, 2020	90,712	9,672	\$ 1,268,493	\$ 210,096	\$ -	\$ 45,529	\$ 1,524,118
<b>For the Nine Months Ended September 30, 2019</b>							
Balance at January 1, 2019	90,320	10,229	\$ 1,413,497	\$ 232,764	\$ 8,770	\$ 42,150	\$ 1,697,181
Net income (loss)	-	-	166,513	19,087	-	13,644	199,244
Distributions	-	-	(54,282)	(6,417)	-	-	(60,699)
Redeemable noncontrolling interest	-	-	(22,936)	(2,541)	-	(16,144)	(41,621)
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	-	(304)	(1,665)	(5,030)	-	-	(6,695)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	2	-	31	-	-	-	31
Directors' deferred compensation plan	194	-	238	-	-	-	238
Other comprehensive income (loss)	-	-	(390)	(960)	(8,603)	-	(9,953)
Stock compensation	(2)	-	490	5,561	-	-	6,051
Cancellation of unvested LTIP units	-	-	2,819	(2,889)	-	-	(70)
Balance at September 30, 2019	90,552	9,973	\$ 1,503,062	\$ 238,870	\$ 167	\$ 48,760	\$ 1,790,859

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

		Nine Months Ended September 30,	
	2020	2019	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$	(111,896)	\$ 199,244
Net (income) loss from discontinued operations		(39,313)	(8,821)
Net income (loss) from continuing operations		(151,209)	190,423
Adjustments to reconcile net income (loss) to net cash provided by Operating activities:			
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Amortization of directors deferred compensation stock units		215	238
Amortization of stock compensation		5,692	6,051
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Distributions of cumulative earnings from unconsolidated joint ventures		4,734	5,520
Gain on change of control of interests		-	(13,790)
Realized (gains) losses and unrealized losses on disposition of rental property, net		7,915	(233,698)
Realized (gains) losses and unrealized losses on disposition of discontinued operations, net		23,900	413
Gain on disposition of developable land		(4,813)	(566)
Property impairments on continuing operations		36,582	-
Property impairments on discontinued operations		-	11,696
Land and other impairments		23,401	8,844
Gain on sale of investments in unconsolidated joint ventures		-	(903)
(Gain) Loss from extinguishment of debt		-	(1,801)
Changes in operating assets and liabilities:			
Decrease (increase) in unbilled rents receivable, net		750	(5,597)
Increase in deferred charges, goodwill and other assets		(4,309)	(13,469)
Increase in accounts receivable, net		(5,732)	(567)
Increase (decrease) in accounts payable, accrued expenses and other liabilities		(2,784)	20,165
Decrease in rents received in advance and security deposits		(1,441)	(23)
Increase in accrued interest payable		5,471	6,445
Net cash flows provided by operating activities - continuing operations		7,398	60,550
Net cash flows provided by operating activities - discontinued operations		69,190	60,357
Net cash provided by operating activities	\$	76,588	\$ 120,907
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Rental property acquisitions and related intangibles	\$	(16,214)	\$ (901,108)
Rental property additions and improvements		(123,785)	(79,842)
Development of rental property and other related costs		(227,509)	(155,251)
Proceeds from the sales of rental property		16,455	637,982
Proceeds from the sale of investments in unconsolidated joint ventures		-	4,039
Repayment of notes receivable		333	46,430
Investment in unconsolidated joint ventures		(1,664)	(8,859)
Distributions in excess of cumulative earnings from unconsolidated joint ventures		11,960	4,977
Net cash used in investing activities - continuing operations		(340,424)	(451,632)
Net cash provided by (used in) investing activities - discontinued operations		257,462	(84,449)
Net cash used in investing activities	\$	(82,962)	\$ (536,081)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Borrowings from revolving credit facility	\$	191,000	\$ 489,000
Repayment of revolving credit facility		(364,000)	(398,000)
Repayment of senior unsecured notes		-	(395,000)
Proceeds from mortgages and loans payable		258,483	764,583
Repayment of mortgages, loans payable and other obligations		(298)	(97,215)
Acquisition of noncontrolling interests		-	(5,017)
Issuance of redeemable noncontrolling interests, net		-	145,000
Common unit redemptions		(2,170)	-
Payment of financing costs		(668)	(7,003)
(Contributions) Distributions to noncontrolling interests		133	(407)
Payment of distributions		(79,895)	(75,918)
Net cash provided by financing activities	\$	2,585	\$ 420,023
Net (decrease) increase in cash and cash equivalents	\$	(3,789)	\$ 4,849
Cash, cash equivalents and restricted cash, beginning of period (1)		41,168	49,554
Cash, cash equivalents and restricted cash, end of period (2)	\$	37,379	\$ 54,403

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

(2) Includes Restricted Cash of \$14,507 and \$19,635 as of September 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)*

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**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 September 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 September 30, 2020, the Company owned or had interests in 59 real estate properties (the “Properties”). The Properties are comprised of 29 office buildings totaling approximately 8.7 million square feet and leased to approximately 225 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 September 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 \$493.1 million and \$503.1 million, respectively, mortgages of \$284.2 million and \$283.7 million, respectively, and other liabilities of \$21 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 nine month period ended September 30, 2020, and a corresponding decrease in Real estate held for sale, net, in the Company's balance sheets as of September 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 \$0.5 million for the three months ended September 30, 2020 and 2019, respectively, and \$1.3 million and \$1.6 million for the nine months ended September 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 September 30, 2020 and December 31, 2019 is real estate and building and tenant improvements not in service, as follows (*dollars in thousands*):

	September 30, 2020	December 31, 2019
Land held for development (including pre-development costs, if any) (a)(c)	\$ 356,017	\$ 388,702
Development and construction in progress, including land (b)(d)	683,303	464,110
<b>Total</b>	<b>\$ 1,039,320</b>	<b>\$ 852,812</b>

(a) Includes predevelopment and infrastructure costs included in buildings and improvements of \$147.7 million and \$156.5 million as of September 30, 2020 and December 31, 2019, respectively.

(b) Includes land of \$84.0 million and \$96.6 million as of September 30, 2020 and December 31, 2019, respectively.

(c) Includes \$35.5 million of land and \$9.7 million of building and improvements pertaining to assets held for sale at September 30, 2020

(d) Includes \$0.5 million of land and \$1.0 million of building and improvements pertaining to assets held for sale at September 30, 2020

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

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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 and

stabilized 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, food, beverage and lodging demands, 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 \$1,074,000 and \$1,121,000 for the three months ended September 30, 2020 and 2019, respectively, \$3,158,000 and \$3,478,000 for the nine months ended September 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 \$(0.1) million for the three months ended September 30, 2020 and 2019, respectively, contained unamortized deferred financing costs which were written off (as non-cash transactions) amounting to zero and \$285,000, respectively. Included in the gains (losses) from extinguishment of debt, net, of zero and \$1.8 million for the nine months ended September 30, 2020 and 2019, respectively, were unamortized deferred financing costs which were written off (as non-cash transactions) amounting to zero and \$285,000, respectively.

### ***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 \$2,128,000 and \$534,000 for the three months ended September 30, 2020 and 2019, respectively, and \$3,829,000 and \$1,818,000 for the nine months ended September 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 September 30, 2020 amounted to \$18.5 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 September 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***

On September 30, 2020, the Company announced that its Board of Directors was suspending its common dividends and distributions attributable to the third and fourth quarters 2020. As the Company's management estimated that as of September 2020 it had satisfied its dividends obligations as a REIT on taxable income expected for 2020, the Board made the strategic decision to suspend its common dividends and distributions for the remainder of 2020 in an effort to provide greater financial flexibility during the pandemic and to retain incremental capital to support leasing initiatives at its Harborside commercial office properties on the Jersey City waterfront.

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

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. For unvested securities that are forfeited prior to the measurement period being complete, the Company elected to account for forfeiture of employee awards as they occur. The Company recorded stock compensation expense of \$723,000 and \$1,980,000 for the three



months ended September 30, 2020 and 2019, respectively, and \$5,692,000 and \$6,051,000 for the nine months ended September 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 March 2020, the FASB issued ASU 2020-04 Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments provide practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. The Company is currently in the process of evaluating the impact

the adoption of ASU 2020-04 will have on the Company's consolidated financial statements.

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 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 nine months ended September 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	271	\$ 78,539
Totals				271	\$ 78,539

- (a) The Emery at Overlook Ridge property consists of a total of 326 multi-family units. Of this amount, the remaining 55 multi-family units were placed in service in October 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, which excludes the Company's office portfolio in Jersey City and Hoboken, New Jersey, (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 September 30, 2020, the Company completed the sale of 16 of these suburban office properties, totaling 2.6 million square feet, for net sales proceeds of \$294.8 million. As of September 30, 2020, the Company has identified as held for sale the remaining 21 office properties (comprised of 12 identified disposal groups) in the Suburban Office Portfolio, totaling four million square feet (of which the Company currently has 10 properties totaling 1.9 million square feet under contract for sale for aggregate gross

proceeds of \$407.5 million). In October 2020, the Company completed the sale of one of the properties held for sale, which was a 98,500 square foot office property, for gross proceeds of \$7.5 million. See Note 7: Discontinued Operations.

The Company plans to complete the sale of its remaining Suburban Office Portfolio properties in late 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 pandemic ("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 a retail pad leased to others and several developable land parcels as held for sale as of September 30, 2020. The properties are located in Parsippany, Madison, Short Hills, Edison and Red Bank, New Jersey. 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 10 of the remaining held for sale properties (comprised of five 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 nine months ended September 30, 2020, recognized an unrealized loss allowance of zero and \$41.2 million (zero and \$33.3 million of which are from discontinued operations), respectively, for the properties and land impairments of \$1.3 million and \$23.4 million, respectively.

As of September 30, 2020, the Company determined that a 566,215 square foot office property located in Hoboken, New Jersey was no longer being held for sale and that it would continue to own and operate this property. The property had originally been classified as held for sale as of June 30, 2020. The reclassified property had an aggregate book value of \$194.4 million, net of accumulated depreciation of \$25.4 million (and catch-up depreciation and amortization expense of \$3.8 million reflecting expense for the period from the date the property was originally held for sale through the date it was no longer held for sale, which was recorded at that date).

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	\$ 104,884	\$ 84,180	\$ 189,064
Building & Other	862,486	40,290	902,776
Less: Accumulated depreciation	(219,857)	(7,991)	(227,848)
Less: Cumulative unrealized losses on property held for sale	(105,448)	(44,140)	(149,588)
Real estate held for sale, net	\$ 642,065	\$ 72,339	\$ 714,404

	Suburban Office Portfolio (a)	Other Assets Held for Sale	Total
Other assets and liabilities			
Unbilled rents receivable, net (b)	\$ 22,207	\$ 2,048	\$ 24,255
Deferred charges, net (b)	21,536	773	22,309
Total intangibles, net (b)	26,208	-	26,208
Total deferred charges & other assets, net	50,413	789	51,202
Mortgages & loans payable, net (b)	123,738	-	123,738
Total below market liability (b)	7,092	-	7,092
Accounts payable, accrued exp & other liability	20,564	255	20,819
Unearned rents/deferred rental income (b)	4,565	203	4,768

(a) Classified as discontinued operations at September 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 properties during the nine months ended September 30, 2020 (*dollars in thousands*):

Disposition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet/Units	Property Type	Net Sales Proceeds	Net Carrying Value	Discontinued Operations:	
								Realized Gains (losses)/ Unrealized Losses, net	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
07/22/20	3 Giralda Farms (a)	Madison, New Jersey	1	141,000	Office	7,510	9,534	-	(2,024)
09/15/20	Morris portfolio (b)	Parsippany and Madison, New Jersey	10	1,448,420	Office	155,116	175,772	-	(20,656)
09/18/20	325 Columbia Turnpike	Florham Park, New Jersey	1	168,144	Office	24,276	8,020	-	16,256
09/24/20	9 Campus Drive (c)	Parsippany, New Jersey	1	156,945	Office	20,678	22,162	-	(1,484)
Sub-total			14	2,114,509		242,645	233,231	-	9,414
Unrealized losses on real estate held for sale								(7,915)	(33,314)
Totals			14	2,114,509		\$ 242,645	\$ 233,231	\$ (7,915)	\$ (23,900)

- (a) The Company recorded valuation allowances of \$2.0 million on the property while it was held for sale during the nine months ended September 30, 2020 and of \$16.7 million during the year ended December 31, 2019.  
(b) The Company recorded valuation allowances of \$21.6 million on the properties while they were held for sale during the nine months ended September 30, 2020 and of \$32.5 million during the year ended December 31, 2019.  
(c) The Company recorded a valuation allowance of \$3.5 million on this property during the year ended December 31, 2019.

The Company disposed of the following developable land holdings during the nine months ended September 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

#### Impairments on Properties Held and Used

The Company determined that, due to the shortening of its expected period of ownership and as a result of the adverse effect the COVID-19 pandemic has had, and continues to have, on its hotel operations, the Company evaluated the recoverability of the carrying values of its hotel properties and determined that it was necessary to reduce the carrying values of its two hotel assets located in Weehawken, New Jersey to their estimated fair values. Accordingly, the Company recorded an impairment charge of \$36.6 million at September 30, 2020, which is included in property impairments on the consolidated statement of operations for the three and nine months ended September 30, 2020.

#### 4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

As of September 30, 2020, the Company had an aggregate investment of approximately \$194.8 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 September 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 2,560 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 September 30, 2020, such debt had a total borrowing capacity of up to \$304.0 million of which the Company agreed to guarantee up to \$33.2 million. As of September 30, 2020, the outstanding balance of such debt totaled \$255.6 million of which \$28.4 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 \$0.6 million and \$0.6 million for such services in the three months ended September 30, 2020 and 2019, respectively. The Company had \$0.3 million and \$0.6 million in accounts receivable due from its unconsolidated joint ventures as of September 30, 2020 and December 31, 2019, respectively.

Included in the Company's investments in unconsolidated joint ventures as of September 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 \$110.2 million as of September 30, 2020. The Company's maximum exposure to loss as a result of its involvement with these VIEs is estimated to be approximately \$143.4 million, which includes the Company's current investment and estimated future funding commitments/guarantees of approximately \$33.2 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 September 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		Property Debt As of September 30, 2020		
				September 30, 2020	December 31, 2019	Balance	Maturity Date	Interest Rate
<b>Multi-family</b>								
Metropolitan and Lofts at 40 Park (b) (c)	189	units	25.00 %	\$ 3,746	\$ 7,257	\$ 60,767	(d)	(d)
RiverTrace at Port Imperial	316	units	22.50 %	6,808	7,463	82,000	11/10/26	3.21 %
Crystal House (e)	825	units	25.00 %	26,844	28,823	161,500	07/01/27	L+2.72%
PI North - Riverwalk C (f)	360	units	40.00 %	35,946	35,527	63,628	12/06/21	L+2.75%
Riverpark at Harrison (g)	141	units	45.00 %	787	1,015	30,192	07/01/35	3.19 %
Station House	378	units	50.00 %	33,860	35,676	95,576	07/01/33	4.82 %
Urby at Harborside (h)	762	units	85.00 %	74,847	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	-	-	-
<b>Office</b>								
12 Vreeland Road	139,750	sf	50.00 %	4,196	3,846 (j)	5,008	07/01/23	2.87 %
Offices at Crystal Lake	106,345	sf	31.25 %	3,668	3,521	2,733	11/01/23	4.76 %
<b>Other</b>								
Riverwalk Retail (k)	30,745	sf	20.00 %	-	1,467	-	-	-
Hyatt Regency Hotel Jersey City	351	rooms	50.00 %	-	-	100,000	10/01/26	3.668 %
Other (l)				100	729	-	-	-
Totals:				\$ 194,779	\$ 209,091	\$ 793,404		

- (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 interest only loan, collateralized by the Metropolitan at 40 Park, refinanced on September 18, 2020, with a balance of \$36,500, bears interest at LIBOR +2.85 percent, matures in October 2023; (ii) an amortizable loan, collateralized by the Shops at 40 Park, with a balance of \$6,067, bears interest at LIBOR +2.25 percent and matures in October 2021; (iii) an interest only loan, collateralized by the Lofts at 40 Park, with a balance of \$18,200, which bears interest at LIBOR +1.5 percent 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.
- (f) The venture has a construction loan with a maximum borrowing amount of \$112,000, of which the Company has guaranteed 10 percent of the principal outstanding.
- (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. The Company has guaranteed \$22 million of the principal outstanding debt.
- (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) 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.
- (l) The Company owns other interests in various unconsolidated joint ventures, including interests in assets previously owned and interest in ventures whose businesses are related to its core operations. These ventures are not expected to significantly impact the Company's operations in the near term.

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

Entity / Property Name	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Multi-family</b>				
Metropolitan at 40 Park	\$ (276)	\$ (135)	\$ (611)	\$ (333)
RiverTrace at Port Imperial	(3)	47	130	137
Crystal House	(257)	(117)	(598)	(526)
PI North - Riverwalk C / Land	(102)	(79)	(340)	(211)
Marbella II (b)	-	-	-	(15)
Riverpark at Harrison	(62)	(34)	(186)	(159)
Station House	(677)	(392)	(1,816)	(1,486)
Urby at Harborside	1,924(c)	(240)	1,915(c)	(989)
Liberty Landing	-	-	-	-
Hillsborough 206	-	-	-	-
<b>Office</b>				
Red Bank (d)	-	-	-	8
12 Vreeland Road	92	125	350	282
Offices at Crystal Lake	72	36	147	65
<b>Other</b>				
Riverwalk Retail (e)	-	(21)	(11)	(63)
Hyatt Regency Hotel Jersey City	412	750	363	2,388
Other	250	(53)	376	20
<b>Company's equity in earnings (loss) of unconsolidated joint ventures (a)</b>	<b>\$ 1,373</b>	<b>\$ (113)</b>	<b>\$ (281)</b>	<b>\$ (882)</b>

(a) Amounts are net of amortization of basis differences of \$143 and \$156 for the three months ended September 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) Includes \$2.6 million of the Company's share of the venture's income from its sale of an economic urban tax credit certificate from the State of New Jersey to a third party. The venture has an agreement to sell tax credits to a third party over the next seven years for \$3 million per year for a total of \$21 million. The sales are subject to the venture obtaining the tax credits from the State of New Jersey each year and transferring the tax credit certificate to the buyer each year.

(d) On February 28, 2019, the Company sold its 50 percent interest to its partner and realized a gain of \$0.9 million.

(e) 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

<i>(dollars in thousands)</i>	September 30, 2020	December 31, 2019
Deferred leasing costs	\$ 118,496	\$ 142,424
Deferred financing costs - unsecured revolving credit facility (a)	5,559	5,559
Accumulated amortization	(51,815)	(59,522)
Deferred charges, net	72,240	88,461
Notes receivable (b)	1,292	1,625
In-place lease values, related intangibles and other assets, net	72,665	86,092
Goodwill (c)	2,945	2,945
Right of use assets (d)	22,604	22,604
Prepaid expenses and other assets, net (e)	48,448	73,375
Total deferred charges, goodwill and other assets, net (f)	\$ 220,194	\$ 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 September 30, 2020 and December 31, 2019, respectively, an interest-free note receivable with a net present value of \$1.3 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 September 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 September 30, 2020 and December 31, 2019, \$50.4 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 September 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 payoff of the Company's outstanding term loans, the Company terminated interest rate swaps with the corresponding notional amount. These payoffs 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 \$0.1 million and \$1.9 million for the three and nine months ended September 30, 2019. No additional amounts were recorded for the three and nine months ended September 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 nine months ending September 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 September 30,													
Interest rate swaps	\$	-	\$ (195)	Interest expense	\$	-	\$ 551	Interest and other investment income (loss)	\$	-	\$ 132	\$ (20,265)	\$ (22,129)
Nine months ended September 30,													
Interest rate swaps	\$	-	\$ (4,608)	Interest expense	\$	16	\$ 3,419		\$	-	\$ 1,926	\$ (61,795)	\$ (67,817)

#### 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 September 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*):

	September 30, 2020		December 31, 2019	
Security deposits	\$	5,819	\$	5,677
Escrow and other reserve funds		8,688		9,900
Total restricted cash	\$	14,507	\$	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 September 30, 2020, the Company completed the sale of 16 of these suburban office properties, totaling 2.6 million square feet, for net sales proceeds of \$294.8 million. As of September 30, 2020, the Company has identified as held for sale the remaining 21 office properties (comprised of 12 identified disposal groups) in the Suburban Office Portfolio, totaling four million square feet (of which the Company currently has 10 properties totaling 1.9 million square feet under contract for sale for aggregate gross proceeds of \$407.5 million). In October 2020, the Company completed the sale of one of the properties held for sale, which was a 98,500 square foot office property, for gross proceeds of \$7.5 million.

The Company plans to complete the sale of its remaining Suburban Office Portfolio properties in late 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 10 of the remaining held for sale properties (comprised of five disposal groups) was not expected to be recovered from estimated net sales proceeds, and accordingly recognized an unrealized loss allowance of zero and \$33.3 million during the three and nine months ended September 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 nine months ended September 30, 2020 and 2019 (*dollars in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Total revenues	\$ 36,536	\$ 44,493	\$ 117,204	\$ 132,332
Operating and other expenses	(14,358)	(17,733)	(45,786)	(52,900)
Depreciation and amortization	(1,366)	(16,933)	(4,271)	(50,826)
Interest expense	(1,321)	(1,321)	(3,934)	(3,920)
Income from discontinued operations	19,491	8,506	63,213	24,686
Unrealized losses on disposition of rental property (a)	-	(10,063)	(33,314)	(15,865)
Realized gains (losses) on disposition of rental property (b)	15,775	-	9,414	-
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	15,775	(10,063)	(23,900)	(15,865)
Total discontinued operations, net	\$ 35,266	\$ (1,557)	\$ 39,313	\$ 8,821

(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 September 30, 2020 and December 31, 2019 is as follows (*dollars in thousands*):

	September 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	(1,671)	(2,170)	
Unamortized deferred financing costs	(969)	(1,346)	
Total senior unsecured notes, net	\$ 572,360	\$ 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 September 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,

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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 B1 by Moody's and BB- by S&P. On September 30, 2020, the Company gave notice of its election to exercise the first option to extend the 2017 Credit Facility maturity date for a period of six months. Accordingly, the term of the 2017 Credit Facility will be extended to July 2021, upon the Company's payment of the 7.5 basis point extension fee by January 2021.

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:

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

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans</b>	<b>Facility Fee Basis Points</b>
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 prepayment.

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:

<b>Total Leverage Ratio</b>	<b>Interest Rate - Applicable Basis Points above LIBOR</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans</b>
<45%	145.0	45.0
≥45% and <50%	155.0	55.0
≥50% and <55% (current ratio)	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:

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans</b>
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:

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>	<b>Facility Fee Basis Points</b>
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:

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

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>
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 September 30, 2020.

As of September 30, 2020 and December 31, 2019, the Company's borrowings under its unsecured credit facility totaled \$156 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 September 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 \$645 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 September 30, 2020.

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

Property/Project Name	Lender	Effective Rate (a)	September 30, 2020	December 31, 2019	Maturity
Monaco (b)	The Northwestern Mutual Life Insurance Co.	3.15%	\$ 165,537	\$ 166,752	02/01/21
Port Imperial South 4/5 Retail	American General Life & A/G PC	4.56%	3,883	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%	56,207	24,064	05/16/22
Port Imperial South 9 (e)	Bank of New York Mellon	LIBOR+2.13%	39,883	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%	33,088	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%	126,560	5,144	12/01/24
Portside 5/6 (i)	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 (l)	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.	Athene Annuity and Life Company	3.90%	150,000	150,000	09/01/29
Port Imperial South 4/5 Garage (k)	American General Life & A/G PC	4.85%	32,914	32,600	12/01/29
Principal balance outstanding			2,182,570	1,925,038	
Unamortized deferred financing costs			(15,048)	(17,004)	
Total mortgages, loans payable and other obligations, net			\$ 2,167,522	\$ 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 \$0.5 million as of September 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) The loan required an initial debt service coverage test for quarter ended September 30, 2020. Subsequent to September 30, 2020, the Company executed an agreement moving the initial debt service coverage test to March 31, 2021. The Company has guaranteed \$19.5 million of the outstanding principal, subject to certain conditions.
- (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, of which the Company has guaranteed 15 percent of the outstanding principal, subject to certain conditions.
- (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, of which the Company has guaranteed 10 percent of the outstanding principal, subject to certain conditions.
- (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, of which the Company has guaranteed 15 percent of the outstanding principal, subject to certain conditions.
- (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) The loan was modified to defer interest and principal payments for a six month period ending December 1, 2020. As of September 30, 2020, deferred interest of \$0.5 million has been added to the principal balance.
- (l) The Company has guaranteed 10 percent of the outstanding principal, subject to certain conditions.

#### CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the nine months ended September 30, 2020 and 2019 was \$72,874,000 and \$75,120,000 (of which \$3,862,000 and \$3,848,000 pertained to properties classified as discontinued operations), respectively. Interest capitalized by the Company for the nine months ended September 30, 2020 and 2019 was \$18,658,000 and \$14,315,000, respectively (which amounts included \$1,017,000 and \$990,000 for the nine months ended September 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 September 30, 2020, the Company's total indebtedness of \$2,895,882,000 (weighted average interest rate of 3.66 percent) was comprised of \$562,361,000 of unsecured revolving credit facility borrowings and other variable rate mortgage debt (weighted average

rate of 2.83 percent) and fixed rate debt and other obligations of \$2,333,521,000 (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 September 30, 2020 and 2019 was \$199,000 and \$212,000, respectively, and \$630,000 and \$720,000 for the nine months ended September 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 September 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 September 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 \$2,963,488,000 and \$2,791,629,000 as compared to the book value of approximately \$2,895,882,000 and \$2,808,517,000 as of September 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, room rental and food and beverage revenue 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, 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 September 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 or sale prices per purchase and sale agreements	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 or sale prices per purchase and sale agreements	Market rates per residential unit	Suburban	\$26,500 - \$35,000
		Market rates per square foot	Suburban	\$15.00 - \$25.00
Hotel properties on which the Company recognized impairment losses	Income capitalization	Discount rate	Waterfront	10%
		Exit Capitalization rate	Waterfront	7.50%

The Company identified as held for sale 21 office properties (comprised of 12 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 September 30, 2020 with an aggregate carrying value of \$714.4 million. 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 10 of the remaining held for sale properties (comprised of five 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 \$41.2 million during the nine months ended September 30, 2020, and land impairments of \$1.3 million and \$23.4 million during the three and nine months ended September 30, 2020, respectively.

The Company determined that, due to the shortening of its expected period of ownership and as a result of the adverse effect the COVID-19 pandemic has had, and continues to have, on its hotel operations, the Company evaluated the recoverability of the carrying values of its hotel properties and determined that it was necessary to reduce the carrying values of its two hotel assets located in Weehawken, New Jersey to their estimated fair values. Accordingly, the Company recorded an impairment charge of \$36.6 million at September 30, 2020 which is included in property impairments on the consolidated statement of operations for the three and nine months ended September 30, 2020.

Disclosure about fair value of assets and liabilities is based on pertinent information available to management as of September 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 September 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 September 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 \$226,000 for the three months ended September 30, 2020 and 2019, respectively, and \$792,000 and \$766,000 for the nine months ended September 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 \$1.0 million for the three months ended September 30, 2020 and 2019, respectively and \$3.2 million and \$3.2 million



for the nine months ended September 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.

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 \$0.5 million for the three months ended September 30, 2020 and 2019, respectively and \$1.6 million and \$0.6 million for the nine months ended September 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 September 30, 2020 and 2019, respectively and \$0.9 million and \$0.7 million for the nine months ended September 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 September 30, 2020 and 2019, respectively and \$1.1 million and \$1.0 million for the nine months ended September 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 \$0.3 million and \$0.5 million for the three months ended September 30, 2020 and 2019, respectively and \$1.4 million and \$1.6 million for the nine months ended September 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 \$0.2 million and \$0.3 million for the three months ended September 30, 2020 and 2019, respectively and \$0.8 million and \$1 million for the nine months ended September 30, 2020 and for the period from acquisition (January 31, 2019) through September 30, 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 September 30, 2020 and December 31, 2019, are as follows (*dollars in thousands*):

Year	As of September 30, 2020	
		Amount
October 1 through December 31, 2020	\$	437
2021		1,750
2022		1,750
2023		1,756
2024		1,776
2025 through 2098		154,722
Total lease payments		162,191
Less: imputed interest		(138,404)
Total	\$	23,787

Year	As of December 31, 2019	
		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 \$473,000 and \$640,000 for the three months ended September 30, 2020 and 2019, respectively, and \$1.8 million and \$1.2 million for the nine months ended September 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 September 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 \$90.8 million have been incurred through September 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$50.9 million as of September 30, 2020, and the remaining construction costs are expected to be funded from a \$92 million construction loan (of which \$39.9 million was drawn as of September 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 \$68.5 million has been incurred through September 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$35.4 million of the construction costs, and the remaining construction costs are expected to be funded from a \$64 million construction loan (of which \$33.1 million was drawn as of September 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 \$296.1 million has been incurred through September 30, 2020, is expected to be ready for occupancy in first quarter 2022. The Company has funded

\$169.5 million of the construction costs, and the remaining construction costs are expected to be funded from a \$300 million construction loan (of which \$126.6 million was drawn as of September 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. On August 8, 2020, the Company entered into a Consulting and Cooperating Agreement with Mr. DeMarco (the “Consulting Agreement”). Pursuant to the Consulting Agreement, in exchange for Mr. DeMarco’s providing certain consulting, cooperation, and transition services to the Company through December 31, 2020, Mr. DeMarco will be considered to have remained employed with the Company through the term of the Consulting Agreement solely for purposes of calculating the prorated vesting of outstanding time-based long-term incentive partnership units to which Mr. DeMarco is entitled upon his termination of employment with the Company.

Mr. DeMarco is eligible to receive the severance payments and benefits upon such a termination without cause (outside of a change in control) described under the heading “Employment Contracts; Potential Payments Upon Termination or Change in Control—Michael J. DeMarco Employment Agreement,” “—Michael J. DeMarco Class AO LTIP Award Agreement,” and “—Long-Term Incentive Plan Award Agreements,” each as set forth in the Company’s definitive revised proxy statement filed with the Securities and Exchange Commission on June 16, 2020, which description is incorporated by reference herein, and taking into account Mr. DeMarco’s target bonus percentage of 175% of base salary established for the year 2020.

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.

In September 2020, the Company terminated without cause Nicholas Hilton, its Executive Vice President of Leasing, and Deidre Crockett, its Chief Administrative Officer, pursuant to their respective employment agreements and associated equity award agreements with the Company.

During the third quarter 2020, the Company’s total costs incurred, net of LTIP forfeitures, related to the management restructuring activities discussed above, including the severance, separation and related costs for the departure of the Company’s former chief

executive officer and other executive officers, as well as other terminated employees, amounted to \$8.9 million (\$8.2 million included in general and administrative expense, and \$0.7 million included in the operating services).

## 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 September 30, 2020, after the effects of tax-free exchanges on certain of the originally contributed properties, either wholly or partially, over time, 18 of the Company's properties, as well as certain land and development projects, including properties classified as held for sale as of September 30, 2020, with an aggregate carrying value of approximately \$1.6 billion, are subject to these conditions.

In September 2020, the Company provided stay-on award agreements to 39 select employees, which provides them with the potential to receive compensation, in cash or Company stock, contingent upon remaining with the Company in good standing until the occurrence of certain corporate transactions, which have not been identified. The total potential cost of such awards is currently estimated to be up to approximately \$5 million, including the potential issuance of 116,043 shares of the Company's common stock. Such cash or stock awards would only be earned and payable if such transaction was identified and communicated to the employee within seven years of the agreement date, and all other conditions were satisfied.

In September 2020, the General Partner's Board of Directors approved a discretionary reimbursement of approximately \$6.1 million in fees and expenses incurred by Bow Street LLC in connection with its proxy solicitations in 2019 and 2020 that resulted in the election of Bow Street's nominees as directors of the General Partner at the 2019 and 2020 annual meetings of stockholders of the General Partner. The Board of Directors determined that the reimbursement was appropriate in light of the benefit to the General Partner and its stockholders of the refreshment of the Board of Directors that resulted from the proxy contests. The Company intends to reimburse this amount to Bow Street in three substantially equal payments in November 2020, January 2021 and April 2021, which the Company has recorded the \$6.1 million as general and administrative expense for the three and nine months periods ended September 30, 2020. Bow Street is an affiliate of A. Akiva Katz, a director of the General Partner, who is a co-founder and managing partner of Bow Street.

## 14. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2036. 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 September 30, 2020 and December 31, 2019 are as follows (*dollars in thousands*):

Year	As of September 30, 2020	
	Amount	
October 1 through December 31, 2020	\$	30,118
2021		113,651
2022		109,705
2023		104,382
2024		92,537
2025 and thereafter		550,773
Total	\$	1,001,166

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. 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. 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 September 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 September 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 September 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 September 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 \$480 million as of September 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

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 September 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 July 1, 2020	\$ 52,324	\$ 456,631	\$ 508,955
Redeemable Noncontrolling Interests Issued	-	-	-
Net	52,324	456,631	508,955
Income Attributed to Noncontrolling Interests	455	6,016	6,471
Distributions	(455)	(6,016)	(6,471)
Redemption Value Adjustment	-	2,397	2,397
Balance at September 30, 2020	\$ 52,324	\$ 459,028	\$ 511,352

	Series A and A-1 Preferred Units In MCRLP	Rockpoint Interests in RRT	Total Redeemable Noncontrolling Interests
Balance at July 1, 2019	\$ 52,324	\$ 444,048	\$ 496,372
Redeemable Noncontrolling Interests Issued	-	(67)	(67)
Net	52,324	443,981	496,305
Income Attributed to Noncontrolling Interests	455	6,016	6,471
Distributions	(455)	(6,016)	(6,471)
Redemption Value Adjustment	-	3,814	3,814
Balance at September 30, 2019	\$ 52,324	\$ 447,795	\$ 500,119



The following tables set forth the changes in Redeemable noncontrolling interests for the nine months ended September 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	1,365	18,048	19,413
Distributions	(1,365)	(18,048)	(19,413)
Redemption Value Adjustment	-	7,970	7,970
Redeemable noncontrolling interests as of September 30, 2020	\$ 52,324	\$ 459,028	\$ 511,352

	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)	-	143,450	143,450
Net	52,324	421,585	473,909
Income Attributed to Noncontrolling Interests	1,365	14,779	16,144
Distributions	(1,365)	(14,779)	(16,144)
Redemption Value Adjustment (including value adjustment attributable to Add On Investment Agreement)	-	26,210	26,210
Redeemable noncontrolling interests as of September 30, 2019	\$ 52,324	\$ 447,795	\$ 500,119

#### 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 nine months ended September 30, 2020 and 2019, respectively (*dollars in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Opening Balance	\$ 1,399,033	\$ 1,645,587	\$ 1,493,699	\$ 1,486,658
Net income (loss) available to common shareholders	(42,208)	(55,928)	(117,019)	166,513
Common stock distributions	(18,142)	(18,106)	(36,261)	(54,282)
Redeemable noncontrolling interests	(2,167)	(3,025)	(7,207)	(22,936)
Change in noncontrolling interests in consolidated joint ventures	-	-	-	(1,958)
Redemption of common units for common stock	-	-	-	705
Redemption of common units	-	-	-	(1,665)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	9	10	39	31
Directors' deferred compensation plan	76	81	215	238
Stock Compensation	394	7	1,158	490
Cancellation of unvested LTIP units	-	-	-	2,819
Other comprehensive income (loss)	-	(791)	18	(8,993)
Rebalancing of ownership percent between parent and subsidiaries	(875)	1,426	1,478	1,641
Balance at September 30	\$ 1,336,120	\$ 1,569,261	\$ 1,336,120	\$ 1,569,261

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 September 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 and DeMarco, former chief executive officers (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.

Pursuant to the Letter Agreement in connection with Ms. Gilmartin's appointment as the Company's interim Chief Executive Officer, the Company 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 the Option Agreement. However, the options, and any shares received upon exercise, will terminate and be forfeited if the Board of Directors 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. See Note 13-Commitments and Contingencies.

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

	Shares Under Options	Weighted Average Exercise Price	Aggregate Intrinsic Value \$(000's)
Outstanding at July 1, 2020	800,000	\$ 17.31	\$ -
Granted	172,495	14.39	
Outstanding at September 30, 2020 (\$14.39 - \$17.31)	972,495	\$ 16.79	\$ -
Options exercisable at September 30, 2020	972,495		
Available for grant at September 30, 2020	717,155		

	Shares Under Options	Weighted Average Exercise Price	Aggregate Intrinsic Value \$(000's)
Outstanding at July 1, 2019	800,000	\$ 17.31	\$ 4,784
Granted, Lapsed or Cancelled	-	-	
Outstanding at September 30, 2019 (\$17.31)	800,000	\$ 17.31	\$ 3,480
Options exercisable at September 30, 2019	800,000		
Available for grant at September 30, 2019	751,936		

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

	Shares Under Options	Weighted Average Exercise Price	Aggregate Intrinsic Value \$(000's)
Outstanding at January 1, 2020	800,000	\$ 17.31	\$ -
Granted	172,495	14.39	
Outstanding at September 30, 2020 (\$14.39 - \$17.31)	972,495	\$ 16.79	\$ -
Options exercisable at September 30, 2020	972,495		
Available for grant at September 30, 2020	717,155		

	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 September 30, 2019 (\$17.31)	800,000	\$ 17.31	\$ 3,480
Options exercisable at September 30, 2019	800,000		
Available for grant at September 30, 2019	751,936		

The weighted average fair value of options granted during the three and nine months ended September 30, 2020 was \$2.95 per option. The fair value of each option grant is estimated on the date of grant using the Black-Scholes model. The following weighted average assumptions are included in the Company's fair value calculations of stock options granted during the three and nine ended September 30, 2020:

	Stock Options
Expected life (in years)	5.3
Risk-free interest rate	0.41 %
Volatility	31.0 %
Dividend yield	2.7 %

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

As of September 30, 2020 and December 31, 2019, the stock options outstanding had a weighted average remaining contractual life of approximately 3.9 and 5.4 years, respectively.

The Company recognized stock options expense of \$192,000 and zero for the three and nine months ended September 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 nine months ended September 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 nine months ended September 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 September 30, 2020, the Company had \$1.5 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 2.4 years. The Company recognized AO LTIP unit expense of \$156,000 and \$155,000 for the three months ended September 30, 2020 and 2019, respectively, and \$466,000 and \$342,000 for the nine months ended September 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 52,974 unvested shares were legally outstanding at September 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 September 30, 2020 and 2019, respectively:

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at July 1, 2020	17,076	\$	21.08
Vested	(17,076)		21.08
Granted	52,974		15.29
Outstanding at September 30, 2020	52,974	\$	15.29

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at July 1, 2019	26,136	\$	25.80
Cancelled	(1,936)		25.83
Outstanding at September 30, 2019	24,200	\$	25.83

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

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2020	42,690	\$	21.08
Vested	(42,690)		21.08
Granted	52,974		15.29
Outstanding at September 30, 2020	52,974	\$	15.29

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2019	67,289	\$	22.43
Vested	(41,153)		20.29
Cancelled	(1,936)		25.83
Outstanding at September 30, 2019	24,200	\$	25.83

As of September 30, 2020, the Company had \$0.6 million of total 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 September 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 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 nine months ended September 30, 2020, the employees forfeited and cancelled 369,924 2017 LTIP Awards, 102,639 2018 LTIP Awards, 175,570 2019 LTIP Awards and 567,254 2020 LTIP Awards. As of September 30, 2020, a total of 11,155 2016 PBV LTIP Units, 75,578 2016 TBV LTIP Units, 21,492 2017 PBV LTIP Units, 76,705 2017 TBV LTIP Units, 542,651 2018 PBV LTIP Units, 177,179 2018 TBV LTIP Units, 249,058 2019 PBV LTIP Units, 140,995 2019 TBV LTIP Units, and 720,314 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 September 30, 2020, the Company had \$9.3 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 2.4 years.

#### **DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS**

The Amended and Restated Deferred Compensation Plan for Directors, which commenced January 1, 1999, allows non-employee directors of the Company to elect to defer up to 100 percent of their annual retainer fee into deferred stock units. The deferred stock units are convertible into an equal number of shares of common stock upon the directors' termination of service from the Board of Directors or a change in control of the Company, as defined in the plan. 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 September 30, 2020 and 2019, 5,952 and 3,724 deferred stock units were earned, respectively. During the nine months ended September 30, 2020 and 2019, respectively, 15,663 and 10,767 deferred stock units were earned, respectively. As of September 30, 2020 and December 31, 2019, there were 11,902 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 nine months ended September 30, 2020 and 2019 in accordance with ASC 260, Earnings Per Share (*dollars in thousands, except per share amounts*):

**Mack-Cali Realty Corporation:**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Computation of Basic EPS</b>				
Income (loss) from continuing operations	\$ (76,384)	\$ (54,464)	\$ (151,209)	\$ 190,423
Add (deduct): Noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Add (deduct): Noncontrolling interests in Operating Partnership	7,874	6,005	16,166	(18,191)
Add (deduct): Redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
Add (deduct): Redemption value adjustment of redeemable noncontrolling interests attributable to common shareholders	(2,167)	(3,025)	(7,207)	(22,936)
Income (loss) from continuing operations available to common shareholders	(76,253)	(57,550)	(159,763)	135,652
Income (loss) from discontinued operations available to common shareholders	31,878	(1,403)	35,537	7,925
Net income (loss) available to common shareholders for basic earnings per share	\$ (44,375)	\$ (58,953)	\$ (124,226)	\$ 143,577
Weighted average common shares	90,671	90,584	90,639	90,539
<b>Basic EPS:</b>				
Income (loss) from continuing operations available to common shareholders	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Income (loss) from discontinued operations available to common shareholders	0.35	(0.02)	0.39	0.09
Net income (loss) available to common shareholders	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Computation of Diluted EPS</b>				
Net income (loss) from continuing operations available to common shareholders	\$ (76,253)	\$ (57,550)	\$ (159,763)	\$ 135,652
Add (deduct): Noncontrolling interests in Operating Partnership	(7,874)	(6,005)	(16,166)	18,191
Add (deduct): Redemption value adjustment of redeemable noncontrolling interests attributable to the Operating Partnership unitholders	(230)	(334)	(763)	(2,541)
Income (loss) from continuing operations for diluted earnings per share	(84,357)	(63,889)	(176,692)	151,302
Income (loss) from discontinued operations for diluted earnings per share	35,266	(1,557)	39,313	8,821
Net income (loss) available for diluted earnings per share	\$ (49,091)	\$ (65,446)	\$ (137,379)	\$ 160,123
Weighted average common shares	100,307	100,560	100,235	100,802
<b>Diluted EPS:</b>				
Income (loss) from continuing operations available to common shareholders	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Income (loss) from discontinued operations available to common shareholders	0.35	(0.02)	0.39	0.09
Net income (loss) available to common shareholders	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Basic EPS shares	90,671	90,584	90,639	90,539
Add: Operating Partnership – common and vested LTIP units	9,636	9,976	9,596	10,068
Restricted Stock Awards	-	-	-	24
Stock Options	-	-	-	171
Diluted EPS Shares	100,307	100,560	100,235	100,802

Contingently issuable shares under Restricted Stock Awards were excluded from the denominator in the three and nine months ended September 30, 2020 and in the three months ended September 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 nine months ended September 30, 2020 and in the three months ended September 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 September 30, 2020 and 2019 were 1,738,065 and 1,826,331 LTIP Units, respectively. Unvested restricted stock outstanding as of September 30, 2020 and 2019 were 52,974 and 24,200 shares, respectively. Unvested AO LTIP Units outstanding as of September 30, 2020 and 2019 were 625,000 and 625,000, respectively.

Dividends declared per common share for the three month periods ended September 30, 2020 and 2019 was zero and \$0.20 per share, respectively. Dividends declared per common share for the nine month periods ended September 30, 2020 and 2019 was \$0.40 and \$0.60 per share, respectively.

#### Mack-Cali Realty, L.P.:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Computation of Basic EPU</b>				
Income (loss) from continuing operations	\$ (76,384)	\$ (54,464)	\$ (151,209)	\$ 190,423
Add (deduct): Noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Add (deduct): Redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
Add (deduct): Redemption value adjustment of redeemable noncontrolling interests	(2,397)	(3,359)	(7,970)	(25,477)
Income (loss) from continuing operations available to unitholders	(84,357)	(63,889)	(176,692)	151,302
Income (loss) from discontinued operations available to unitholders	35,266	(1,557)	39,313	8,821
Net income (loss) available to common unitholders for basic earnings per unit	\$ (49,091)	\$ (65,446)	\$ (137,379)	\$ 160,123

Weighted average common units	100,307	100,560	100,235	100,607
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<b>Basic EPU:</b>				
Income (loss) from continuing operations available to unitholders	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Income (loss) from discontinued operations available to unitholders	0.35	(0.02)	0.39	0.09
Net income (loss) available to common unitholders for basic earnings per unit	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Computation of Diluted EPU</b>				
Net income (loss) from continuing operations available to common unitholders	\$ (84,357)	\$ (63,889)	\$ (176,692)	\$ 151,302
Income (loss) from discontinued operations for diluted earnings per unit	35,266	(1,557)	39,313	8,821
Net income (loss) available to common unitholders for diluted earnings per unit	\$ (49,091)	\$ (65,446)	\$ (137,379)	\$ 160,123

Weighted average common unit	100,307	100,560	100,235	100,802
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<b>Diluted EPU:</b>				
Income (loss) from continuing operations available to common unitholders	\$ (0.84)	\$ (0.63)	\$ (1.76)	\$ 1.50
Income (loss) from discontinued operations available to common unitholders	0.35	(0.02)	0.39	0.09
Net income (loss) available to common unitholders	\$ (0.49)	\$ (0.65)	\$ (1.37)	\$ 1.59

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Basic EPU units	100,307	100,560	100,235	100,607
Add: Restricted Stock Awards	-	-	-	24
Add: Stock Options	-	-	-	171
Diluted EPU Units	100,307	100,560	100,235	100,802

Contingently issuable shares under Restricted Stock Awards were excluded from the denominator in the three and nine months ended September 30, 2020 and in the three months ended September 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 nine months ended September 30, 2020 and in the three months ended September 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 September 30, 2020 and September 30, 2019 were 1,738,065 and

1,826,331 LTIP Units, respectively. Unvested restricted stock outstanding as of September 30, 2020 and 2019 were 52,974 and 24,200 shares, respectively. Unvested AO LTIP Units outstanding as of September 30, 2020 and 2019 were 625,000 and 625,000, respectively.

Distributions declared per common unit for the three month periods ended September 30, 2020 and 2019 was zero and \$0.20 per unit, respectively. Distributions declared per common unit for the nine month periods ended September 30, 2020 and 2019 was \$0.40 and \$0.60 per unit, respectively.

## 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 nine months ended September 30, 2020 and 2019, respectively (*dollars in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Opening Balance	\$ 194,463	\$ 230,461	\$ 205,776	\$ 210,523
Net income	1,090	(93)	5,123	32,731
Unit distributions	(2,029)	(2,360)	(3,509)	(6,417)
Redeemable noncontrolling interests	(6,701)	(6,805)	(20,176)	(18,685)
Change in noncontrolling interests in consolidated joint ventures	-	-	133	9,110
Redemption of common units for common stock	-	-	-	(705)
Redemption of common units	(29)	(65)	(2,170)	(5,030)
Stock compensation	329	1,973	4,534	5,561
Cancellation of unvested LTIP units	-	-	(201)	(2,889)
Other comprehensive income (loss)	-	(87)	(34)	(960)
Rebalancing of ownership percentage between parent and subsidiaries	875	(1,426)	(1,478)	(1,641)
Balance at September 30	\$ 187,998	\$ 221,598	\$ 187,998	\$ 221,598

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 nine months ended September 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 \$1.5 million as of September 30, 2020.

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

#### Common Units

During the nine months ended September 30, 2020, the Company redeemed for cash 99,952 common units at their fair market value of \$2.2 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 September 30, 2020 and 2019, respectively.

	Common Units/ Vested LTIP Units	Unvested LTIP Units
Outstanding at July 1, 2020	9,586,528	2,659,518
Issuance of LTIP units	-	-
Redemption of common units	(2,225)	-
Conversion of LTIP units for common units	2,225	-
Vested LTIP units	86,030	(88,255)
Cancellation of units	-	(833,198)
Outstanding at September 30, 2020	9,672,558	1,738,065

	Common Units/ Vested LTIP Units	Unvested LTIP Units
Balance at July 1, 2019	9,976,344	1,826,331
Issuance of LTIP units	-	-
Redemption of common units for shares of common stock	-	-
Redemption of common units	(3,000)	-
Conversion of vested LTIP units to common units	-	-
Vested LTIP units	-	-
Cancellation of units	-	-
<b>Outstanding at September 30, 2019</b>	<b>9,973,344</b>	<b>1,826,331</b>

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 nine months ended September 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	(99,952)	-
Conversion of vested LTIP units to common units	6,655	-
Vested LTIP units	153,792	(160,447)
Issuance of units	-	1,287,568
Cancellation of units	(1)	(1,215,387)
<b>Balance at September 30, 2020</b>	<b>9,672,558</b>	<b>1,738,065</b>

	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	(304,638)	-
Conversion of vested LTIP units to common units	18,438	-
Vested LTIP units	68,206	(86,644)
Cancellation of unvested LTIP units	-	(359,754)
<b>Balance at September 30, 2019</b>	<b>9,973,344</b>	<b>1,826,331</b>

#### Noncontrolling Interests Ownership in Operating Partnership

As of September 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 nine months ended September 30, 2020 and 2019. The Company had no long lived assets in foreign locations as of September 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.

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Selected results of operations for the three and nine months ended September 30, 2020 and 2019 and selected asset information as of September 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
<b>Total revenues:</b>				
Three months ended:				
September 30, 2020	\$ 38,288	\$ 37,658	\$ 1,704	\$ 77,650
September 30, 2019	40,211	46,453	726	87,390
Nine months ended:				
September 30, 2020	112,597	118,739	1,021	232,357
September 30, 2019	135,803	127,521	937	264,261
<b>Total operating and interest expenses (a):</b>				
Three months ended:				
September 30, 2020	\$ 16,562	\$ 26,772	\$ 42,529	\$ 85,863
September 30, 2019	18,200	23,989	29,890	72,079
Nine months ended:				
September 30, 2020	54,035	71,689	101,669	227,393
September 30, 2019	60,254	67,606	94,656	222,516
<b>Equity in earnings (loss) of unconsolidated joint ventures:</b>				
Three months ended:				
September 30, 2020	\$ 493	\$ 880	\$ -	\$ 1,373
September 30, 2019	307	(420)	-	(113)
Nine months ended:				
September 30, 2020	(1)	(280)	-	(281)
September 30, 2019	1,540	(2,422)	-	(882)
<b>Net operating income (loss) (b):</b>				
Three months ended:				
September 30, 2020	\$ 22,219	\$ 11,766	\$ (40,825)	\$ (6,840)
September 30, 2019	22,318	22,044	(29,164)	15,198
Nine months ended:				
September 30, 2020	58,561	46,770	(100,648)	4,683
September 30, 2019	77,089	57,493	(93,719)	40,863
<b>Total assets:</b>				
September 30, 2020	\$ 1,912,093	\$ 3,265,827	\$ 12,823	\$ 5,190,743
December 31, 2019	2,178,321	3,079,409	35,068	5,292,798
<b>Total long-lived assets (c):</b>				
September 30, 2020	\$ 1,714,697	\$ 3,015,868	\$ (12)	\$ 4,730,553
December 31, 2019	1,947,053	2,812,306	3,834	4,763,193
<b>Total investments in unconsolidated joint ventures:</b>				
September 30, 2020	\$ 7,864	\$ 186,915	\$ -	\$ 194,779
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

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net operating income	\$ (6,840)	\$ 15,198	\$ 4,683	\$ 40,863
Add (deduct):				
Depreciation and amortization	(31,670)	(32,605)	(92,807)	(96,110)
Land and other impairments	(1,292)	(2,589)	(23,401)	(5,088)
Property impairments	(36,582)	-	(36,582)	-
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	(34,666)	(7,915)	233,698
Gain on disposition of developable land	-	296	4,813	566
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	(98)	-	1,801
<b>Income (loss) from continuing operations</b>	<b>(76,384)</b>	<b>(54,464)</b>	<b>(151,209)</b>	<b>190,423</b>
Discontinued operations				
Income from discontinued operations	19,491	8,506	63,213	24,686
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	15,775	(10,063)	(23,900)	(15,865)
<b>Total discontinued operations, net</b>	<b>35,266</b>	<b>(1,557)</b>	<b>39,313</b>	<b>8,821</b>
<b>Net income (loss)</b>	<b>(41,118)</b>	<b>(56,021)</b>	<b>(111,896)</b>	<b>199,244</b>
Noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Noncontrolling interests in Operating Partnership	7,874	6,005	16,166	(18,191)
Noncontrolling interest in discontinued operations	(3,388)	154	(3,776)	(896)
Redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
<b>Net income (loss) available to common shareholders</b>	<b>\$ (42,208)</b>	<b>\$ (55,928)</b>	<b>\$ (117,019)</b>	<b>\$ 166,513</b>



**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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net operating income	\$ (6,840)	\$ 15,198	\$ 4,683	\$ 40,863
Add (deduct):				
Depreciation and amortization	(31,670)	(32,605)	(92,807)	(96,110)
Land and other impairments	(1,292)	(2,589)	(23,401)	(5,088)
Property impairments	(36,582)	-	(36,582)	-
Gain on change of control of interests	-	-	-	13,790
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	(34,666)	(7,915)	233,698
Gain on disposition of developable land	-	296	4,813	566
Gain on sale of investment in unconsolidated joint venture	-	-	-	903
Gain from extinguishment of debt, net	-	(98)	-	1,801
<b>Income (loss) from continuing operations</b>	<b>(76,384)</b>	<b>(54,464)</b>	<b>(151,209)</b>	<b>190,423</b>
Discontinued operations				
Income from discontinued operations	19,491	8,506	63,213	24,686
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	15,775	(10,063)	(23,900)	(15,865)
<b>Total discontinued operations, net</b>	<b>35,266</b>	<b>(1,557)</b>	<b>39,313</b>	<b>8,821</b>
<b>Net income (loss)</b>	<b>(41,118)</b>	<b>(56,021)</b>	<b>(111,896)</b>	<b>199,244</b>
Noncontrolling interests in consolidated joint ventures	895	405	1,900	2,500
Redeemable noncontrolling interests	(6,471)	(6,471)	(19,413)	(16,144)
<b>Net income (loss) available to common unitholders</b>	<b>\$ (46,694)</b>	<b>\$ (62,087)</b>	<b>\$ (129,409)</b>	<b>\$ 185,600</b>

**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 September 30, 2020, the Company owned or had interests in 59 properties (collectively, the "Properties"), consisting of 29 office properties, totaling approximately 8.7 million square feet leased to approximately 225 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 September 30, 2020, the Company completed the sale of 16 of these suburban office properties, totaling 2.6 million square feet, for net sales proceeds of \$294.8 million. As of September 30, 2020, the Company has identified as held for sale the remaining 21 office properties (comprised of 12 identified disposal groups) in the Suburban Office Portfolio, totaling four million square feet (of which the Company currently has 10 properties totaling 1.9 million square feet under contract for sale for aggregate gross proceeds of \$407.5 million). In October 2020, the Company completed the sale of one of the properties held for sale, which was a 98,500 square foot office property, for gross proceeds of \$7.5 million.

The Company plans to complete the sale of its remaining Suburban Office Portfolio properties in late 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:

- ① the general economic climate;
- ① the occupancy rates of the Properties;
- ① rental rates on new or renewed leases;
- ① tenant improvement and leasing costs incurred to obtain and retain tenants;
- ① the extent of early lease terminations;
- ① the value of our office properties and the cash flow from the sale of such properties;
- ① operating expenses;
- ① anticipated acquisition and development costs for office and multi-family rental properties and the revenues and earnings from these properties;
- ① cost of capital; and
- ① 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 continued 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 8.3 million, 10.1 million and 11.2 million square feet at September 30, 2020, June 30, 2020 and September 30,

2019, respectively, was 78.2 percent leased at September 30, 2020 as compared to 80.3 percent leased at June 30, 2020 and 80.8 percent leased at September 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 September 30, 2020, June 30, 2020 and September 30, 2019 aggregate 25,712, 18,457 and 18,825 square feet, respectively, or 0.3, 0.2 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 September 30, 2020 (on 122,104 square feet of renewals) increased an average of 22.3 percent compared to rates that were in effect under the prior leases, as compared to an 11.4 percent increase during the three months ended September 30, 2019 (on 10,742 square feet of renewals). Estimated lease costs for the renewed leases during the three months ended September 30, 2020 averaged \$5.89 per square foot per year for a weighted average lease term of 5.7 years, and estimated lease costs for the renewed leases during the three months ended September 30, 2019 averaged \$5.01 per square foot per year for a weighted average lease term of 4.1 years. The Company believes, although there can be no assurance, that vacancy rates at most of its commercial properties have begun to bottom as the majority of the known move-outs at its waterfront portfolio have already occurred. As of September 30, 2020, commercial leases which comprise approximately 1.0 and 9.7 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 B1 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 nine months ended September 30, 2020, as compared to the three and nine months ended September 30, 2019, and
- ① liquidity and capital resources.

### *Recent Transactions*

#### **Properties Commencing Initial Operations**

The following property commenced initial operations during the nine months ended September 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	271	\$ 78,539
Totals				271	\$ 78,539

- (a) The Emery at Overlook Ridge property consists of a total of 326 multi-family units. Of this amount, the remaining 55 multi-family units were placed in service in October 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

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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
<b>Net assets recorded upon consolidation</b>	<b>\$ 15,033</b>

(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 21 office properties (comprised of 12 disposal groups) totaling four million square feet (See Note 7: Discontinued Operations – to the Financial Statements), a retail pad leased to others and several developable land parcels as held for sale as of September 30, 2020. The total estimated sales proceeds, net of expected selling costs, from the sales of all the remaining assets held for sale are expected to be approximately \$865.6 million, 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 10 of the remaining held for sale properties (comprised of five 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 nine months ended September 30, 2020, recognized an unrealized loss allowance of zero and \$41.2 million (zero and \$33.3 million of which are from discontinued operations), respectively, for the properties, and land impairments of \$1.3 million and \$23.4 million, respectively.

The Company disposed of the following office properties during the nine months ended September 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
07/22/20	3 Giralda Farms (a)	Madison, New Jersey	1	141,000	Office	7,510	9,534	-	(2,024)
09/15/20	Morris portfolio (b)	Parsippany and Madison, New Jersey	10	1,448,420	Office	155,116	175,772	-	(20,656)
09/18/20	325 Columbia Turnpike	Florham Park, New Jersey	1	168,144	Office	24,276	8,020	-	16,256
09/24/20	9 Campus Drive (c)	Parsippany, New Jersey	1	156,945	Office	20,678	22,162	-	(1,484)
<b>Sub-total</b>			<b>14</b>	<b>2,114,509</b>		<b>242,645</b>	<b>233,231</b>	<b>-</b>	<b>9,414</b>
<b>Unrealized losses on real estate held for sale</b>									<b>(7,915)</b>
<b>Totals</b>			<b>14</b>	<b>2,114,509</b>		<b>\$ 242,645</b>	<b>\$ 233,231</b>	<b>\$ (7,915)</b>	<b>\$ (23,900)</b>

- (a) The Company recorded valuation allowances of \$2.0 million on the held for sale property during the nine months ended September 30, 2020 and of \$16.7 million during the year ended December 31, 2019.  
(b) The Company recorded valuation allowances of \$21.6 million on the held for sale properties during the nine months ended September 30, 2020 and of \$32.5 million during the year ended December 31, 2019.  
(c) The Company recorded a valuation allowance of \$3.5 million on this property during the year ended December 31, 2019.

The Company disposed of the following developable land holdings during the nine months ended September 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

### Impairments on Properties Held and Used

The Company determined that, due to the shortening of its expected period of ownership and as a result of the adverse effect the COVID-19 pandemic has had, and continues to have, on its hotel operations, the Company evaluated the recoverability of the carrying values of its hotel properties and determined that it was necessary to reduce the carrying values of its two hotel assets located in Weehawken, New Jersey to their estimated fair values. Accordingly, the Company recorded an impairment charge of \$36.6 million at September 30, 2020 which is included in property impairments on the consolidated statement of operations for the three and nine months ended September 30, 2020.

### 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 nine months ended September 30, 2020 and 2019 was \$18.7 million and \$14.3 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:

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 – 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 nine months ended September 30, 2020 ("2020"), as compared to the three and nine months ended September 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 June 30, 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 nine-month period comparison) excluding properties sold, disposed of, removed from service, or being redeveloped or repositioned from January 1, 2019 through September 30, 2020; (ii) the effect of the "Acquired Properties," which represent all properties acquired by the Company or commencing initial operations from July 1, 2019 through September 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 September 30, 2020 (for the nine-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 September 30, 2020.

*Three Months Ended September 30, 2020 Compared to Three Months Ended September 30, 2019*

<i>(dollars in thousands)</i>	2020	Three Months Ended September 30, 2019	Dollar Change	Percent Change	
<b>Revenue from rental operations and other:</b>					
Revenue from leases	\$ 65,849	\$ 72,538	\$ (6,689)	(9.2)	%
Parking income	4,033	5,716	(1,683)	(29.4)	
Hotel income	893	3,325	(2,432)	(73.1)	
Other income	3,999	2,400	1,599	66.6	
<b>Total revenues from rental operations</b>	<b>74,774</b>	<b>83,979</b>	<b>(9,205)</b>	<b>(11.0)</b>	
<b>Property expenses:</b>					
Real estate taxes	10,816	11,151	(335)	(3.0)	
Utilities	3,598	4,402	(804)	(18.3)	
Operating services	18,942	18,109	833	4.6	
<b>Total property expenses</b>	<b>33,356</b>	<b>33,662</b>	<b>(306)</b>	<b>(0.9)</b>	
<b>Non-property revenues:</b>					
Real estate services	2,876	3,411	(535)	(15.7)	
<b>Total non-property revenues</b>	<b>2,876</b>	<b>3,411</b>	<b>(535)</b>	<b>(15.7)</b>	
<b>Non-property expenses:</b>					
Real estate services expenses	3,300	3,905	(605)	(15.5)	
General and administrative	28,945	12,571	16,374	130.3	
Depreciation and amortization	31,670	32,605	(935)	(2.9)	
Property impairments	36,582	-	36,582	-	
Land and other impairments	1,292	2,589	(1,297)	(50.1)	
<b>Total non-property expenses</b>	<b>101,789</b>	<b>51,670</b>	<b>50,119</b>	<b>97.0</b>	
Operating income (loss)	(57,495)	2,058	(59,553)	(2,893.7)	
<b>Other (expense) income:</b>					
Interest expense	(20,265)	(22,129)	1,864	8.4	
Interest and other investment income (loss)	3	188	(185)	(98.4)	
Equity in earnings (loss) of unconsolidated joint ventures	1,373	(113)	1,486	1,315.0	
Gain on change of control of interests	-	-	-	-	
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	(34,666)	34,666	100.0	
Gain on disposition of developable land	-	296	(296)	(100.0)	
Gain on sale of investment in unconsolidated joint ventures	-	-	-	-	
Gain from extinguishment of debt, net	-	(98)	98	100.0	
<b>Total other (expense) income</b>	<b>(18,889)</b>	<b>(56,522)</b>	<b>37,633</b>	<b>66.6</b>	
<b>Income (loss) from continuing operations</b>	<b>(76,384)</b>	<b>(54,464)</b>	<b>(21,920)</b>	<b>(40.2)</b>	
Discontinued operations:					
Income from discontinued operations	19,491	8,506	10,985	129.1	
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	15,775	(10,063)	25,838	256.8	
<b>Total discontinued operations</b>	<b>35,266</b>	<b>(1,557)</b>	<b>36,823</b>	<b>2,365.0</b>	
<b>Net income (loss)</b>	<b>\$ (41,118)</b>	<b>\$ (56,021)</b>	<b>\$ 14,903</b>	<b>26.6</b>	<b>%</b>

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
<b>Revenue from rental operations and other:</b>								
Revenue from leases	\$ (6,689)	(9.2) %	\$ (4,237)	(5.9) %	\$ 6,788	9.4 %	\$ (9,240)	(12.7) %
Parking income	(1,683)	(29.4)	(1,757)	(30.7)	349	6.1	(275)	(4.8)
Hotel income	(2,432)	(73.1)	(1,087)	(32.6)	(1,345)	(40.5)	-	-
Other income	1,599	66.6	1,819	75.8	161	6.7	(381)	(15.9)
<b>Total</b>	<b>\$ (9,205)</b>	<b>(11.0) %</b>	<b>\$ (5,262)</b>	<b>(6.3) %</b>	<b>\$ 5,953</b>	<b>7.1 %</b>	<b>\$ (9,896)</b>	<b>(11.8) %</b>
<b>Property expenses:</b>								
Real estate taxes	\$ (335)	(3.0) %	\$ (335)	(3.0) %	1,376	12.3 %	(1,376)	(12.3) %
Utilities	(804)	(18.3)	(195)	(4.5)	317	7.2	(926)	(21.0)
Operating services	833	4.6	765	4.2	2,955	16.3	(2,887)	(15.9)
<b>Total</b>	<b>\$ (306)</b>	<b>(0.9) %</b>	<b>\$ 235</b>	<b>0.7 %</b>	<b>\$ 4,648</b>	<b>13.8 %</b>	<b>\$ (5,189)</b>	<b>(15.4) %</b>
<b>OTHER DATA:</b>								
Number of Consolidated Properties	27		23		4		102	
Commercial Square feet (in thousands)	4,566		4,535		31		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 \$4.2 million, or 5.9 percent, for 2020 as compared to 2019, due primarily to a decrease in average same store percent leased of the multifamily residential portfolio.

**Parking income.** Parking income for the Same-Store Properties decreased \$1.8 million, or 30.7 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 \$1.1 million, or 32.6 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 \$1.8 million, or 75.8 percent, for 2020 as compared to 2019, due primarily to an increase in early lease termination and other related tenant income recognized in 2020, as compared to 2019.

**Real estate taxes.** Real estate taxes for the Same-Store Properties decreased \$0.3 million, or 3.0 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 4.5 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 increased \$0.8 million, or 4.2 percent, for 2020 as compared to 2019, due primarily to an increase in property maintenance 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 \$0.5 million, or 15.7 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 \$0.6 million, or 15.5 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 \$16.4 million, or 130.3 percent, for 2020 as compared to 2019. This increase was due primarily to management restructuring costs, including severance, separation and related costs, which amounted to \$8.2 million for 2020, costs incurred in connection with contested elections of the Board of Directors of \$7.0 million in 2020, and dead deal costs incurred in 2020 of \$2.6 million. These were partially offset by lower overhead salaries expenses in 2020 as

compared to 2019.

*Depreciation and amortization.* Depreciation and amortization decreased \$0.9 million, or 2.9 percent, for 2020 over 2019. This decrease was primarily due to lower depreciation of approximately \$3.6 million for properties sold or removed from service for 2020 as compared to 2019, and a decrease of approximately \$0.2 million in 2020 as compared to 2019 for the Same-Store Properties. These were partially offset by an increase of approximately \$2.9 million for 2020 as compared to 2019 in the Acquired Properties.

*Property impairments.* In 2020, the Company recorded impairment charges of \$36.6 million on its hotel properties in Weehawken, New Jersey.

*Land and other impairments.* In 2020, the Company recorded \$1.3 million of impairments of developable land parcels. In 2019, the Company incurred a valuation impairment charge of \$2.6 million on a developable land parcel. See Note 12: Disclosure of Fair Value of Assets and Liabilities.

*Interest expense.* Interest expense decreased \$1.9 million, or 8.4 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 \$0.2 million, or 98.4 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 increased \$1.5 million or 1,315.0 percent for 2020 as compared to 2019, due primarily to an increase of \$2.2 million for 2020 as compared to 2019 from the Urby at Harborside venture, which resulted from the Company's share of the sale of an economic urban tax credit.

*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 \$34.7 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 net loss from extinguishment of debt of \$0.1 million in connection with the prepayment of unsecured term loan balances 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 \$11.0 million for 2020 as compared to 2019, due primarily to a decrease in depreciation and amortization costs of \$15.6 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 gain of \$15.8 million on these properties in 2020, and a loss of \$10.1 million in 2019.

*Net income (loss).* Net income (loss) increased to a loss of \$41.1 million in 2020 from a loss of \$56.0 million in 2019. The increase was due to the factors discussed above.

	Nine Months Ended September 30,		Dollar	Percent	
(dollars in thousands)	2020	2019	Change	Change	
<b>Revenue from rental operations and other:</b>					
Revenues from leases	\$ 201,091	\$ 224,947	\$ (23,856)	(10.6)	%
Parking income	12,332	16,097	(3,765)	(23.4)	
Hotel income	3,290	5,702	(2,412)	(42.3)	
Other income	7,020	6,732	288	4.3	
Total revenues from rental operations	223,733	253,478	(29,745)	(11.7)	
<b>Property expenses:</b>					
Real estate taxes	32,326	33,813	(1,487)	(4.4)	
Utilities	10,564	14,605	(4,041)	(27.7)	
Operating services	50,639	52,821	(2,182)	(4.1)	
Total property expenses	93,529	101,239	(7,710)	(7.6)	
<b>Non-property revenues:</b>					
Real estate services	8,624	10,783	(2,159)	(20.0)	
Total non-property revenues	8,624	10,783	(2,159)	(20.0)	
<b>Non-property expenses:</b>					
Real estate services expenses	10,106	12,150	(2,044)	(16.8)	
General and administrative	62,005	42,836	19,169	44.7	
Depreciation and amortization	92,807	96,110	(3,303)	(3.4)	
Property impairments	36,582	-	36,582	-	
Land and other impairments	23,401	5,088	18,313	359.9	
Total non-property expenses	224,901	156,184	68,717	44.0	
Operating income	(86,073)	6,838	(92,911)	(1,358.7)	
<b>Other (expense) income:</b>					
Interest expense	(61,795)	(67,817)	6,022	8.9	
Interest and other investment income	42	1,526	(1,484)	(97.2)	
Equity in earnings (loss) of unconsolidated joint ventures	(281)	(882)	601	68.1	
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)	233,698	(241,613)	(103.4)	
Gain on disposition of developable land	4,813	566	4,247	750.4	
Gain on sale of investment in unconsolidated joint venture	-	903	(903)	(100.0)	
Gain from extinguishment of debt, net	-	1,801	(1,801)	(100.0)	
Total other (expense) income	(65,136)	183,585	(248,721)	(135.5)	
Income (loss) from continuing operations	(151,209)	190,423	(341,632)	(179.4)	
<b>Discontinued operations:</b>					
Income from discontinued operations	63,213	24,686	38,527	156.1	
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	(23,900)	(15,865)	(8,035)	(50.6)	
Total discontinued operations, net	39,313	8,821	30,492	345.7	
Net income (loss)	\$ (111,896)	\$ 199,244	\$ (311,140)	(156.2)	%

(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
<b>Revenue from rental operations and other:</b>								
Revenue from leases	\$ (23,856)	(10.6) %	\$ (9,795)	(4.3) %	\$ 33,131	14.7 %	\$ (47,192)	(21.0) %
Parking income	(3,765)	(23.4)	(4,406)	(27.4)	1,554	9.7	(913)	(5.7)
Hotel Income	(2,412)	(42.3)	(2,070)	(36.3)	(342)	(6.0)	-	-
Other income	288	4.3	1,766	26.2	766	11.4	(2,244)	(33.3)
Total	\$ (29,745)	(11.7) %	\$ (14,505)	(5.7) %	\$ 35,109	13.9 %	\$ (50,349)	(19.9) %
<b>Property expenses:</b>								
Real estate taxes	\$ (1,487)	(4.4) %	\$ (1,884)	(5.5) %	\$ 6,912	20.4 %	\$ (6,515)	(19.3) %
Utilities	(4,041)	(27.7)	(1,055)	(7.2)	1,289	8.8	(4,275)	(29.3)
Operating services	(2,182)	(4.1)	(3,630)	(6.9)	13,357	25.3	(11,909)	(22.5)
Total	\$ (7,710)	(7.6) %	\$ (6,569)	(6.5) %	\$ 21,558	21.3 %	\$ (22,699)	(22.4) %
<b>OTHER DATA:</b>								
Number of Consolidated Properties	27		21		6		102	
Commercial Square feet (in thousands)	4,566		4,535		31		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 decreased \$9.8 million, or 4.3 percent, for 2020 as compared to 2019, due primarily to a decrease in average same store percent leased of the multifamily residential portfolio in 2020, as compared to 2019.

*Parking income.* Parking income for the Same-Store Properties decreased \$4.4 million, or 27.4 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 \$2.1 million, or 36.3 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 \$1.8 million, or 26.2 percent, for 2020 as compared to 2019, due primarily to early lease termination and other related tenant income recognized in 2020, as compared to 2019.

*Real estate taxes.* Real estate taxes for the Same-Store Properties decreased \$1.9 million, or 5.5 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 \$1.1 million, or 7.2 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 \$3.6 million, or 6.9 percent, for 2020 as compared to 2019, due primarily to a decrease in property maintenance and other services expenses in 2020 as compared to 2019.

*Real estate services revenue.* Real estate services revenue (primarily reimbursement of property personnel costs) decreased \$2.2 million, or 20.0 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 \$2.0 million, or 16.8 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 \$19.2 million, or 44.7 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 \$8.7 million (\$12.8 million in 2020 versus \$4.1 million in 2019), management restructuring costs, including severance, separation and related costs, which amounted to \$8.2 million in 2020 and dead deal costs incurred in 2020 of \$2.6 million.

*Depreciation and amortization.* Depreciation and amortization decreased \$3.3 million, or 3.4 percent, for 2020 over 2019. This decrease was due primarily to a decrease of approximately \$13.6 million for 2020 as compared to 2019 for properties sold or removed from

service, and a decrease of approximately \$3.3 million in 2020 as compared to 2019 for the Same-Store Properties. These were partially offset by an increase of approximately \$13.6 million in 2020 as compared to 2019 for the Acquired Properties.

*Property impairments.* In 2020, the Company recorded impairment charges of \$36.6 million on its hotel properties in Weehawken, New Jersey.

*Land and other impairments.* In 2020, the Company recorded \$23.4 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 valuation impairment charges of \$5.1 million on developable land parcels. See Note 12: Disclosure of Fair Value of Assets and Liabilities – to the Financial Statements.

*Interest expense.* Interest expense decreased \$6.0 million, or 8.9 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 \$1.5 million, or 97.2 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 increased \$0.6 million or 68.1 percent, for 2020 as compared to 2019, due primarily to an increase of \$2.9 million for 2020 as compared to 2019 from the Urby at Harborside venture, which resulted from the Company's share of the sale of an economic urban tax credit. This was partially offset by a decrease of \$2.0 million for 2020 as compared to 2019 from the Hyatt Regency Hotel Jersey City venture, due to the hotel being shut down since March 2020.

*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 \$233.7 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 \$0.6 million on the sale of land holdings located in Malden and Revere, 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 \$1.8 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 \$38.5 million for 2020 as compared to 2019, due primarily to a decrease in depreciation and amortization costs of \$46.6 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 \$23.9 million on these properties in 2020, and a loss of \$5.9 million in 2019.

*Net income (loss).* Net income (loss) decreased to a loss of \$111.9 million in 2020 from net income of \$199.2 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 \$407.5 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.

### **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 \$90.8 million have been incurred through September 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$50.9 million as of September 30, 2020, and the remaining construction costs are expected to be funded from a \$92 million construction loan (of which \$39.9 million was drawn as of September 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 \$68.5 million has been incurred through September 30, 2020, is expected to be ready for occupancy in first quarter 2021. The Company has funded \$35.4 million of the construction costs, and the remaining construction costs are expected to be funded from a \$64 million construction loan (of which \$33.1 million was drawn as of September 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 \$296.1 million have been incurred through September 30, 2020, is expected to be ready for occupancy in first quarter 2022. The Company has funded \$169.5 million of the construction costs, and the remaining construction costs are expected to be funded from a \$300 million construction loan (of which \$126.6 million was drawn as of September 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. 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. The dividends paid to date for 2020 are expected to fully satisfy the above minimum distribution requirement.



On September 30, 2020, the Company announced that its Board of Directors was suspending its common dividends and distributions attributable to the third and fourth quarters 2020. As the Company's management estimated that as of September 2020 it had satisfied its dividends obligations as a REIT on taxable income expected for 2020, the Board made the strategic decision to suspend its common dividends and distributions for the remainder of 2020 in an effort to provide greater financial flexibility during the pandemic and to retain incremental capital to support leasing initiatives at its Harborside commercial office properties on the Jersey City waterfront.

### **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 September 30, 2020, after the effects of tax-free exchanges on certain of the originally contributed properties, either wholly or partially, over time, 18 of the Company's properties, as well as certain land and development projects, including properties classified as held for sale as of September 30, 2020, with an aggregate carrying value of approximately \$1.6 billion, are subject to these conditions.

### **Unencumbered Properties**

As of September 30, 2020, the Company had 22 unencumbered properties with a carrying value of \$1.3 billion representing 46.8 percent of the Company's total consolidated property count.

### ***Cash Flows***

Cash, cash equivalents and restricted cash decreased by \$0.1 million to \$37.4 million at September 30, 2020, compared to \$41.2 million at December 31, 2019. This increase is comprised of the following net cash flow items:

- (1) \$76.6 million provided by operating activities.
- (2) \$83 million used in investing activities, consisting primarily of the following:
  - (a) \$1.7 million used for investments in unconsolidated joint ventures; plus
  - (b) \$16.2 million used for rental property acquisitions and related intangibles; plus
  - (c) \$123.8 million used for additions to rental property and improvements; plus
  - (d) \$227.5 million used for the development of rental property, other related costs and deposits; minus
  - (e) \$257.5 million net cash from investing activities - discontinued operations; minus
  - (f) \$16.4 million from proceeds from the sales of rental property; minus
  - (g) \$0.3 million received from repayments of notes receivables; minus
  - (h) \$12 million received from distributions in excess of cumulative earnings from unconsolidated joint ventures.
- (3) \$2.6 million provided by financing activities, consisting primarily of the following:
  - (a) \$191 million from borrowings under the unsecured revolving credit facility; plus
  - (b) \$258.5 million from proceeds received from mortgages and loans payable; plus
  - (c) \$0.1 million from distribution to noncontrolling interests; minus
  - (d) \$364 million used for repayments of unsecured revolving credit facility; minus
  - (e) \$0.3 million used for repayments of mortgages, loans payable and other obligations; minus
  - (f) \$79.9 million used for payments of dividends and distributions; minus
  - (g) \$0.7 million used for payment of finance cost; minus
  - (h) \$2.2 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 September 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	19.74%	4.09%	2.06
Fixed Rate Secured Debt (b)	1,769,834	60.74%	3.79%	5.74
Variable Rate Secured Debt	412,737	14.17%	3.33%	3.21
Variable Rate Unsecured Debt (c)	156,000	5.35%	1.50%	0.82
<b>Totals/Weighted Average:</b>	<b>\$ 2,913,571</b>	<b>100.00%</b>	<b>3.66% (b)</b>	<b>4.39</b>
Adjustment for unamortized debt discount	(1,671)			
Unamortized deferred financing costs	(16,018)			
<b>Total Debt, Net</b>	<b>\$ 2,895,882</b>			

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.16 percent as of September 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 \$2.9 million for the nine months ended September 30, 2020. Weighted average maturity includes extension of maturity of unsecured revolving credit facility to July 2021 based on Company's payment of extension fee in January 2021.

### Debt Maturities

Scheduled principal payments and related weighted average annual effective interest rates for the Company's debt as of September 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	\$ 831	\$ -	\$ 831	4.82%
2021 (b)	590	324,801	325,391	2.35%
2022	550	490,089	490,639	4.00%
2023	2,323	367,086	369,409	3.42%
2024	3,928	434,560	438,488	3.79%
2025	3,799	-	3,799	3.96%
Thereafter	14,701	1,269,774	1,284,475	3.88%
Sub-total	26,722	2,886,310	2,913,032	3.66%
Adjustment for unamortized debt discount/premium, net as of September 30, 2020	(1,671)	-	(1,671)	
Unamortized mark-to-market	539	-	539	
Unamortized deferred financing costs	(16,018)	-	(16,018)	
<b>Totals/Weighted Average</b>	<b>\$ 9,572</b>	<b>\$ 2,886,310</b>	<b>\$ 2,895,882</b>	<b>3.66% (c)</b>

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.16 percent as of September 30, 2020, plus the applicable spread.

(b) Includes outstanding borrowings of the Company's unsecured revolving credit facility of \$156 million.

(c) Excludes amortized deferred financing costs primarily pertaining to the Company's unsecured revolving credit facility which amounted to \$2.9 million for the nine months ended September 30, 2020.

### Senior Unsecured Notes

The terms of the Company's senior unsecured notes (which totaled approximately \$575.0 million as of September 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 B1 by Moody’s and BB- by S&P. On September 30, 2020, the Company gave notice of its election to exercise the first option to extend the 2017 Credit Facility maturity date for a period of six months. Accordingly, the term of the 2017 Credit Facility will be extended to July 2021, upon the Company’s payment of the 7.5 basis point extension fee by January 2021.

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:

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

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans</b>	<b>Facility Fee Basis Points</b>
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 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:

<b>Total Leverage Ratio</b>	<b>Interest Rate - Applicable Basis Points above LIBOR</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans</b>
<45%	145.0	45.0
≥45% and <50%	155.0	55.0
≥50% and <55% (current ratio)	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:

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR for Alternate Base Rate Loans</b>
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:

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>	<b>Facility Fee Basis Points</b>
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:

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

<b>Operating Partnership's Unsecured Debt Ratings: Higher of S&amp;P or Moody's</b>	<b>Interest Rate - Applicable Basis Points Above LIBOR</b>
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 November 2, 2020, the Company had outstanding borrowings of \$177 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 September 30, 2020 and 2019, respectively.

	Common Stock	Common Units/Vested LTIP Units	Total
Outstanding at July 1, 2020	90,596,723	9,586,528	100,183,251
Restricted stock issued	52,974		52,974
Conversion of deferred stock units for common stock	61,277		61,277
Common units redeemed for common stock	-	-	-
Redemption of common units	-	(2,225)	(2,225)
Conversion of LTIP units for common units	-	2,225	2,225
Vested LTIP units	-	86,030	86,030
Cancellation of restricted stock	-	-	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1,081	-	1,081
Outstanding at September 30, 2020	90,712,055	9,672,558	100,384,613

	Common Stock	Common Units/Vested LTIP Units	Total
Outstanding at July, 2019	90,553,357	9,976,344	100,529,701
Common units redeemed for common stock	-	-	-
Redemption of common units	-	(3,000)	(3,000)
Conversion of LTIP units for common units	-	-	-
Conversion of deferred stock units for common stock	-	-	-
Vested LTIP units	-	-	-
Cancellation of restricted stock	(1,936)	-	(1,936)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	546	-	546
Outstanding at September 30, 2019	90,551,967	9,973,344	100,525,311

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 nine months ended September 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
Restricted stock issued	52,974	-	52,974
Conversion of deferred stock units for common stock	61,277	-	61,277
Common units redeemed for common stock	-	-	-
Conversion of LTIP units for common units	-	6,655	6,655
Vested LTIP units	-	153,792	153,792
Cancellation of common unit	-	(1)	(1)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	2,628	-	2,628
Redemption of common units	-	(99,952)	(99,952)
Outstanding at September 30, 2020	90,712,055	9,672,558	100,384,613

	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
Cancellation of restricted stock	(1,936)	-	(1,936)
Shares issued under Dividend Reinvestment and Stock Purchase Plan	1,637	-	1,637
Redemption of common units	-	(304,638)	(304,638)
Outstanding at September 30, 2019	90,551,967	9,973,344	100,525,311

#### **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 September 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 November 2, 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 November 2, 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 November 2, 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 \$304.0 million of which the Company has agreed to guarantee up to \$33.2 million. As of September 30, 2020, the outstanding balance of such debt totaled \$255.6 million of which \$28.4 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 September 30, 2020:

(dollars in thousands)	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	157,949	157,949 (a)	-	-	-	-
Mortgages, loans payable and other obligations (b)	2,493,061	230,291	425,644 (c)	576,291 (d)	1,260,835	-
Payments in lieu of taxes (PILOT)	11,430	7,197	4,233	-	-	-
Ground lease payments	162,191	1,750	3,504	3,521	8,749	144,667
Other obligations	6,167	6,167	-	-	-	-
Total	\$ 3,458,786	\$ 425,517	\$ 1,039,206	\$ 579,812	\$ 1,269,584	\$ 144,667

- (a) Interest payments assume LIBOR rate of 0.16 percent, which is the weighted average rate on this outstanding variable rate debt at September 30, 2020, plus the applicable spread.  
(b) Interest payments assume LIBOR rate of 0.17 percent, which is the weighted average rate on its outstanding variable rate mortgage debt at September 30, 2020, plus the applicable spread.  
(c) Includes \$223 million pertaining to various mortgages with one-year extension options.  
(d) Includes \$127 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").

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 nine months ended September 30, 2020 and 2019 (*in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss) available to common shareholders	\$ (42,208)	\$ (55,928)	\$ (117,019)	\$ 166,513
Add (deduct): Noncontrolling interests in Operating Partnership	(7,874)	(6,005)	(16,166)	18,191
Noncontrolling interests in discontinued operations	3,388	(154)	3,776	896
Real estate-related depreciation and amortization on continuing operations (a)	34,665	35,785	101,560	104,197
Real estate-related depreciation and amortization on discontinued operations	1,366	16,797	4,271	50,418
Property impairments on continuing operations	36,582	-	36,582	-
Property impairments on discontinued operations	-	5,894	-	11,696
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	-	34,666	7,915	(233,698)
Discontinued operations: Realized (gains) losses and unrealized losses on disposition of rental property, net	(15,775)	413	23,900	413
Funds from operations available to common stock and Operating Partnership unitholders (b)	\$ 10,144	\$ 31,468	\$ 44,819	\$ 103,933

- (a) Includes the Company's share from unconsolidated joint ventures, and adjustments for noncontrolling interests, of \$3,331 and \$3,655 for the three months ended September 30, 2020 and 2019, respectively, and \$10,020 and \$9,341 for the nine months ended September 30, 2020 and 2019, respectively. Excludes non-real estate-related depreciation and amortization of \$336 and \$611 for the three months ended September 30, 2020 and 2019, respectively, and \$1,268 and \$1,661 for the nine months ended September 30, 2020 and 2019, respectively.
- (b) Net income available to common shareholders for the three months ended September 30, 2020 and 2019, included \$1,292 and \$2,589, respectively, of land impairment charges and zero and \$296, 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 nine months ended September 30, 2020 and 2019, included \$23,401 and \$5,088, respectively, of land impairment charges and \$4,813 and \$566, 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

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 September 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 September 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 \$5.6 million annually and the increase or decrease in the fair value of the Company's fixed rate debt as of September 30, 2020 would be approximately \$101.2 million.

September 30, 2020

<u>Debt,</u> <u>including current portion</u> <u>(\$s in thousands)</u>	<u>10/1/20 -</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>Fair</u> <u>Value</u>
Fixed Rate	\$ 831	\$ 169,391	\$ 300,550	\$ 336,321	\$ 311,927	\$ 3,799	\$ 1,221,475	\$ 2,344,294	\$ (11,715)	\$ 2,332,579	\$ 2,400,186
Average Interest Rate	4.85%	3.19%	4.61%	3.53%	3.43%	3.96%	3.86%			3.86%	
Variable Rate	\$ -	\$ 156,000	\$ 190,089	\$ 33,088	\$ 126,561	\$ -	\$ 63,000	\$ 568,738	\$ (5,435)	\$ 563,303	\$ 563,303

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

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) On November 3, 2020, the General Partner entered into amended and restated employment agreements with each of David Smetana, the General Partner's Chief Financial Officer, Ricardo Cardoso, the General Partner's Executive Vice President and Chief Investment Officer, Gary T. Wagner, the General Partner's General Counsel and Secretary, and Giovanni M. DeBari, the General Partner's Chief Accounting Officer (each, an "Employment Agreement" and, collectively, the "Employment Agreements").

Each of the Employment Agreements with Messrs. Smetana, Cardoso, Wagner and DeBari (each, an "Executive") provides as follows:

- An initial term through December 31, 2022;
- An annual base salary of \$550,000 for Mr. Cardoso and \$450,000 for Messrs. Smetana, Wagner and DeBari;
- An annual cash bonus opportunity to be based on performance goals to be established annually by the General Partner's board of directors or the executive compensation and option committee of the board of directors, with bonus opportunities for 2021 of (a) 50% of base salary for threshold performance for Messrs. Smetana, Cardoso and Wagner and 20% of base salary for threshold performance for Mr. DeBari, (b) 100% of base salary for target performance for Messrs. Smetana, Cardoso and Wagner and 40% of base salary for target performance for M. DeBari, and (c) 200% of base salary for maximum performance for Mr. Cardoso, 150% of base salary for maximum performance for Messrs. Smetana and Wagner, and 60% of base salary for maximum performance for Mr. DeBari;
- During the term of the employment agreement, eligibility to be granted long-term incentive or equity awards as may be determined by the General Partner's board of directors or the executive compensation and option committee of the board of directors, provided that for 2021 and 2022, Mr. Cardoso shall be eligible to receive an award of long-term incentive plan ("LTIP") units of limited partnership interests ("LTIP Units") of the Company with a target grant date value of \$2 million, which LTIP Units may be earned from 0% to 200% based on the aggregate gross sales price of office properties sold from August 1, 2020 to December 31, 2022

for not less than 85% of its estimated net asset value, with threshold performance of \$500 million in sales volume, target performance of \$700 million in sales volume and maximum performance of \$900 million in sales volume, with linear interpolation of payouts between performance levels.

- Upon a termination on account of death or disability, the Executive, or his beneficiaries in the case of death, will receive payments (payable as and when such amounts would have been payable had the Executive's employment not ended) consisting of accrued and unpaid base salary, expense reimbursement and benefits under the General Partner's health and welfare plans through the termination date, any earned but unpaid annual bonus for the previous year, plus a prorated portion of the annual bonus payable for the year of such termination based on actual performance for such year; and
- Upon a termination without "cause" (as defined in each of the Employment Agreements) or by the executive for "good reason" (as defined in each of the Employment Agreements) during the term of the applicable Employment Agreement, subject to the Executive signing a release in the form attached to each of the Employment Agreements, the Executive will be entitled to the same benefits as in the event of a termination due to death or disability, plus (a) a lump sum cash payment equal to one and one-half (1.5) times the sum of the Executive's (i) annual base salary immediately prior to the termination date and (ii) target annual bonus for the year of such termination and (b) COBRA payments for up to 18 months after termination; provided, however, that if such termination occurs during a "change in control period" (as defined in each of the Employment Agreements), the lump sum payment described in clause (a) above shall be equal to two (2.0) times the sum of Executive's (i) annual base salary immediately prior to the termination date and (ii) target annual bonus for the year of such termination.

Under each of the Employment Agreements, each Executive will be subject to certain restrictive covenants, including non-competition and non-solicitation covenants during his employment with the General Partner and for one year after termination of employment, in each case in circumstances in which the Executive is entitled to receive severance benefits under his Employment Agreement following the termination of employment. In addition, each Executive will be entitled to customary employee benefits under the Company's health and welfare plans.

Disclosure of the Employment Agreements is being made under this Part II, Item 5 of Form 10-Q in lieu of Items 1.01, 5.02 and 9.01 of Form 8-K. Copies of the Employment Agreements for Messrs. Smetana, Cardoso, Wagner and DeBari are filed as Exhibits 10.117 through 10.120 to this Quarterly Report on Form 10-Q and are incorporated by reference herein.

(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**

<b>Exhibit Number</b>	<b>Exhibit Title</b>
3.1	<a href="#"><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></a>
3.2	<a href="#"><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></a>
3.3	<a href="#"><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></a>
3.4	<a href="#"><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></a>
3.5	<a href="#"><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></a>
3.6	<a href="#"><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></a>
3.7	<a href="#"><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-Q dated September 30, 2003 and incorporated herein by reference).</u></a>
3.8	<a href="#"><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></a>
3.9	<a href="#"><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></a>
3.10	<a href="#"><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></a>
3.11	<a href="#"><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></a>
3.12	<a href="#"><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></a>
3.13	<a href="#"><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></a>
3.14	<a href="#"><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></a>
3.15	<a href="#"><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></a>
3.16	<a href="#"><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></a>
3.17	<a href="#"><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></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
3.18	<a href="#"><u>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).</u></a>
4.1	<a href="#"><u>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).</u></a>
4.2	<a href="#"><u>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).</u></a>
4.3	<a href="#"><u>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).</u></a>
4.4	<a href="#"><u>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).</u></a>
4.5	<a href="#"><u>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).</u></a>
4.6	<a href="#"><u>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).</u></a>
4.7	<a href="#"><u>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).</u></a>
4.8	<a href="#"><u>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).</u></a>
4.9	<a href="#"><u>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).</u></a>
4.10	<a href="#"><u>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).</u></a>
4.11	<a href="#"><u>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).</u></a>
4.12	<a href="#"><u>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).</u></a>
4.13	<a href="#"><u>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).</u></a>
4.14	<a href="#"><u>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).</u></a>
4.15	<a href="#"><u>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).</u></a>
4.16	<a href="#"><u>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).</u></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
4.17	<a href="#">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).</a>
4.18	<a href="#">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).</a>
4.19	<a href="#">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).</a>
10.1	<a href="#">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).</a>
10.2#	<a href="#">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).</a>
10.3#	<a href="#">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).</a>
10.4#	<a href="#">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).</a>
10.5#	<a href="#">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).</a>
10.6#	<a href="#">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).</a>
10.7#	<a href="#">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).</a>
10.8#	<a href="#">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).</a>
10.9#	<a href="#">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).</a>
10.10#	<a href="#">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).</a>
10.11#	<a href="#">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).</a>
10.12#	<a href="#">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).</a>
10.13#	<a href="#">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).</a>
10.14#	<a href="#">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).</a>
10.15#	<a href="#">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).</a>
10.16#	<a href="#">Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan G. Philipposian 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).</a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.17#	<a href="#"><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></a>
10.18#	<a href="#"><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></a>
10.19#	<a href="#"><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></a>
10.20#	<a href="#"><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></a>
10.21#	<a href="#"><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></a>
10.22#	<a href="#"><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></a>
10.23#	<a href="#"><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></a>
10.24	<a href="#"><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></a>
10.25	<a href="#"><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></a>
10.26	<a href="#"><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></a>
10.27	<a href="#"><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></a>
10.28	<a href="#"><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></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.29	<a href="#"><u>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).</u></a>
10.30	<a href="#"><u>Development Agreement dated December 5, 2011 by and between M-C Plaza VI &amp; 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).</u></a>
10.31	<a href="#"><u>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).</u></a>
10.32	<a href="#"><u>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).</u></a>
10.33#	<a href="#"><u>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).</u></a>
10.34#	<a href="#"><u>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).</u></a>
10.35#	<a href="#"><u>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).</u></a>
10.36	<a href="#"><u>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).</u></a>
10.37	<a href="#"><u>Agreement dated February 28, 2014 by and among Mack-Cali Realty Corporation, Land &amp; Buildings Capital Growth Fund, L.P., Land &amp; 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).</u></a>
10.38#	<a href="#"><u>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).</u></a>
10.39	<a href="#"><u>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).</u></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.40#	<a href="#"><u>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).</u></a>
10.41#	<a href="#"><u>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).</u></a>
10.42#	<a href="#"><u>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).</u></a>
10.43#	<a href="#"><u>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).</u></a>
10.44#	<a href="#"><u>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).</u></a>
10.45#	<a href="#"><u>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).</u></a>
10.46#	<a href="#"><u>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).</u></a>
10.47#	<a href="#"><u>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).</u></a>
10.48#	<a href="#"><u>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).</u></a>
10.49#	<a href="#"><u>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).</u></a>
10.50	<a href="#"><u>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 &amp; 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).</u></a>
10.51	<a href="#"><u>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).</u></a>
10.52	<a href="#"><u>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).</u></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.53	<a href="#"><u>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).</u></a>
10.54	<a href="#"><u>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).</u></a>
10.55	<a href="#"><u>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).</u></a>
10.56#	<a href="#"><u>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).</u></a>
10.57#	<a href="#"><u>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).</u></a>
10.58#	<a href="#"><u>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).</u></a>
10.59#	<a href="#"><u>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).</u></a>
10.60	<a href="#"><u>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).</u></a>
10.61	<a href="#"><u>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).</u></a>
10.62	<a href="#"><u>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).</u></a>
10.63	<a href="#"><u>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).</u></a>
10.64	<a href="#"><u>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).</u></a>
10.65	<a href="#"><u>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).</u></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.66	<a href="#"><u>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).</u></a>
10.67	<a href="#"><u>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).</u></a>
10.68	<a href="#"><u>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).</u></a>
10.69	<a href="#"><u>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).</u></a>
10.70	<a href="#"><u>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).</u></a>
10.71	<a href="#"><u>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).</u></a>
10.72#	<a href="#"><u>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).</u></a>
10.73#	<a href="#"><u>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).</u></a>
10.74#	<a href="#"><u>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).</u></a>
10.75#	<a href="#"><u>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).</u></a>
10.76#	<a href="#"><u>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).</u></a>
10.77#	<a href="#"><u>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).</u></a>
10.78#	<a href="#"><u>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).</u></a>



<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.79#	<a href="#"><u>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).</u></a>
10.80#	<a href="#"><u>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).</u></a>
10.81#	<a href="#"><u>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).</u></a>
10.82#	<a href="#"><u>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).</u></a>
10.83#	<a href="#"><u>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).</u></a>
10.84#	<a href="#"><u>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).</u></a>
10.85#	<a href="#"><u>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).</u></a>
10.86	<a href="#"><u>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).</u></a>
10.87	<a href="#"><u>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 &amp; 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).</u></a>
10.88	<a href="#"><u>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).</u></a>
10.89	<a href="#"><u>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).</u></a>
10.90	<a href="#"><u>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).</u></a>
10.91#	<a href="#"><u>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).</u></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.92	<a href="#"><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></a>
10.93	<a href="#"><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></a>
10.94	<a href="#"><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></a>
10.95	<a href="#"><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></a>
10.96	<a href="#"><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></a>
10.97	<a href="#"><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></a>
10.98	<a href="#"><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></a>
10.99	<a href="#"><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></a>
10.100#	<a href="#"><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></a>
10.101#	<a href="#"><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></a>
10.102#	<a href="#"><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></a>
10.103#	<a href="#"><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></a>
10.104#	<a href="#"><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></a>
10.105#	<a href="#"><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></a>
10.106	<a href="#"><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></a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
10.107	<a href="#">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).</a>
10.108	<a href="#">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).</a>
10.109#	<a href="#">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).</a>
10.110#	<a href="#">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).</a>
10.111#	<a href="#">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).</a>
10.112#	<a href="#">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).</a>
10.113	<a href="#">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).</a>
10.114#	<a href="#">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).</a>
10.115#	<a href="#">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).</a>
10.116#	<a href="#">Consulting and Cooperation Agreement, dated as of August 8, 2020, by and among Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., and Michael J. DeMarco (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 8, 2020 and incorporated herein by reference).</a>
10.117**	<a href="#">Amended and Restated Executive Employment Agreement dated November 3, 2020, by and between Mack-Cali Realty Corporation and David Smetana.</a>
10.118**	<a href="#">Amended and Restated Executive Employment Agreement dated November 3, 2020, by and between Mack-Cali Realty Corporation and Ricardo Cardoso.</a>
10.119**	<a href="#">Amended and Restated Executive Employment Agreement dated November 3, 2020, by and between Mack-Cali Realty Corporation and Gary T. Wagner.</a>
10.120**	<a href="#">Amended and Restated Executive Employment Agreement dated November 3, 2020, by and between Mack-Cali Realty Corporation and Giovanni M. DeBari.</a>
31.1*	<a href="#">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.</a>
31.2*	<a href="#">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.</a>
31.3*	<a href="#">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.</a>
31.4*	<a href="#">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.</a>
32.1*	<a href="#">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.</a>
32.2*	<a href="#">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.</a>

<b>Exhibit Number</b>	<b>Exhibit Title</b>
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 September 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: November 4, 2020

By: /s/ MaryAnne Gilmartin  
MaryAnne Gilmartin  
Interim Chief Executive Officer  
(principal executive officer)

Date: November 4, 2020

By: /s/ David J. Smetana  
David J. Smetana  
Chief Financial Officer  
(principal financial officer)

Date: November 4, 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: November 4, 2020

By: /s/ MaryAnne Gilmartin  
MaryAnne Gilmartin  
Interim Chief Executive Officer  
(principal executive officer)

Date: November 4, 2020

By: /s/ David J. Smetana  
David J. Smetana  
Chief Financial Officer  
(principal financial officer)

Date: November 4, 2020

By: /s/ Giovanni M. DeBari  
Giovanni M. DeBari  
Chief Accounting Officer  
(principal accounting officer)

**AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (the “Agreement”) is entered into on November 3, 2020, effective as of January 1, 2021 (the “Effective Date”), by and between David Smetana (the “Executive”), and Mack-Cali Realty Corporation, a Maryland corporation (the “Company”) with offices at Harborside 3, 210 Hudson St., Suite 400, Jersey City, NJ 07311.

**RECITALS**

WHEREAS, the Executive is currently employed by the Company as its Chief Financial Officer pursuant to an Employment Agreement dated January 29, 2018 (“Original Agreement”); and

WHEREAS, the Parties desire to amend and restate the Original Agreement, on the terms and conditions set forth herein; and

WHEREAS, the Company desires to continue to employ Executive, and to enter into this Agreement to set forth the terms and conditions of his continued employment, and Executive desires to accept such continued employment, pursuant to the terms and provisions set forth herein;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

**1. Employment.**

The Company hereby agrees to continue to employ Executive, and Executive hereby agrees to accept such continued employment, upon the terms and conditions set forth in this Agreement. Effective as of the Effective Date, the terms and conditions of Executive’s employment shall be governed by the terms of this Agreement, which shall supersede all prior understandings and agreements, written or oral, with respect to Executive’s employment; provided, that the Indemnification Agreement, dated January 29, 2018, between the Executive and the Company, and any agreements entered into prior to the Effective Date evidencing outstanding equity or long-term incentive awards shall remain in effect.

**2. Employment Period.**

(a) Subject to Sections 3(b) and 5 hereof, the Company agrees to continue to employ the Executive, and the Executive agrees to continue to be employed by the Company, in each case pursuant to this Agreement, for a period commencing on the Effective Date, and ending December 31, 2022 (the “Term”). On each December 31 during the Term, commencing with December 31, 2022, the Term will be automatically extended for an additional one year, through the following December 31, unless either party notifies the other party in writing, not fewer than ninety (90) days prior to such December 31, that it has elected not to extend the Term, in which event the Term shall expire on such December 31.

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(b) Notwithstanding anything contained herein to the contrary: (i) Executive's employment with the Company may be terminated by the Company or Executive during the Term, subject to the terms and conditions of this Agreement; and (ii) nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Term upon such terms and conditions as the Board of Directors of the Company (the "Board"), and Executive may mutually agree. The Executive's period of employment pursuant to this Agreement shall hereinafter be referred to as the "Employment Period".

### **3. Duties and Responsibilities.**

(a) During the Employment Period, Executive shall be employed and serve as the Chief Financial Officer of the Company reporting directly to the Chief Executive Officer of the Company (the "CEO"). In his position, Executive shall perform such duties, functions and responsibilities during the Employment Period, commensurate with the Executive's position, as reasonably and lawfully directed by the CEO.

(b) Executive shall devote substantially all of his business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Company (which, for all purposes of this Section 3(b), shall include all Subsidiaries of the Company). Without limiting the foregoing, Executive shall not engage in any other business, occupation or related activity during the Employment Period that (i) conflicts with the interests of the Company or its subsidiaries, (ii) interferes with the proper and efficient performance of his duties for the Company, or (iii) interferes with the exercise of his judgment in the Company's best interests. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for Executive to (iv) with the advance approval of the Board or the Governance Committee of the Board (not to be unreasonably withheld), serve on corporate, civic or charitable boards or committees, (v) deliver lectures, fulfill speaking engagements or teach at educational institutions, or (vi) manage personal investments, including real estate investments, so long as such activities do not significantly interfere with or significantly detract from the performance of Executive's responsibilities to the Company in accordance with this Agreement, and provided that any real estate investments or activities within Hudson County in the State of New Jersey shall be limited to passive, non-controlling investments and activities.

### **4. Compensation and Benefits.**

(a) **Base Salary.** Effective on the Effective Date and during the Employment Period, the Company shall pay Executive an annual base salary in the amount of \$450,000 (the "Annual Base Salary"), payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. Executive's Annual Base Salary shall be reviewed, at least annually, for merit increases and may, by action and in the discretion of the Board or its Executive Compensation and Option Committee (the "Compensation Committee"), be increased at any time or from time to time, but may not be decreased from the then current Annual Base Salary without Executive's prior written consent.

(b) Incentive Compensation/Bonuses. In addition, for each calendar year during the Employment Period, Executive shall be eligible to receive annual cash incentive compensation as follows:

- Bonus Opportunity: For each fiscal year during the Employment Period, Executive shall be eligible to receive an annual bonus (the "Annual Bonus") under the terms of the Company's annual bonus plan as in effect from time to time, based on the achievement of performance criteria established by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. For fiscal year 2021, Executive shall be eligible to receive an Annual Bonus equal to fifty percent (50%) of his Annual Base Salary earned in 2021 if threshold performance is attained, an Annual Bonus equal to one hundred percent (100%) of his Annual Base Salary earned in 2021 ("Target Bonus") if target performance is attained and an Annual Bonus equal to one hundred fifty percent (150%) of his Annual Base Salary earned in 2021 if performance equals or exceeds the maximum performance level established. The threshold, target and maximum Annual Bonus for each subsequent fiscal year of the Term and the corresponding performance criteria shall be determined in good faith by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. In respect to the Annual Bonus for the final year of the Term, as may be extended pursuant to Section 2(b), provided that Executive is employed by the Company until the expiration of the Term and that Executive's employment was not terminated for Cause by the Company following the Term, any qualitative performance evaluation will be performed by December 16 of the final year, and the achievement of quantitative performance metrics shall be determined based on actual performance for the final year and determined on or before March 31 of the year following the final year of the Term, whether or not Executive is employed during the year following the final year.

Payment of Annual Bonuses to Executive, if any, shall be made in the same manner and at the same time that other senior-level executives receive their annual bonus awards, but in any event on or before the end of the first quarter following the end of the applicable performance year.

- During the Employment Period, Executive shall be eligible to be granted long term incentive or equity awards as may be determined by the Board or the Compensation Committee in its sole discretion under such plans and programs as may be in effect from time to time.

(c) Taxes and Withholding. Anything in this Agreement to the contrary notwithstanding, all payments required to be made by the Company hereunder to Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withholding as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.



(d) Additional Benefits. In addition to the compensation specified above and other benefits provided pursuant to this Section 4, Executive shall be entitled to the following benefits:

(i) participation in the Mack-Cali Realty Corporation 401(k) Savings and Retirement Plan (subject to statutory rules and maximum contributions and non-discrimination requirements applicable to 401(k) plans) and eligibility to participate in such other benefit plans and programs, including but not limited to restricted stock, phantom stock and/or unit awards, and any other incentive compensation plans or programs (whether or not employee benefit plans or programs), as maintained by the Company from time to time and made generally available to executives of the Company with such participation to be consistent with reasonable Company guidelines and each pursuant to the terms and conditions of such benefit plan as they may exist from time to time;

(ii) participation in any health insurance, disability insurance, paid vacation, group life insurance or other welfare benefit program made generally available to executives of the Company, subject to the general eligibility and participation provisions set forth in such plans;

(iii) participation in all deferred compensation, retirement or other benefit plans or perquisites as may be provided to any other executive of the Company on terms and conditions at least as favorable to the Executive as the terms and conditions generally applicable to all other executives of the Company who are also executive officers of the Company (as defined in Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")); and

(iv) upon the submission of proper substantiation by Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of executive personnel, reimbursement for all reasonable expenses actually paid or incurred by Executive during the Employment Period in the course of and pursuant to the business of the Company.

#### **5. Termination of Employment; Severance Agreement.**

(a) Termination. The Employment Period, and Executive's employment with the Company, shall terminate upon the earliest to occur of (i) Executive's death, (ii) a termination by the Company by reason of Executive's Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company, any of its subsidiaries or any third party boards or committees of which Executive is a member for or on behalf of the Company or as a result of his employment with the Company. For the avoidance of doubt, the expiration of the Term in accordance with Section 2(a) shall not be considered a termination of Executive's employment by the Company with or without Cause or the resignation of Executive for Good Reason or otherwise, and Executive's employment shall not be considered to have been constructively terminated for any reason unless he resigns for Good Reason in accordance with this Agreement.

(b) Notice of Termination. Any termination of Executive's employment by the Company or any such termination by Executive (other than on account of death) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. In the event of the termination of Executive's employment on account of death, written Notice of Termination shall be deemed to have been provided on the date of death.

(c) "Cause" shall mean the intentional and willful commission by Executive of any of the following acts or omissions:

(i) willful and continued failure to use best efforts to substantially perform his duties to the Company (other than any such failure resulting from Executive's incapacity due to physical or mental illness) for a period of thirty (30) days after written demand for substantial performance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially performed his duties;

(ii) material and continued failure to comply with Executive's obligations under any written policy of the Company applicable to senior executives as approved by the Board from time to time for a period of thirty (30) days after written demand for substantial compliance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially complied;

(iii) any act of fraud, embezzlement, misappropriation, or misuse for personal benefit of the assets or property of the Company; or

(iv) A conviction of or plea of "guilty" or "no contest" to a felony under the laws of the United States or any state thereof;

For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in furtherance of, or not opposed to, the interests of the Company. Any determination of Cause will be made by the Board at a duly held meeting of the Board (held after reasonable notice to Executive and reasonable opportunity for him, together with his counsel, to be heard before the Board at the meeting) and pursuant to resolutions duly adopted by the affirmative vote of the majority of the Board present and voting at such meeting finding that in the good faith opinion of the Board after reasonable investigation that Executive has engaged in acts or omissions constituting Cause, provided that no such determination may be made, until Executive has been given written notice detailing the specific Cause event and, where applicable, the lapsing of any cure period.

(d) "Change in Control" shall mean that any of the following events has occurred:

(i) any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company or any of its Subsidiaries, becomes the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the shares of common stock of the Company (the “Shares”) issued and outstanding immediately prior to such acquisition;

(ii) any Shares are purchased pursuant to a tender or exchange offer that results in any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act becoming the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the Shares issued and outstanding immediately prior to such tender or exchange offer; or

(iii) (x) the dissolution or liquidation of the Company; or (y) the consummation of any merger or consolidation of the Company; or (z) any sale or other disposition of all or substantially all of its assets; if the shareholders of the Company immediately prior to such transaction own, immediately after consummation of such transaction, directly or indirectly equity securities (other than options and other rights to acquire equity securities) possessing less than 30% of the voting power of the surviving entity in the case of (y) above, or of the acquiring entity in the case of (z) above.

(e) “Change in Control Period” shall mean the period commencing on the earlier of (i) the date that a Change in Control occurs or (ii) the date that the Company enters into a definitive agreement with respect to a transaction, the consummation of which would constitute a Change in Control (provided it is actually consummated), and in either case ending on the second anniversary of the Change in Control.

(f) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(g) “Disability” shall mean the inability of Executive, as a result of any medically determinable physical or mental disease, injury, or congenital condition, to substantially perform his principal duties to the Company, with or without reasonable accommodation, for a continuous period of one hundred and eighty (180) days, or periods aggregating two hundred and seventy (270) days in any twelve (12) month period.

(h) “Good Reason” shall mean, without the express written consent of Executive, the occurrence of any of the following circumstances during either the Employment Period or a Change in Control Period:

(i) the material diminishment of Executive’s authority, duties or responsibilities as Chief Financial Officer, it being understood that during a Change in Control Period, Good Reason shall be deemed to have occurred if Executive is not the Chief Financial Officer of the Company (or the entity succeeding to the Company’s business) following the Change in Control;

(ii) a material reduction in Executive’s Annual Base Salary, it being understood that any reduction below the Base Salary as in effect as of the Effective Date shall constitute Good Reason;

(iii) a material change in the geographic location at which the Executive must perform the services under this Agreement; or

(iv) the failure of the Company to obtain agreement from any successor to assume and agree to perform this Agreement.

Notwithstanding the foregoing, Executive shall not be considered to have resigned for Good Reason unless, Executive gives the Company written notice of resignation, specifying in reasonable detail the circumstance constituting Good Reason, not more than thirty (30) days after the occurrence of such circumstance, and the Company fails to cure such circumstance within thirty (30) days after receipt of such notice; provided, that if the Company does cure such circumstance within such period Executive may withdraw his notice of resignation without prejudice within ten (10) days after the end of the cure period.

(i) "Termination Date" shall mean the date on which Executive's employment is terminated for any reason.

The definitions contained in Sections 5(c) through 5(i) shall apply for all purposes under this Agreement.

#### **6. Severance Benefits Resulting from Death or Disability.**

Upon a termination of Executive's employment by reason of death or Disability whether before or after the expiration of the Term, Executive (or the representative of his estate) shall be entitled to receive the following payments and benefits, subject to compliance in the case of Disability with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) The following "Accrued Obligations", payable as and when those amounts would have been payable had the Employment Period not ended:

(i) all accrued but unpaid Base Salary through the Termination Date;

(ii) any unpaid or unreimbursed expenses incurred in accordance with Company policy to the extent incurred during the Employment Period;

(iii) any accrued but unpaid benefits provided under the Company's employee benefit plans (not including any severance, separation pay, or supplemental unemployment benefit plan), subject to and in accordance with the terms of those plans;

(iv) any earned but unpaid Annual Bonus in respect to any completed fiscal year that has ended on or prior to the Termination Date; and

(v) rights to indemnification by virtue of Executive's position as an officer or director of the Company or its subsidiaries and the benefits under any directors' and officers' liability insurance policy maintained by the Company, in accordance with its terms thereof.

(b) An amount equal to Executive's Annual Bonus for the year in which the Termination Date occurs, based upon the Company's actual performance for the year, multiplied by a fraction, the numerator of which is the number of days in such year through and including the Termination Date and the denominator of which is the total number of days in such year, payable at the same time that Annual Bonuses are paid to active employees.

**7. Severance Benefits upon Termination Without Cause, or Resignation for Good Reason during the Term or a Change of Control Period.**

In the event that either during the Term or thereafter during a Change in Control Period (i) the Company terminates Executive's employment for any reason other than Cause or Disability, or (ii) Executive resigns for Good Reason, Executive shall be entitled to receive the following payments and benefits, subject to compliance with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) All payments and benefits described in Section 6.

(b) A lump sum cash payment in an amount equal to one and one half (1.5) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs, payable as soon as practicable after the Termination Date; provided however, that if such termination occurs during a Change in Control Period, the lump sum cash payment shall be in an amount equal to two (2) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs.

(c) If Executive elects, on behalf of himself or his eligible dependents, to continue medical coverage under any medical plan of the Company pursuant to the provisions of Section 4980B of the Code or any other applicable law ("COBRA"), and such election is available to him pursuant to then governing law, and complies with all requirements for such coverage, an amount, payable not later than the last day of each month that such coverage is in effect, up to a maximum of eighteen (18) months, (or such shorter duration as governing law may then allow) equal to the excess, if any, of the premium paid by Executive for such coverage pursuant to COBRA over the premium that would be paid by an active employee for comparable coverage (the "Medical Continuation"). If Executive's continuation coverage is terminated for any reason other than dictate of governing law prior to the end of such eighteen (18) month period, the Company's obligations under this Section 7(c) shall terminate, regardless of whether the termination of Executive's coverage constitutes a second qualifying event as defined by COBRA with respect to any other dependent.

**8. Compensation or Severance Benefits upon Termination of Employment by the Company for Cause, Termination by the Company Without Cause following the Term, or Resignation by Executive following the Term.**

(a) Termination by the Company for Cause or Resignation without Good Reason during the Term. In the event the Company terminates Executive's employment for Cause (whether during the Term or thereafter), or Executive resigns without Good Reason prior to the expiration of the Term, Executive shall only be entitled to receive the Accrued Obligations, payable as and when those amounts would have been payable had the Employment Period not ended.

(b) Termination by the Company without Cause or Resignation by Executive with Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), the Company terminates Executive's employment for any reason other than as set forth in Sections 6, 7 or 8(a), or Executive resigns with Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a termination by Company.

(c) Resignation by Executive without Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), Executive resigns without Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a resignation by Executive.

**9. Release.**

Notwithstanding anything to the contrary above, all benefits and payments that may become payable pursuant to Section 6, 7 or 8 (other than the Accrued Obligations) are conditioned on Executive, or the representative of his estate, executing a release of claims and covenant not to sue, in form attached hereto as Exhibit B (the "Release"), and the period provided in such Release having expired without Executive exercising his right to revoke, not later than sixty (60) days after the Termination Date (subject to Section 15(e)(iv)), and if Executive fails to execute such Release, revokes the Release, or the revocation period has not yet expired by the end of such sixty (60) day period, Executive shall have no right to any such payment or benefit.

**10. Effect on Employee Benefit Plans and Programs and Long-Term Incentive and Equity Awards; Adjustment of Payments and Benefits.**

(a) Effect on Employee Benefit Programs. The termination of Executive's employment hereunder, whether by the Company or Executive, shall have no effect on the rights and obligations of the parties hereto under the Company's (i) welfare benefit plans including, without limitation, Medical Continuation as provided for herein and, health coverage thereafter but only to the extent required by law, and on the same basis applicable to other employees and (ii) 401(k) Plan but only to the extent required by law and pursuant to the terms of the 401(k) Plan.

(b) Effect on Long-Term Incentive and Equity Awards. The extent to which long-term incentive or equity awards held by Executive vest or become exercisable or payable as a result of a termination of employment for any reason shall be governed exclusively by the terms of the plan or award agreement governing such award.

(c) Adjustment of Payments and Benefits.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit to be paid or provided hereunder, when combined with any other amount payable to Executive, would be an "Excess Parachute Payment," within the meaning of Section 280G of the Code, or any successor provision thereto, but for the application of this sentence, then the payments and benefits to be paid or provided hereunder shall be reduced to the minimum extent necessary so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; provided, however, that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate payments and benefits to be provided, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Section 4999 of the Code, or any successor provision thereto, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes). In the event that any payment or benefit intended to be provided hereunder is required to be reduced pursuant to this Section the reduction shall occur in the following order:: (A) by first reducing or eliminating the portion of the payments which are not payable in cash and are not attributable to equity awards (other than that portion of the payments subject to clause (D) hereof), (B) then by reducing or eliminating cash payments (other than that portion of the payments subject to clause (D) hereof), (C) then by reducing or eliminating the portion of the payments which are not payable in cash and are attributable to equity awards (other than that portion of the Payments subject to clause (D) hereof) and (D) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

(ii) The determination of whether the any payment or benefit shall be reduced as provided in Section 10(c)(i) hereof and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with supporting calculations and documentation, to the Company and Executive within forty five (45) days after Executive's final day of employment, which Determination, absent manifest error, shall be binding, final and conclusive upon the Company and Executive. If the Accounting Firm determines that the payments and benefits to be provided to Executive will not result in any Excess Parachute Payments, it shall furnish Executive with an opinion to that effect. If the Accounting Firm determines that the payments and benefits to be provided to Executive will result in Excess Parachute Payments, it shall furnish the Executive with an opinion that no Excess Parachute Payments will be made after the reductions contemplated by Section 10(c)(i) hereof.

## **11. Confidential Information.**

(a) Executive understands and acknowledges that during his employment with the Company, he will be exposed to Confidential Information (as defined below), all of which is proprietary and which will rightfully belong to the Company (which, for all purposes of this Section 11, shall include its Subsidiaries). Executive shall hold in a fiduciary capacity for the benefit of the Company such Confidential Information obtained by Executive during his employment with the Company and shall not, directly or indirectly, at any time, either during or after his employment with the Company terminates, without the Company's prior written consent, use any of such Confidential Information or disclose any of such Confidential information to any individual or entity other than the Company or its employees, attorneys, accountants, financial advisors, consultants, or investment bankers except as required in the performance of his duties for the Company or as otherwise required by law, court order or an order of any governmental authority. Executive shall take all reasonable steps to safeguard such Confidential Information and to protect such Confidential Information against disclosure, misuse, loss or theft.

(b) The term "Confidential Information" shall mean any information not generally known in the relevant trade or industry or otherwise not generally available to the public, which was obtained from the Company or its predecessors or which was learned, discovered, developed, conceived, originated or prepared during or as a result of the performance of any services by Executive on behalf of the Company or its predecessors. For purposes of this Section 11, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(c) Notwithstanding anything to the contrary in this Agreement, no provision contained in this Agreement is intended or should be construed to prevent or impede Executive from voluntarily communicating with any governmental agencies (including, without limitation, the Securities and Exchange Commission) regarding possible violations of law, or to limit Executive's ability to seek or accept a financial award for providing information to any governmental agency.

## **12. Return of Documents.**

Except for such items which are of a personal nature to Executive (e.g., daily business planner), all writings, records, and other documents and things containing any Confidential Information shall be the exclusive property of the Company, shall not be copied, summarized, extracted from, or removed from the premises of the Company, except in pursuit of the business of the Company, and shall be delivered to the Company, without retaining any copies, upon the termination of Executive's employment or at any time as requested by the Company.

## **13. Non-Compete; Non-Solicitation; Non-Disparagement.**

Executive agrees that:

(a) During the Employment Period, and for a one (1) year period thereafter in the event Executive's employment is terminated under circumstances in which he is entitled to receive and



is receiving the benefits provided in Sections 6, 7, 8(b) or 8(c) hereof, Executive shall not, directly or indirectly, within Hudson County in the State of New Jersey, engage in, or own, invest in, manage or control any venture or enterprise primarily engaged in any office-service, flex, office property or multi-family residential development or acquisition activities that are competitive with the activities of the Company (which, for all purposes of this Section 13, shall include its Subsidiaries). Nothing herein shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding stock of any class of securities of a company or other entity engaged in such business which is publicly traded, so long as he has no active participation in the business of such company or other entity.

(b) If, at the time of enforcement of this Section 13, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable, the parties agree that reasonable maximum duration, scope, area or other restrictions may be substituted by such court for the stated duration, scope, area or other restrictions and upon substitution by such court, this Agreement shall be automatically modified without further action by the parties hereto.

(c) For purposes of this Section 13, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(d) Non-solicitation. Executive agrees that during the Employment Period, and for a one (1) year period thereafter, regardless of the reason for termination (the “Restricted Period”), Executive will not, without written consent of the Company, directly or indirectly, including causing, encouraging, directing or soliciting any other person to, contact, approach or solicit (other than, so long as Executive continues to be employed by the Company and makes such contact, approach or solicitation made on behalf of the Company) for the purpose of offering employment to or hiring (whether as an employee, consultant, agent, independent contractor or otherwise) or actually hire any person who is or has been employed or retained in the operation of the Company’s business during the period commencing three (3) months prior to the date of such hiring or offering of employment, or induce, interfere with or solicit, or attempt to induce, interfere with or solicit, any person that is a current or former customer, supplier or other business relation of the Company to terminate its relationship or otherwise cease doing business in whole or in part or reduce the amount of business with the Company.

(e) Non-disparagement. Executive agrees not to disparage the Company or its past and present investors, officers, directors or employees, and the Company agrees not to disparage Executive.

(f) Acknowledgements. Executive acknowledges and agrees that (i) Executive’s obligation to comply with the restrictions in this Section 13 shall be independent of any obligation owed to Executive by the Company (whether under this Agreement or otherwise), and specifically shall not be dependent upon whether Executive is entitled to any form of severance pay or benefits pursuant to this Agreement or otherwise; (ii) no claim against the Company by Executive (whether under this Agreement or otherwise) shall constitute a defense to the enforcement by the Company or its affiliates of the restrictions in this Section 13, (iii) the time limitations and the geographic scope on the restrictions in this Section 13 are reasonable, (iv) the restrictions imposed under this

Section 13 are reasonably necessary for the protection of the Company and its goodwill, Confidential Information, and other legitimate business interests and do not impose a greater restraint than necessary to provide such protection, (v) that through this Agreement, Executive shall receive adequate consideration for any loss of opportunity associated with the restrictions of this Section 13, and (vi) that the provisions of this Section 13 and its subparts provide a reasonable way of protecting Company's business value.

(g) Extension of Time. In the event that Executive breaches any covenant, obligation or duty in this Section 13, any such duty, obligation, or covenants to which the parties agreed by this Section 13 shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all appeals. The duration and length of Executive's duties and obligations as agreed by this Section 13 shall continue upon the effective date of any such settlement, or judicial or other resolution.

(h) Legal and Equitable Remedies. Upon any material breach by Executive of any of the provisions of Sections 11, 12 or 13, Executive shall immediately, permanently and irrevocably forfeit without payment of consideration of any kind any and all rights to any of the benefits and payments otherwise payable to Executive pursuant to this Agreement (other than the Accrued Obligations). In addition, in view of the nature of the rights in goodwill, employee relations, trade secrets, and business reputation and prospects of the Company to be protected under Sections 11, 12 and 13, Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of Executive's obligations (whether individually or together) under Sections 11, 12 or 13. Accordingly, Executive specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief, specific performance, and other equitable relief to enforce the provisions of Sections 11, 12 and 13, and that such relief may be granted without the necessity of proving actual damages, and without bond. EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE PROVISIONS IN SECTIONS 11, 12 AND 13 ARE ESSENTIAL AND MATERIAL TO THIS AGREEMENT, AND THAT UPON BREACH OF SECTIONS 11, 12 OR 13 BY EXECUTIVE, COMPANY IS ENTITLED TO WITHHOLD PROVIDING PAYMENTS OR CONSIDERATION, TO EQUITABLE RELIEF TO PREVENT CONTINUED BREACH, TO RECOVER DAMAGES AND TO SEEK ANY OTHER REMEDIES AVAILABLE TO COMPANY. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages or other remedies in addition to equitable relief.

#### **14. Successors.**

(a) Company's Successors. This Agreement may not be assigned by the Company except to a successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the Company's business and/or assets, and the Company shall require any such successor to assume expressly and agree to perform this Agreement, in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. As used in this Agreement, "Company" shall mean the Company as defined herein and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, contract or otherwise.

(b) Executive's Successors. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

## **15. Miscellaneous Provisions.**

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, on the first business day after being sent by reputable overnight courier, or on the third business day after being mailed by U.S. registered or certified mail, return receipt requested and postage prepaid, and addressed to Executive at the address shown on the Company's personnel records, or to the Company at the address set forth below, or such other address as a party shall give notice of by notice given in the same manner:

Mack-Cali Realty Corporation  
Harborside 3  
210 Hudson St., Suite 400  
Jersey City, NJ 07311  
Attn: Chief Executive Officer

(b) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(c) Interpretation. When a reference is made in this Agreement to sections, subsections or clauses, such references shall be to a section, subsection or clause of this Agreement, unless otherwise indicated. The words "herein" and "hereof" mean, except where a specific section, subsection or clause reference is expressly indicated, the entire Agreement rather than any specific section, subsection or clause. The words "include", "includes" and "including" when used in this Agreement shall be deemed to in each case to be followed by the words "without limitation". The headings of the sections or subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof and shall not affect the construction or interpretation of this Agreement.

(d) Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

(e) Section 409A of the Code. To the extent applicable, it is intended that payments and benefits provided hereunder be exempt from or comply with Section 409A of the Code and the guidance promulgated thereunder (collectively, "Section 409A"). This Agreement shall be administered in a manner consistent with this intent and if Executive or the Company believes, at any time, that any of such payment or benefit is not exempt or does not so comply, Executive or the Company shall promptly advise the other party and will negotiate reasonably and in good faith to amend the terms of such arrangement such that it is exempt or complies (with the most limited possible economic effect on Executive and on the Company) or to minimize any additional tax,

interest and/or penalties that may apply under Section 409A if exemption or compliance is not practicable. In furtherance of the foregoing, the following provisions shall apply notwithstanding anything to the contrary in this Agreement:

(i) To the extent applicable, each and every payment to be made pursuant to this Agreement shall be treated as a separate payment and not as one of a series of payments treated as a single payment for purposes of Treasury Regulation §1.409A-2(b)(2)(iii).

(ii) If Executive becomes entitled to receive any payment that constitutes deferred compensation subject to Section 409A upon a termination of employment, and such termination of employment does not constitute a “separation from service” as defined in Section 409A, payment of such amount shall be deferred, without interest, and paid on the earlier of the date Executive incurs a separation from service, as so defined (subject to subsection (f)(iii)) below, or the date of Executive’s death.

(iii) If Executive is a “specified employee”, as defined in Section 409A on the date he incurs a separation from service, any amount that becomes payable by reason of such separation from service that constitutes deferred compensation subject to Section 409A, including any amount deferred pursuant to subsection (f)(ii) above, shall be deferred, without interest, and paid on the earlier of the first business day of the seventh month following the month that includes Executive’s separation from service, or the date of Executive’s death.

(iv) If the sixty (60) day period described in Section 9 ends in the calendar year following the year that includes the Termination Date, no amount that is subject to Section 409A, the payment of which is dependent upon the execution of the Release, shall be paid until the first business day of the calendar year following the year that includes the Termination Date, regardless of when the Release is signed.

(v) Any reimbursement of any expense payable to Executive that constitutes taxable income shall be paid not later than the last day of the year following the year in which the expense is incurred, and all reimbursements and in-kind benefits shall be paid in accordance with Treasury Regulation §1.409A-3(i)(1)(iv).

(vi) The Company shall not be obligated to guarantee any particular tax result for Executive with respect to any payment or benefit provided to Executive hereunder, and Executive shall be responsible for any taxes, additional taxes or penalties imposed on Executive in connection with any such payment or benefit with respect to Section 409A or any other obligation to pay taxes.

(f) Legal Fees. If any contest or dispute shall arise between the Company and Executive regarding or as a result of any provision of this Agreement, the Company shall reimburse Executive for all legal fees and expenses reasonably incurred by Executive in connection with such contest or dispute, but only if Executive is successful in respect of substantially all of Executive’s claims pursued or defended in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed).

(g) Timing of and No Duplication of Payments.

All payments payable to Executive pursuant to this Agreement shall be paid as soon as practicable after such amounts have become fully vested and determinable. In addition, Executive shall not be entitled to receive duplicate payments under any of the provisions of this Agreement.

(h) Modification or Waiver.

No amendment, modification, waiver, termination or cancellation of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification, waiver, termination or cancellation is sought. No course of dealing between or among the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or Executive in the exercise of any of their respective rights or remedies shall operate as a waiver thereof, and no single or partial exercise by the Company or Executive of any such right or remedy shall preclude other or further exercise thereof. A waiver of right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

The respective rights and obligations of the parties hereunder shall survive Executive's termination of employment and termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

(i) Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of New Jersey, without regard to principles of conflicts of laws thereunder.

(j) Survival of Agreements.

The provisions of Sections 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 each shall survive the Term and termination of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

**Company:**

**MACK-CALI REALTY CORPORATION**

By: /s/ Gary T. Wagner  
Its: General Counsel and Secretary

**Executive:**

/s/ David Smetana  
David Smetana

**Exhibit B**

**SEPARATION AGREEMENT AND RELEASE**

Pursuant to Section 9 of the Amended and Restated Executive Employment Agreement between Mack-Cali Realty Corporation (the "Company") and David Smetana (the "Executive"), commencing on or about January 1, 2021 (the "Employment Agreement"), all benefits and payments that may become payable pursuant to Section 6 of the Employment Agreement, other than those described in Section 6(a)(i-v), are expressly conditioned on Executive, or the representative of his estate, executing and not revoking the release set forth in this Separation Agreement and Release ("Separation Agreement" or "Release").

1. **Release and Waiver:** In further consideration of the covenants undertaken pursuant to the Employment Agreement including, without limitation, all payments and benefits provided to Executive, and in exchange for those benefits provided for in Sections 6, 7 and 8 of the Employment Agreement, other than those described in Section 6(a)(i-v), Executive releases Mack-Cali Realty L.P. and Mack-Cali Realty Corporation, their respective predecessors, successors, affiliates, subsidiaries, parents and assigns (collectively and individually, the "Employer"), and their officers, directors, managers, trustees, shareholders, partners, members, employees, agents and all persons acting by, through, under, or in concert with them or any of them (collectively called "Employer Releasees"), from any and all liability, obligations, causes of action, claims, and/or demands whatsoever in law or equity arising or that may arise from any aspect of Executive's employment with the Employer and separation from that employment. This release includes, but is not limited to (a) all wrongful discharge claims (including but not limited to claims based on breach of contract or implied contract, breach of the covenant of good faith and fair dealing, or violation of public policy); (b) claims under Title VII of the Civil Rights Act of 1964 as amended (which prohibits discrimination on the basis of color, national origin, race, religion, and sex); (c) claims under the Age Discrimination in Employment Act (which prohibits discrimination against persons 40 years of age or older because of age); (d) claims under the Employee Retirement Income Security Act of 1974, as amended; (e) claims under the Older Workers Benefit Protection Act of 1990; (f) claims under the Civil Rights Act of 1866; (g) claims under the Sarbanes-Oxley Act of 2002; (h) claims under the Consolidated Omnibus Budget Reconciliation Act; (i) claims under the Immigration Reform and Control Act; (j) claims under the National Labor Relations Act; (k) claims under the Americans With Disabilities Act (which prohibits discrimination on the basis of disabilities); (l) claims under the Family and Medical Leave Act; (m) claims under the Genetic Information Non-Discrimination Act; (n) claims under the Fair Credit Reporting Act; (o) claims under the Families First Coronavirus Response Act; (p) claims under any state or federal wage and hour law; (q) claims under the New Jersey Law Against Discrimination (which prohibits discrimination on the basis of age, color, physical or mental impairment or disability, national origin, race, religion, sex, and affectional or sexual orientation and gender identity or expression); (r) claims under the New Jersey Conscientious Employee Protection Act; (s) claims under the New Jersey Family Leave Act; (t) claims under the New Jersey SAFE Act; (u) claims under the New Jersey Earned Sick Leave Law; (v) claims under the New York State Human Rights Law; (w) claims under the New York State Wage Theft Prevention Act; (x) claims under the New York State Paid Family Leave Law; and (y) claims under any other federal or state statute, common law, or decisional law, as well as claims for negligent and/or

intentional infliction of emotional distress, for alleged interference with any contract, economic opportunity or prospective economic advantage, or for alleged violation of any federal, state or local law, regulation, ordinance or common-law duty relating to, arising out of, or having any bearing whatsoever on, Executive's former employment by the Employer, including Executive's separation from that employment.

2. **Exceptions.** Nothing in this Separation Agreement requires Executive to waive any rights or claims that Executive may have arising under the Age Discrimination in Employment Act unless Executive has been afforded at least twenty one (21) days to consider this Agreement, and the release of those claims shall not become effective until seven (7) days after Executive signs this Agreement. During this seven-day period, Executive has the right to revoke the release of those claims, in which event this Agreement will become null and void and of no further force or effect and Executive will lose the right to receive the additional compensation and benefits set forth in Section 6, 7 and 8 of the Employment Agreement. Executive may revoke the Separation Agreement and Release by sending a letter indicating that he withdraws his agreement to the Separation Agreement and Release to Mr. Gary Wagner, General Counsel, Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311.

3. **Covenant Not to Sue.** The additional items of compensation provided to Executive under Section 6 of the Employment Agreement are in lieu of any other compensation, bonus, severance, or separation benefit to which Executive might otherwise be entitled in connection with his separation from employment under any employment policy or employee benefit plan of the Employer. By accepting the benefits under Section 6, 7 and 8 of the Employment Agreement, Executive expressly waives and surrenders his rights, if any, to benefits under any such policy or plan. This Separation Agreement does not, however, affect Executive's entitlement to benefits, if any, under any existing qualified retirement plan.

4. **Execution and Right to Revoke.** Executive represents and agrees that he has or will immediately turn over all of the Employer's property in his possession including, but not limited to, any financial information, personnel information, computer records, and any other documents, I.D. cards, computer passwords, laptops, tablets, external drives, cell phones, machinery, tools, equipment and keys.

5. **Resignations.** Pursuant to Paragraph 5(a) of the Agreement, Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company or any of its subsidiaries, including but not limited to any third party boards or committees of which Executive is a member for or on behalf of the Company or as a result of his employment with the Company

6. **Acknowledgements.** By signing this Separation Agreement, Executive acknowledges that he has carefully read it and understands its terms, that he has been advised to seek the advice of a lawyer before signing it, that he has voluntarily and knowingly executed this Separation Agreement, and that he fully appreciates the effect of executing it. Executive further acknowledges that he has had sufficient time to consider the Separation Agreement and its ramifications without coercion or intimidation before executing it.



7. **Return.** This Separation Agreement must be returned to Mr. Gary Wagner, General Counsel at Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311, no later than \_\_\_\_\_. If this Agreement is not returned by \_\_\_\_\_, it shall be automatically withdrawn and the additional compensation and benefits offered to Executive will no longer be available to Executive, without any further notice.

**BY SIGNING BELOW, EXECUTIVE ACKNOWLEDGES THAT HE:**

- A. HAS READ THIS SEPARATION AGREEMENT AND RELEASE;**
- B. UNDERSTANDS IT AND KNOWS THAT HE IS GIVING UP IMPORTANT RIGHTS;**
- C. AGREES WITH EVERYTHING IN IT;**
- D. HAS BEEN ADVISED TO CONSULT WITH A LAWYER PRIOR TO EXECUTING THIS AGREEMENT AND RELEASE;**
- E. HAS BEEN AFFORDED AT LEAST 21 DAYS TO CONSIDER THIS AGREEMENT AND RELEASE;**
- F. HAS SEVEN (7) DAYS AFTER SIGNING THIS AGREEMENT TO REVOKE HIS RELEASE OF CLAIMS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT;**
- G. HAS SIGNED THIS AGREEMENT AND RELEASE KNOWINGLY AND VOLUNTARILY.**

I elect to receive the additional compensation and benefits described in Section 6, 7 and 8 of the Employment Agreement in exchange for my agreement to the terms of Paragraphs 1 through 7 above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**IF THIS AGREEMENT IS NOT SIGNED AND RETURNED BY \_\_\_\_\_, IT SHALL BE AUTOMATICALLY WITHDRAWN AND THE BENEFITS OFFERED TO EXECUTIVE IN IT WILL NO LONGER BE AVAILABLE TO EXECUTIVE, WITHOUT FURTHER NOTICE.**

**AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (the “Agreement”) is entered into on November 3, 2020, effective as of January 1, 2021 (the “Effective Date”), by and between Ricardo Cardoso (the “Executive”), and Mack-Cali Realty Corporation, a Maryland corporation (the “Company”) with offices at Harborside 3, 210 Hudson St., Suite 400, Jersey City, NJ 07311.

**RECITALS**

WHEREAS, the Executive is currently employed by the Company as its Executive Vice President and Chief Investment Officer pursuant to an Employment Agreement dated January 26, 2018 (“Original Agreement”) and Amendment No 1 to the Original Agreement dated March 24, 2020; and

WHEREAS, the Parties desire to amend and restate the Original Agreement as previously amended, on the terms and conditions set forth herein; and

WHEREAS, the Company desires to continue to employ Executive, and to enter into this Agreement to set forth the terms and conditions of his continued employment, and Executive desires to accept such continued employment, pursuant to the terms and provisions set forth herein;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

**1. Employment.**

The Company hereby agrees to continue to employ Executive, and Executive hereby agrees to accept such continued employment, upon the terms and conditions set forth in this Agreement. Effective as of the Effective Date, the terms and conditions of Executive’s employment shall be governed by the terms of this Agreement, which shall supersede all prior understandings and agreements, written or oral, with respect to Executive’s employment; provided, that the Indemnification Agreement, dated June 10, 2013, between the Executive and the Company, and any agreements entered into prior to the Effective Date evidencing outstanding equity or long-term incentive awards shall remain in effect.

**2. Employment Period.**

(a) Subject to Sections 3(b) and 5 hereof, the Company agrees to continue to employ the Executive, and the Executive agrees to continue to be employed by the Company, in each case pursuant to this Agreement, for a period commencing on the Effective Date, and ending December 31, 2022 (the “Term”). On each December 31 during the Term, commencing with December 31, 2022, the Term will be automatically extended for an additional one year, through the following December 31, unless either party notifies the other party in writing, not fewer than ninety (90) days prior to such December 31, that it has elected not to extend the Term, in which event the Term shall expire on such December 31.

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(b) Notwithstanding anything contained herein to the contrary: (i) Executive's employment with the Company may be terminated by the Company or Executive during the Term, subject to the terms and conditions of this Agreement; and (ii) nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Term upon such terms and conditions as the Board of Directors of the Company (the "Board"), and Executive may mutually agree. The Executive's period of employment pursuant to this Agreement shall hereinafter be referred to as the "Employment Period".

### **3. Duties and Responsibilities.**

(a) During the Employment Period, Executive shall be employed and serve as the Executive Vice President and Chief Investment Officer of the Company reporting directly to the Chief Executive Officer of the Company (the "CEO"). In his position, Executive shall perform such duties, functions and responsibilities during the Employment Period, commensurate with the Executive's position, as reasonably and lawfully directed by the CEO.

(b) Executive shall devote substantially all of his business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Company (which, for all purposes of this Section 3(b), shall include all Subsidiaries of the Company). Without limiting the foregoing, Executive shall not engage in any other business, occupation or related activity during the Employment Period that (i) conflicts with the interests of the Company or its subsidiaries, (ii) interferes with the proper and efficient performance of his duties for the Company, or (iii) interferes with the exercise of his judgment in the Company's best interests. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for Executive to (iv) with the advance approval of the Board or the Governance Committee of the Board (not to be unreasonably withheld), serve on corporate, civic or charitable boards or committees, (v) deliver lectures, fulfill speaking engagements or teach at educational institutions, or (vi) manage personal investments, including real estate investments, so long as such activities do not significantly interfere with or significantly detract from the performance of Executive's responsibilities to the Company in accordance with this Agreement, and provided that any real estate investments or activities within Hudson County in the State of New Jersey shall be limited to passive, non-controlling investments and activities.

### **4. Compensation and Benefits.**

(a) Base Salary. Effective on August 1, 2020 and during the Employment Period, the Company shall pay Executive an annual base salary in the amount of \$550,000 (the "Annual Base Salary"), payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. Executive's Annual Base Salary shall be reviewed, at least annually, for merit increases and may, by action and in the discretion of the Board or its executive compensation and option committee (the "Compensation Committee"), be increased at any time or from time to time, but may not be decreased from the then current Annual Base Salary without Executive's prior written consent.

(b) Incentive Compensation/Bonuses. In addition, for each calendar year during the Employment Period, Executive shall be entitled to receive annual cash incentive compensation as follows:

- Bonus Opportunity: For each fiscal year during the Employment Period, Executive shall be entitled to receive an annual bonus (the “Annual Bonus”) under the terms of the Company’s annual bonus plan as in effect from time to time, based on the achievement of performance criteria established by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. For fiscal year 2021, Executive shall be entitled to receive an Annual Bonus equal to fifty percent (50%) of his Annual Base Salary earned in 2021 if threshold performance is attained, an Annual Bonus equal to one hundred percent (100%) of his Annual Base Salary earned in 2021 (“Target Bonus”) if target performance is attained and an Annual Bonus equal to two hundred percent (200%) of his Annual Base Salary earned in 2021 if performance equals or exceeds the maximum performance level established. The threshold, target and maximum Annual Bonus for each subsequent fiscal year of the Term and the corresponding performance criteria shall be determined in good faith by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. In respect to the Annual Bonus for the final year of the Term, as may be extended pursuant to Section 2(b), provided that Executive is employed by the Company until the expiration of the Term and that Executive’s employment was not terminated for Cause by the Company following the Term, any qualitative performance evaluation will be performed by December 16 of the final year, and the achievement of quantitative performance metrics shall be determined based on actual performance for the final year and determined on or before March 31 of the year following the final year of the Term, whether or not Executive is employed during the year following the final year.

Payment of Annual Bonuses to Executive, if any, shall be made in the same manner and at the same time that other senior-level executives receive their annual bonus awards, but in any event on or before the end of the first quarter following the end of the applicable performance year.

- During the Employment Period, Executive shall be eligible to be granted long term incentive or equity awards as may be determined by the Board or the Compensation Committee consistent with the terms set forth in the *2021-2022 LTIP Award Term Sheet* attached to this Agreement as Exhibit A.

(c) Taxes and Withholding. Anything in this Agreement to the contrary notwithstanding, all payments required to be made by the Company hereunder to Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withholding as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.

(d) Additional Benefits. In addition to the compensation specified above and other benefits provided pursuant to this Section 4, Executive shall be entitled to the following benefits:

(i) participation in the Mack-Cali Realty Corporation 401(k) Savings and Retirement Plan (subject to statutory rules and maximum contributions and non-discrimination requirements applicable to 401(k) plans) and eligibility to participate in such other benefit plans and programs, including but not limited to restricted stock, phantom stock and/or unit awards, and any other incentive compensation plans or programs (whether or not employee benefit plans or programs), as maintained by the Company from time to time and made generally available to executives of the Company with such participation to be consistent with reasonable Company guidelines and each pursuant to the terms and conditions of such benefit plan as they may exist from time to time;

(ii) participation in any health insurance, disability insurance, paid vacation, group life insurance or other welfare benefit program made generally available to executives of the Company, subject to the general eligibility and participation provisions set forth in such plans;

(iii) participation in all deferred compensation, retirement or other benefit plans or perquisites as may be provided to any other executive of the Company on terms and conditions at least as favorable to the Executive as the terms and conditions generally applicable to all other executives of the Company who are also executive officers of the Company (as defined in Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")); and

(iv) upon the submission of proper substantiation by Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of executive personnel, reimbursement for all reasonable expenses actually paid or incurred by Executive during the Employment Period in the course of and pursuant to the business of the Company.

#### **5. Termination of Employment; Severance Agreement.**

(a) Termination. The Employment Period, and Executive's employment with the Company, shall terminate upon the earliest to occur of (i) Executive's death, (ii) a termination by the Company by reason of Executive's Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company, any of its subsidiaries or any third party boards or committees of which Executive is a member for or on behalf of the Company or as a result of his employment with the Company, including but not limited to the Board of Trustees of the Exchange Place Special Improvement District. For the avoidance of doubt, the expiration of the Term in accordance with Section 2(a) shall not be considered a termination of Executive's employment by the Company with or without Cause or the resignation of Executive for Good Reason or otherwise, and Executive's employment

shall not be considered to have been constructively terminated for any reason unless he resigns for Good Reason in accordance with this Agreement.

(b) Notice of Termination. Any termination of Executive's employment by the Company or any such termination by Executive (other than on account of death) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. In the event of the termination of Executive's employment on account of death, written Notice of Termination shall be deemed to have been provided on the date of death.

(c) "Cause" shall mean the intentional and willful commission by Executive of any of the following acts or omissions:

(i) willful and continued failure to use best efforts to substantially perform his duties to the Company (other than any such failure resulting from Executive's incapacity due to physical or mental illness) for a period of thirty (30) days after written demand for substantial performance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially performed his duties;

(ii) material and continued failure to comply with Executive's obligations under any written policy of the Company applicable to senior executives as approved by the Board from time to time for a period of thirty (30) days after written demand for substantial compliance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially complied;

(iii) any act of fraud, embezzlement, misappropriation, or misuse for personal benefit of the assets or property of the Company; or

(iv) A conviction of or plea of "guilty" or "no contest" to a felony under the laws of the United States or any state thereof;

For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in furtherance of, or not opposed to, the interests of the Company. Any determination of Cause will be made by the Board at a duly held meeting of the Board (held after reasonable notice to Executive and reasonable opportunity for him, together with his counsel, to be heard before the Board at the meeting) and pursuant to resolutions duly adopted by the affirmative vote of the majority of the Board present and voting at such meeting finding that in the good faith opinion of the Board after reasonable investigation that Executive has engaged in acts or omissions constituting Cause, provided that no such determination may be made, until Executive has been given written notice detailing the specific Cause event and, where applicable, the lapsing of any cure period.

(d) "Change in Control" shall mean that any of the following events has occurred:

(i) any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company or any of its Subsidiaries, becomes the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the shares of common stock of the Company (the “Shares”) issued and outstanding immediately prior to such acquisition;

(ii) any Shares are purchased pursuant to a tender or exchange offer that results in any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act becoming the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the Shares issued and outstanding immediately prior to such tender or exchange offer; or

(iii) (x) the dissolution or liquidation of the Company; or (y) the consummation of any merger or consolidation of the Company; or (z) any sale or other disposition of all or substantially all of its assets; if the shareholders of the Company immediately prior to such transaction own, immediately after consummation of such transaction, directly or indirectly equity securities (other than options and other rights to acquire equity securities) possessing less than 30% of the voting power of the surviving entity in the case of (y) above, or of the acquiring entity in the case of (z) above.

(e) “Change in Control Period” shall mean the period commencing on the earlier of (i) the date that a Change in Control occurs or (ii) the date that the Company enters into a definitive agreement with respect to a transaction, the consummation of which would constitute a Change in Control (provided it is actually consummated), and in either case ending on the second anniversary of the Change in Control.

(f) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(g) “Disability” shall mean the inability of Executive, as a result of any medically determinable physical or mental disease, injury, or congenital condition, to substantially perform his principal duties to the Company, with or without reasonable accommodation, for a continuous period of one hundred and eighty (180) days, or periods aggregating two hundred and seventy (270) days in any twelve (12) month period.

(h) “Good Reason” shall mean, without the express written consent of Executive, the occurrence of any of the following circumstances during either the Employment Period or a Change in Control Period:

(i) the material diminishment of Executive’s authority, duties or responsibilities as Chief Investment Officer, it being understood that during a Change in Control Period, Good Reason shall be deemed to have occurred if Executive is not the Chief Investment Officer of the Company (or the entity succeeding to the Company’s business) following the Change in Control;

(ii) a material reduction in Executive's Annual Base Salary, it being understood that any reduction below the Base Salary as in effect as of the Effective Date shall constitute Good Reason;

(iii) a material change in the geographic location at which the Executive must perform the services under this Agreement; or

(iv) the failure of the Company to obtain agreement from any successor to assume and agree to perform this Agreement.

Notwithstanding the foregoing, Executive shall not be considered to have resigned for Good Reason unless, Executive gives the Company written notice of resignation, specifying in reasonable detail the circumstance constituting Good Reason, not more than thirty (30) days after the occurrence of such circumstance, and the Company fails to cure such circumstance within thirty (30) days after receipt of such notice; provided, that if the Company does cure such circumstance within such period Executive may withdraw his notice of resignation without prejudice within ten (10) days after the end of the cure period.

(i) "Termination Date" shall mean the date on which Executive's employment is terminated for any reason.

The definitions contained in Sections 5(c) through 5(i) shall apply for all purposes under this Agreement.

#### **6. Severance Benefits Resulting from Death or Disability.**

Upon a termination of Executive's employment by reason of death or Disability whether before or after the expiration of the Term, Executive (or the representative of his estate) shall be entitled to receive the following payments and benefits, subject to compliance in the case of Disability with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) The following "Accrued Obligations", payable as and when those amounts would have been payable had the Employment Period not ended:

(i) all accrued but unpaid Base Salary through the Termination Date;

(ii) any unpaid or unreimbursed expenses incurred in accordance with Company policy to the extent incurred during the Employment Period;

(iii) any accrued but unpaid benefits provided under the Company's employee benefit plans (not including any severance, separation pay, or supplemental unemployment benefit plan), subject to and in accordance with the terms of those plans;

(iv) any earned but unpaid Annual Bonus in respect to any completed fiscal year that has ended on or prior to the Termination Date; and



(v) rights to indemnification by virtue of Executive's position as an officer or director of the Company or its subsidiaries and the benefits under any directors' and officers' liability insurance policy maintained by the Company, in accordance with its terms thereof.

(b) An amount equal to Executive's Annual Bonus for the year in which the Termination Date occurs, based upon the Company's actual performance for the year, multiplied by a fraction, the numerator of which is the number of days in such year through and including the Termination Date and the denominator of which is the total number of days in such year, payable at the same time that Annual Bonuses are paid to active employees.

**7. Severance Benefits upon Termination Without Cause, or Resignation for Good Reason during the Term or a Change of Control Period.**

In the event that either during the Term or thereafter during a Change in Control Period (i) the Company terminates Executive's employment for any reason other than Cause or Disability, or (ii) Executive resigns for Good Reason, Executive shall be entitled to receive the following payments and benefits, subject to compliance with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) All payments and benefits described in Section 6.

(b) A lump sum cash payment in an amount equal to one and one-half (1.5) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs, payable as soon as practicable after the Termination Date, provided however, that if such termination occurs during a Change in Control Period, the lump sum cash payment shall be in an amount equal to two (2) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs.

(c) If Executive elects, on behalf of himself or his eligible dependents, to continue medical coverage under any medical plan of the Company pursuant to the provisions of Section 4980B of the Code or any other applicable law ("COBRA"), and such election is available to him pursuant to then governing law, and complies with all requirements for such coverage, an amount, payable not later than the last day of each month that such coverage is in effect, up to a maximum of eighteen (18) months, (or such shorter duration as governing law may then allow) equal to the excess, if any, of the premium paid by Executive for such coverage pursuant to COBRA over the premium that would be paid by an active employee for comparable coverage (the "Medical Continuation"). If Executive's continuation coverage is terminated for any reason other than dictate of governing law prior to the end of such eighteen (18) month period, the Company's obligations under this Section 7(c) shall terminate, regardless of whether the termination of Executive's coverage constitutes a second qualifying event as defined by COBRA with respect to any other dependent.

**8. Compensation or Severance Benefits upon Termination of Employment by the Company for Cause, Termination by the Company Without Cause following the Term, or Resignation by Executive following the Term.**

(a) Termination by the Company for Cause or Resignation without Good Reason during the Term. In the event the Company terminates Executive's employment for Cause (whether during the Term or thereafter), or Executive resigns without Good Reason prior to the expiration of the Term, Executive shall only be entitled to receive the Accrued Obligations, payable as and when those amounts would have been payable had the Employment Period not ended.

(b) Termination by the Company without Cause or Resignation by Executive with Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), the Company terminates Executive's employment for any reason other than as set forth in Sections 6, 7 or 8(a), or Executive resigns with Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a termination by Company.

(c) Resignation by Executive without Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), Executive resigns without Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a resignation by Executive.

**9. Release.**

Notwithstanding anything to the contrary above, all benefits and payments that may become payable pursuant to Section 6, 7 or 8 (other than the Accrued Obligations) are conditioned on Executive, or the representative of his estate, executing a release of claims and covenant not to sue, in form attached hereto as Exhibit B (the "Release"), and the period provided in such Release having expired without Executive exercising his right to revoke, not later than sixty (60) days after the Termination Date (subject to Section 15(e)(iv)), and if Executive fails to execute such Release, revokes the Release, or the revocation period has not yet expired by the end of such sixty (60) day period and Executive revokes the Release, Executive shall have no right to any such payment or benefit.

**10. Effect on Employee Benefit Plans and Programs and Long-Term Incentive and Equity Awards; Adjustment of Payments and Benefits.**

(a) Effect on Employee Benefit Programs. The termination of Executive's employment hereunder, whether by the Company or Executive, shall have no effect on the rights and obligations of the parties hereto under the Company's (i) welfare benefit plans including, without limitation, Medical Continuation as provided for herein and, health coverage thereafter but only to the extent required by law, and on the same basis applicable to other employees and (ii) 401(k) Plan but only to the extent required by law and pursuant to the terms of the 401(k) Plan.

(b) Effect on Long-Term Incentive and Equity Awards. The extent to which long-term incentive or equity awards held by Executive vest or become exercisable or payable as a result of a termination of employment for any reason shall be governed exclusively by the terms of the plan or award agreement governing such award.

(c) Adjustment of Payments and Benefits.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit to be paid or provided hereunder, when combined with any other amount payable to Executive, would be an "Excess Parachute Payment," within the meaning of Section 280G of the Code, or any successor provision thereto, but for the application of this sentence, then the payments and benefits to be paid or provided hereunder shall be reduced to the minimum extent necessary so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; provided, however, that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate payments and benefits to be provided, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Section 4999 of the Code, or any successor provision thereto, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes). In the event that any payment or benefit intended to be provided hereunder is required to be reduced pursuant to this Section the reduction shall occur in the following order: (A) by first reducing or eliminating the portion of the payments which are not payable in cash and are not attributable to equity awards (other than that portion of the payments subject to clause (D) hereof), (B) then by reducing or eliminating cash payments (other than that portion of the payments subject to clause (D) hereof), (C) then by reducing or eliminating the portion of the payments which are not payable in cash and are attributable to equity awards (other than that portion of the Payments subject to clause (D) hereof) and (D) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

(ii) The determination of whether the any payment or benefit shall be reduced as provided in Section 10(c)(i) hereof and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with supporting calculations and documentation, to the Company and Executive within forty five (45) days after Executive's final day of employment, which Determination, absent manifest error, shall be binding, final and conclusive upon the Company and Executive. If the Accounting Firm determines that the payments and benefits to be provided to Executive will not result in any Excess Parachute Payments, it shall furnish Executive with an opinion to that effect. If the Accounting Firm determines that the payments and benefits to be provided to Executive will result in Excess Parachute Payments, it shall furnish the Executive with an opinion that no Excess Parachute Payments will be made after the reductions contemplated by Section 10(c)(i) hereof.

**11. Confidential Information.**

(a) Executive understands and acknowledges that during his employment with the Company, he will be exposed to Confidential Information (as defined below), all of which is proprietary and which will rightfully belong to the Company (which, for all purposes of this Section 11, shall include its Subsidiaries). Executive shall hold in a fiduciary capacity for the benefit of the Company such Confidential Information obtained by Executive during his employment with the Company and shall not, directly or indirectly, at any time, either during or after his employment with the Company terminates, without the Company's prior written consent, use any of such Confidential Information or disclose any of such Confidential information to any individual or entity other than the Company or its employees, attorneys, accountants, financial advisors, consultants, or investment bankers except as required in the performance of his duties for the Company or as otherwise required by law, court order or an order of any governmental authority. Executive shall take all reasonable steps to safeguard such Confidential Information and to protect such Confidential Information against disclosure, misuse, loss or theft.

(b) The term "Confidential Information" shall mean any information not generally known in the relevant trade or industry or otherwise not generally available to the public, which was obtained from the Company or its predecessors or which was learned, discovered, developed, conceived, originated or prepared during or as a result of the performance of any services by Executive on behalf of the Company or its predecessors. For purposes of this Section 11, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(c) Notwithstanding anything to the contrary in this Agreement, no provision contained in this Agreement is intended or should be construed to prevent or impede Executive from voluntarily communicating with any governmental agencies (including, without limitation, the Securities and Exchange Commission) regarding possible violations of law, or to limit Executive's ability to seek or accept a financial award for providing information to any governmental agency.

## **12. Return of Documents.**

Except for such items which are of a personal nature to Executive (e.g., daily business planner), all writings, records, and other documents and things containing any Confidential Information shall be the exclusive property of the Company, shall not be copied, summarized, extracted from, or removed from the premises of the Company, except in pursuit of the business of the Company, and shall be delivered to the Company, without retaining any copies, upon the termination of Executive's employment or at any time as requested by the Company.

## **13. Non-compete; Non-Solicitation; Non-Disparagement.**

Executive agrees that:

(a) During the Employment Period, and for a one (1) year period thereafter in the event Executive's employment is terminated under circumstances in which he is entitled to receive and is receiving the benefits provided in Sections 6, 7, 8(b) or 8(c) hereof, Executive shall not, directly or indirectly, within Hudson County in the State of New Jersey, engage in, or own, invest in,

manage or control any venture or enterprise primarily engaged in any multi-family residential development or acquisition activities that are competitive with the activities of the Company (which, for all purposes of this Section 13, shall include its Subsidiaries). Nothing herein shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding stock of any class of securities of a company or other entity engaged in such business which is publicly traded, so long as he has no active participation in the business of such company or other entity.

(b) If, at the time of enforcement of this Section 13, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable, the parties agree that reasonable maximum duration, scope, area or other restrictions may be substituted by such court for the stated duration, scope, area or other restrictions and upon substitution by such court, this Agreement shall be automatically modified without further action by the parties hereto.

(c) For purposes of this Section 13, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(d) Non-solicitation. Executive agrees that during the Employment Period, and for a one (1) year period thereafter, regardless of the reason for termination (the “Restricted Period”), Executive will not, without written consent of the Company, directly or indirectly, including causing, encouraging, directing or soliciting any other person to, contact, approach or solicit (other than, so long as Executive continues to be employed by the Company and makes such contact, approach or solicitation made on behalf of the Company) for the purpose of offering employment to or hiring (whether as an employee, consultant, agent, independent contractor or otherwise) or actually hire any person who is or has been employed or retained in the operation of the Company’s business during the period commencing three (3) months prior to the date of such hiring or offering of employment, or induce, interfere with or solicit, or attempt to induce, interfere with or solicit, any person that is a current or former customer, supplier or other business relation of the Company to terminate its relationship or otherwise cease doing business in whole or in part or reduce the amount of business with the Company.

(e) Non-disparagement. Executive agrees not to disparage the Company or its past and present investors, officers, directors or employees, and the Company agrees not to disparage Executive.

(f) Acknowledgements. Executive acknowledges and agrees that (i) Executive’s obligation to comply with the restrictions in this Section 13 shall be independent of any obligation owed to Executive by the Company (whether under this Agreement or otherwise), and specifically shall not be dependent upon whether Executive is entitled to any form of severance pay or benefits pursuant to this Agreement or otherwise; (ii) no claim against the Company by Executive (whether under this Agreement or otherwise) shall constitute a defense to the enforcement by the Company or its affiliates of the restrictions in this Section 13, (iii) the time limitations and the geographic scope on the restrictions in this Section 13 are reasonable, (iv) the restrictions imposed under this Section 13 are reasonably necessary for the protection of the Company and its goodwill, Confidential Information, and other legitimate business interests and do not impose a greater

restraint than necessary to provide such protection, (v) that through this Agreement, Executive shall receive adequate consideration for any loss of opportunity associated with the restrictions of this Section 13, and (vi) that the provisions of this Section 13 and its subparts provide a reasonable way of protecting Company's business value.

(g) Extension of Time. In the event that Executive breaches any covenant, obligation or duty in this Section 13, any such duty, obligation, or covenants to which the parties agreed by this Section 13 shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all appeals. The duration and length of Executive's duties and obligations as agreed by this Section 13 shall continue upon the effective date of any such settlement, or judicial or other resolution.

(h) Legal and Equitable Remedies. Upon any material breach by Executive of any of the provisions of Sections 11, 12 or 13, Executive shall immediately, permanently and irrevocably forfeit without payment of consideration of any kind any and all rights to any of the benefits and payments otherwise payable to Executive pursuant to this Agreement (other than the Accrued Obligations). In addition, in view of the nature of the rights in goodwill, employee relations, trade secrets, and business reputation and prospects of the Company to be protected under Sections 11, 12 and 13, Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of Executive's obligations (whether individually or together) under Sections 11, 12 or 13. Accordingly, Executive specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief, specific performance, and other equitable relief to enforce the provisions of Sections 11, 12 and 13, and that such relief may be granted without the necessity of proving actual damages, and without bond. EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE PROVISIONS IN SECTIONS 11, 12 AND 13 ARE ESSENTIAL AND MATERIAL TO THIS AGREEMENT, AND THAT UPON BREACH OF SECTIONS 11, 12 OR 13 BY EXECUTIVE, COMPANY IS ENTITLED TO WITHHOLD PROVIDING PAYMENTS OR CONSIDERATION, TO EQUITABLE RELIEF TO PREVENT CONTINUED BREACH, TO RECOVER DAMAGES AND TO SEEK ANY OTHER REMEDIES AVAILABLE TO COMPANY. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages or other remedies in addition to equitable relief.

#### **14. Successors.**

(a) Company's Successors. This Agreement may not be assigned by the Company except to a successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the Company's business and/or assets, and the Company shall require any such successor to assume expressly and agree to perform this Agreement, in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. As used in this Agreement, "Company" shall mean the Company as defined herein and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, contract or otherwise.

(b) Executive's Successors. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees.

## **15. Miscellaneous Provisions.**

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, on the first business day after being sent by reputable overnight courier, or on the third business day after being mailed by U.S. registered or certified mail, return receipt requested and postage prepaid, and addressed to Executive at the address shown on the Company's personnel records, or to the Company at the address set forth below, or such other address as a party shall give notice of by notice given in the same manner:

Mack-Cali Realty Corporation  
Harborside 3  
210 Hudson St., Suite 400  
Jersey City, NJ 07311  
Attn: Chief Executive Officer

(b) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(c) Interpretation. When a reference is made in this Agreement to sections, subsections or clauses, such references shall be to a section, subsection or clause of this Agreement, unless otherwise indicated. The words "herein" and "hereof" mean, except where a specific section, subsection or clause reference is expressly indicated, the entire Agreement rather than any specific section, subsection or clause. The words "include", "includes" and "including" when used in this Agreement shall be deemed to in each case to be followed by the words "without limitation". The headings of the sections or subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof and shall not affect the construction or interpretation of this Agreement.

(d) Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

(e) Section 409A of the Code. To the extent applicable, it is intended that payments and benefits provided hereunder be exempt from or comply with Section 409A of the Code and the guidance promulgated thereunder (collectively, "Section 409A"). This Agreement shall be administered in a manner consistent with this intent and if Executive or the Company believes, at any time, that any of such payment or benefit is not exempt or does not so comply, Executive or the Company shall promptly advise the other party and will negotiate reasonably and in good faith to amend the terms of such arrangement such that it is exempt or complies (with the most limited possible economic effect on Executive and on the Company) or to minimize any additional tax,

interest and/or penalties that may apply under Section 409A if exemption or compliance is not practicable. In furtherance of the foregoing, the following provisions shall apply notwithstanding anything to the contrary in this Agreement:

(i) To the extent applicable, each and every payment to be made pursuant to this Agreement shall be treated as a separate payment and not as one of a series of payments treated as a single payment for purposes of Treasury Regulation §1.409A-2(b)(2)(iii).

(ii) If Executive becomes entitled to receive any payment that constitutes deferred compensation subject to Section 409A upon a termination of employment, and such termination of employment does not constitute a “separation from service” as defined in Section 409A, payment of such amount shall be deferred, without interest, and paid on the earlier of the date Executive incurs a separation from service, as so defined (subject to subsection (f)(iii)) below, or the date of Executive’s death.

(iii) If Executive is a “specified employee”, as defined in Section 409A on the date he incurs a separation from service, any amount that becomes payable by reason of such separation from service that constitutes deferred compensation subject to Section 409A, including any amount deferred pursuant to subsection (f)(ii) above, shall be deferred, without interest, and paid on the earlier of the first business day of the seventh month following the month that includes Executive’s separation from service, or the date of Executive’s death.

(iv) If the sixty (60) day period described in Section 9 ends in the calendar year following the year that includes the Termination Date, no amount that is subject to Section 409A, the payment of which is dependent upon the execution of the Release, shall be paid until the first business day of the calendar year following the year that includes the Termination Date, regardless of when the Release is signed.

(v) Any reimbursement of any expense payable to Executive that constitutes taxable income shall be paid not later than the last day of the year following the year in which the expense is incurred, and all reimbursements and in-kind benefits shall be paid in accordance with Treasury Regulation §1.409A-3(i)(1)(iv).

(vi) The Company shall not be obligated to guarantee any particular tax result for Executive with respect to any payment or benefit provided to Executive hereunder, and Executive shall be responsible for any taxes, additional taxes or penalties imposed on Executive in connection with any such payment or benefit with respect to Section 409A or any other obligation to pay taxes.

(f) Legal Fees. (i) If any contest or dispute shall arise between the Company and Executive regarding or as a result of any provision of this Agreement, the Company shall reimburse Executive for all legal fees and expenses reasonably incurred by Executive in connection with such contest or dispute, but only if Executive is successful in respect of substantially all of Executive’s claims pursued or defended in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed); and (ii) Executive shall be paid no more than \$10,000 for the attorney hired by



Executive to review this Agreement. The Company shall pay the amount of the attorney's fee, up to \$10,000, upon submission of the attorney's invoice by Executive to the Company.

(g) Timing of and No Duplication of Payments.

All payments payable to Executive pursuant to this Agreement shall be paid as soon as practicable after such amounts have become fully vested and determinable. In addition, Executive shall not be entitled to receive duplicate payments under any of the provisions of this Agreement.

(h) Modification or Waiver.

No amendment, modification, waiver, termination or cancellation of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification, waiver, termination or cancellation is sought. No course of dealing between or among the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or Executive in the exercise of any of their respective rights or remedies shall

operate as a waiver thereof, and no single or partial exercise by the Company or Executive of any such right or remedy shall preclude other or further exercise thereof. A waiver of right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

The respective rights and obligations of the parties hereunder shall survive Executive's termination of employment and termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

(i) Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of New Jersey, without regard to principles of conflicts of laws thereunder.

(j) Survival of Agreements.

The provisions of Sections 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 each shall survive the Term and termination of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

**Company:**

**MACK-CALI REALTY CORPORATION**

By: /s/ Gary T. Wagner

Its: General Counsel and Secretary

**Executive:**

/s/ Ricardo Cardoso

Ricardo Cardoso

**Ricardo Cardoso**  
**Proposed 2021-2022 LTIP Award Term Sheet**

Award:	An award of a new class of Long-Term Incentive Plan ("LTIP") units of limited partnership interests ("LTIP Units") of Mack-Cali Realty, L.P. (the "Operating Partnership"). The target number of LTIP units (the "Target LTIP Units") to be issued shall be calculated by dividing \$2.0 million by the closing price of the common stock (the "Common Stock") of Mack-Cali Realty Corporation (the "Company") as reported on the New York Stock Exchange on the Grant Date (as defined below). The LTIP Units shall be awarded pursuant to the Company's 2013 Incentive Stock Plan (the "2013 Plan").
Grant Date:	On or before January 31, 2021 (the "Grant Date"); provided that if at the time of grant there are not a sufficient number of shares available for grant under the 2013 Plan, the Grant Date shall be deferred until the date on which the Company's shareholders authorize a sufficient number of shares for grant under the 2013 Plan or a new or successor equity compensation plan of the Company.
Measurement Period:	August 1, 2020 to December 31, 2022 (the "Measurement Period").
Performance Metrics:	LTIP Units may be earned from 0% to 200% of the Target LTIP Units based on the aggregate gross sales price of office properties that are sold during the Measurement Period, but only including each such office property sold for not less than 85% of its estimated net asset value ("NAV") calculated as of the date of the most recently completed fiscal quarter of the Company prior to the date on which the definitive purchase and sale agreement for a property is executed. Sales volume shall include all commercial assets, land sites held by the Company or its Roseland Subsidiary, and any commercial assets sold, transferred or assigned to Roseland to be valued at the then estimated fair market value. LTIP Units may be earned based on the following performance:  <i>Payout interpolated for performance between levels</i>

<i>Office Portfolio Sales Volume</i>		
Perf. Level	Sales Volume (\$mil.)	Payout (% of Target LTIP Units)
< Threshold	<\$500	0%
Threshold	\$500	50%
Target	\$700	100%
Maximum	>=\$900	200%

Vesting:	Vesting of LTIP Units shall be determined as of the last day of the Measurement Period, subject to earlier vesting upon termination events described below.
Dividend Distributions:	So that the LTIP Units maintain the characteristics of profits interests, executive will receive a 10% current dividend on LTIP Units, if, as and when dividends may be declared on the Common Stock and common units of the Operating Partnership from the time of issuance and until vesting, which 10% current dividend shall be retained by executive regardless of whether or not such LTIP Units vest. The remaining 90% dividend on LTIP Units, if any, shall be accrued by the Company from the time of issuance and until vesting and become payable to the executive only upon vesting and in accordance with the terms and conditions of the Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of December 11, 1997, as amended (the "Partnership Agreement").
Treatment Upon Termination by the Company without Cause or by the executive for Good Reason:	Upon the termination of executive's employment by the Company without Cause or by executive for Good Reason or as a result of executive's Death or Disability (as such terms are defined in executive's employment agreement), performance through the date of termination will be measured and the corresponding number of LTIP Units earned (the "Earned LTIP Units") shall vest immediately. Sales volume shall include properties that have been sold during the Measurement Period as well as properties for which definitive agreements have been executed as of the date of termination but such sales have not yet been completed.
Treatment Upon Change in Control:	In the event of a Change in Control (as such term is defined in the executive's employment agreement), performance shall be measured through the date of the Change in Control, including any office asset sales attributable to the Change in Control, will be measured and the corresponding number of Earned LTIP Units will vest. Sales volume shall include properties that have been sold during the Measurement Period as well as properties for which definitive agreements have been executed as of the date of the Change in Control but such sales have not yet been completed.  Vesting of Earned LTIP Units shall accelerate and vest immediately upon the earlier to occur of (a) the termination of executive's employment by the Company without Cause or by executive for Good Reason (as such terms are defined in executive's employment agreement) within two years of a Change in Control, and (b) the completion of a Change in Control pursuant to which any successor entity to the Company or Operating Partnership does not assume, convert or replace the Earned LTIP Units with equity in such successor entity.
Treatment Upon Termination by the Company for Cause, by the executive without Good Reason, or upon executive's Death or Disability:	Upon the termination of executive's employment by the Company for Cause or by executive without Good Reason (as such terms are defined in executive's employment agreement), then all unearned, unvested LTIP Units shall be forfeited.
Tax Treatment:	LTIP Units are intended to qualify as profits interest for federal income tax purposes. In addition, LTIP Units are intended to have "Best Net" treatment for excise taxes, in combination with severance benefits under employment agreement. That is, if executive would be better off on a net-after-tax basis if payments are reduced to the IRS safe-harbor, then payments will be reduced. Otherwise payments will not be reduced, and executive will be responsible for paying excise taxes in addition to any other individual taxes. Executive also shall be required to make a Section 83(b) election with respect to the LTIP Units.
Other Features:	The LTIP Units shall be a class of LTIP Units to be issued under the Partnership Agreement. Unless otherwise provided in this term sheet, the LTIP Units to be awarded pursuant to this term sheet shall have the same general rights, privileges and preferences of other classes of outstanding performance-based LTIP Units under the Partnership Agreement and be subject to the terms and conditions of the Partnership Agreement.

**Exhibit B**

**SEPARATION AGREEMENT AND RELEASE**

Pursuant to Section 9 of the Amended and Restated Executive Employment Agreement between Mack-Cali Realty Corporation (the “Company”) and Ricardo Cardoso (the “Executive”), commencing on or about January 1, 2021 (the “Employment Agreement”), all benefits and payments that may become payable pursuant to Section 6 of the Employment Agreement, other than those described in Section 6(a)(i-v), are expressly conditioned on Executive, or the representative of his estate, executing and not revoking the release set forth in this Separation Agreement and Release (“Separation Agreement” or “Release”).

1. In further consideration of the covenants undertaken pursuant to the Employment Agreement including, without limitation, all payments and benefits provided to Executive, and in exchange for those benefits provided for in Sections 6, 7 and 8 of the Employment Agreement, other than those described in Section 6(a)(i-v), Executive releases Mack-Cali Realty L.P. and Mack-Cali Realty Corporation, their respective predecessors, successors, affiliates, subsidiaries, parents and assigns (collectively and individually, the "Employer"), and their officers, directors, managers, trustees, shareholders, partners, members, employees, agents and all persons acting by, through, under, or in concert with them or any of them (collectively called "Employer Releasees"), from any and all liability, obligations, causes of action, claims, and/or demands whatsoever in law or equity arising or that may arise from any aspect of Executive's employment with the Employer and separation from that employment. This release includes, but is not limited to (a) all wrongful discharge claims (including but not limited to claims based on breach of contract or implied contract, breach of the covenant of good faith and fair dealing, or violation of public policy); (b) claims under Title VII of the Civil Rights Act of 1964 as amended (which prohibits discrimination on the basis of color, national origin, race, religion, and sex); (c) claims under the Age Discrimination in Employment Act (which prohibits discrimination against persons 40 years of age or older because of age); (d) claims under the Employee Retirement Income Security Act of 1974, as amended; (e) claims under the Older Workers Benefit Protection Act of 1990; (f) claims under the Civil Rights Act of 1866; (g) claims under the Sarbanes-Oxley Act of 2002; (h) claims under the Consolidated Omnibus Budget Reconciliation Act; (i) claims under the Immigration Reform and Control Act; (j) claims under the National Labor Relations Act; (k) claims under the Americans With Disabilities Act (which prohibits discrimination on the basis of disabilities); (l) claims under the Family and Medical Leave Act; (m) claims under the Genetic Information Non-Discrimination Act; (n) claims under the Fair Credit Reporting Act; (o) claims under the Families First Coronavirus Response Act; (p) claims under any state or federal wage and hour law; (q) claims under the New Jersey Law Against Discrimination (which prohibits discrimination on the basis of age, color, physical or mental impairment or disability, national origin, race, religion, sex, and affectional or sexual orientation and gender identity or expression); (r) claims under the New Jersey Conscientious Employee Protection Act; (s) claims under the New Jersey Family Leave Act; (t) claims under the New Jersey SAFE Act; (u) claims under the New Jersey Earned Sick Leave Law; (v) claims under the New York State Human Rights Law; (w) claims under the New York State Wage Theft Prevention Act; (x) claims under the New York State Paid Family Leave Law; and (y) claims under any other federal or state statute, common law, or decisional law, as well as claims for negligent and/or intentional infliction of emotional distress, for alleged

interference with any contract, economic opportunity or prospective economic advantage, or for alleged violation of any federal, state or local law, regulation, ordinance or common-law duty relating to, arising out of, or having any bearing whatsoever on, Executive's former employment by the Employer, including Executive's separation from that employment.

2. Nothing in this Separation Agreement requires Executive to waive any rights or claims that Executive may have arising under the Age Discrimination in Employment Act unless Executive has been afforded at least twenty one (21) days to consider this Agreement, and the release of those claims shall not become effective until seven (7) days after Executive signs this Agreement. During this seven-day period, Executive has the right to revoke the release of those claims, in which event this Agreement will become null and void and of no further force or effect and Executive will lose the right to receive the additional compensation and benefits set forth in Section 6, 7 and 8 of the Employment Agreement. Executive may revoke the Separation Agreement and Release by sending a letter indicating that he withdraws his agreement to the Separation Agreement and Release to Mr. Gary Wagner, General Counsel, Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311.

3. The additional items of compensation provided to Executive under Section 6 of the Employment Agreement are in lieu of any other compensation, bonus, severance, or separation benefit to which Executive might otherwise be entitled in connection with his separation from employment under any employment policy or employee benefit plan of the Employer. By accepting the benefits under Section 6, 7 and 8 of the Employment Agreement, Executive expressly waives and surrenders his rights, if any, to benefits under any such policy or plan. This Separation Agreement does not, however, affect Executive's entitlement to benefits, if any, under any existing qualified retirement plan.

4. Executive represents and agrees that he has or will immediately turn over all of the Employer's property in his possession including, but not limited to, any financial information, personnel information, computer records, and any other documents, I.D. cards, computer passwords, laptops, tablets, external drives, cell phones, machinery, tools, equipment and keys.

5. By signing this Separation Agreement, Executive acknowledges that he has carefully read it and understands its terms, that he has been advised to seek the advice of a lawyer before signing it, that he has voluntarily and knowingly executed this Separation Agreement, and that he fully appreciates the effect of executing it. Executive further acknowledges that he has had sufficient time to consider the Separation Agreement and its ramifications without coercion or intimidation before executing it.

6. This Separation Agreement must be returned to Mr. Gary Wagner, General Counsel at Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311, no later than \_\_\_\_\_. If this Agreement is not returned by \_\_\_\_\_, it shall be automatically withdrawn and the additional compensation and benefits offered to Executive will no longer be available to Executive, without any further notice.

**BY SIGNING BELOW, EXECUTIVE ACKNOWLEDGES THAT HE:**

- A. HAS READ THIS SEPARATION AGREEMENT AND RELEASE;**
- B. UNDERSTANDS IT AND KNOWS THAT HE IS GIVING UP IMPORTANT RIGHTS;**
- C. AGREES WITH EVERYTHING IN IT;**
- D. HAS BEEN ADVISED TO CONSULT WITH A LAWYER PRIOR TO EXECUTING THIS AGREEMENT AND RELEASE;**
- E. HAS BEEN AFFORDED AT LEAST 21 DAYS TO CONSIDER THIS AGREEMENT AND RELEASE;**
- F. HAS SEVEN (7) DAYS AFTER SIGNING THIS AGREEMENT TO REVOKE HIS RELEASE OF CLAIMS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT;**
- G. HAS SIGNED THIS AGREEMENT AND RELEASE KNOWINGLY AND VOLUNTARILY.**

I elect to receive the additional compensation and benefits described in Section 6, 7 and 8 of the Employment Agreement in exchange for my agreement to the terms of Paragraphs 1 through 6 above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**IF THIS AGREEMENT IS NOT SIGNED AND RETURNED BY \_\_\_\_\_, IT SHALL BE AUTOMATICALLY WITHDRAWN AND THE BENEFITS OFFERED TO EXECUTIVE IN IT WILL NO LONGER BE AVAILABLE TO EXECUTIVE, WITHOUT FURTHER NOTICE.**

## AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (the “Agreement”) is entered into on November 3, 2020, effective as of January 1, 2021 (the “Effective Date”), by and between Gary T. Wagner (the “Executive”), and Mack-Cali Realty Corporation, a Maryland corporation (the “Company”) with offices at Harborside 3, 210 Hudson St., Suite 400, Jersey City, NJ 07311.

## RECITALS

WHEREAS, the Executive is currently employed by the Company as its General Counsel and Secretary pursuant to an Employment Agreement dated January 26, 2018 (“Original Agreement”) and Amendment No 1 to the Original Agreement dated March 24, 2020; and

WHEREAS, the Parties desire to amend and restate the Original Agreement as previously amended, on the terms and conditions set forth herein; and

WHEREAS, the Company desires to continue to employ Executive, and to enter into this Agreement to set forth the terms and conditions of his continued employment, and Executive desires to accept such continued employment, pursuant to the terms and provisions set forth herein;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

**1. Employment.**

The Company hereby agrees to continue to employ Executive, and Executive hereby agrees to accept such continued employment, upon the terms and conditions set forth in this Agreement. Effective as of the Effective Date, the terms and conditions of Executive’s employment shall be governed by the terms of this Agreement, which shall supersede all prior understandings and agreements, written or oral, with respect to Executive’s employment; provided, that the Indemnification Agreement, dated November 11, 2011, between the Executive and the Company, and any agreements entered into prior to the Effective Date evidencing outstanding equity or long-term incentive awards shall remain in effect.

**2. Employment Period.**

(a) Subject to Sections 3(b) and 5 hereof, the Company agrees to continue to employ the Executive, and the Executive agrees to continue to be employed by the Company, in each case pursuant to this Agreement, for a period commencing on the Effective Date, and ending December 31, 2022 (the “Term”). On each December 31 during the Term, commencing with December 31, 2022, the Term will be automatically extended for an additional one year, through the following December 31, unless either party notifies the other party in writing, not fewer than ninety (90) days prior to such December 31, that it has elected not to extend the Term, in which event the Term shall expire on such December 31.

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(b) Notwithstanding anything contained herein to the contrary: (i) Executive's employment with the Company may be terminated by the Company or Executive during the Term, subject to the terms and conditions of this Agreement; and (ii) nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Term upon such terms and conditions as the Board of Directors of the Company (the "Board"), and Executive may mutually agree. The Executive's period of employment pursuant to this Agreement shall hereinafter be referred to as the "Employment Period".

### **3. Duties and Responsibilities.**

(a) During the Employment Period, Executive shall be employed and serve as the General Counsel and Secretary of the Company reporting directly to the Chief Executive Officer of the Company (the "CEO"). In his position, Executive shall perform such duties, functions and responsibilities during the Employment Period, commensurate with the Executive's position, as reasonably and lawfully directed by the CEO.

(b) Executive shall devote substantially all of his business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Company (which, for all purposes of this Section 3(b), shall include all Subsidiaries of the Company). Without limiting the foregoing, Executive shall not engage in any other business, occupation or related activity during the Employment Period that (i) conflicts with the interests of the Company or its subsidiaries, (ii) interferes with the proper and efficient performance of his duties for the Company, or (iii) interferes with the exercise of his judgment in the Company's best interests. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for Executive to (iv) with the advance approval of the Board or the Governance Committee of the Board (not to be unreasonably withheld), serve on corporate, civic or charitable boards or committees, (v) deliver lectures, fulfill speaking engagements or teach at educational institutions, or (vi) manage personal investments, including real estate investments, so long as such activities do not significantly interfere with or significantly detract from the performance of Executive's responsibilities to the Company in accordance with this Agreement, and provided that any real estate investments or activities within Hudson County in the State of New Jersey shall be limited to passive, non-controlling investments and activities.

### **4. Compensation and Benefits.**

(a) Base Salary. Effective on the Effective Date and during the Employment Period, the Company shall pay Executive an annual base salary in the amount of \$450,000 (the "Annual Base Salary"), payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. Executive's Annual Base Salary shall be reviewed, at least annually, for merit increases and may, by action and in the discretion of the Board or its Executive Compensation and Option Committee (the "Compensation Committee"), be increased at any time or from time to time, but may not be decreased from the then current Annual Base Salary without Executive's prior written consent.

(b) Incentive Compensation/Bonuses. In addition, for each calendar year during the Employment Period, Executive shall be eligible to receive annual cash incentive compensation as follows:

- Bonus Opportunity: For each fiscal year during the Employment Period, Executive shall be eligible to receive an annual bonus (the “Annual Bonus”) under the terms of the Company’s annual bonus plan as in effect from time to time, based on the achievement of performance criteria established by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. For fiscal year 2021, Executive shall be eligible to receive an Annual Bonus equal to fifty percent (50%) of his Annual Base Salary earned in 2021 if threshold performance is attained, an Annual Bonus equal to one hundred percent (100%) of his Annual Base Salary earned in 2021 (“Target Bonus”) if target performance is attained and an Annual Bonus equal to one hundred fifty percent (150%) of his Annual Base Salary earned in 2021 if performance equals or exceeds the maximum performance level established. The threshold, target and maximum Annual Bonus for each subsequent fiscal year of the Term and the corresponding performance criteria shall be determined in good faith by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. In respect to the Annual Bonus for the final year of the Term, as may be extended pursuant to Section 2(b), provided that Executive is employed by the Company until the expiration of the Term and that Executive’s employment was not terminated for Cause by the Company following the Term, any qualitative performance evaluation will be performed by December 16 of the final year, and the achievement of quantitative performance metrics shall be determined based on actual performance for the final year and determined on or before March 31 of the year following the final year of the Term, whether or not Executive is employed during the year following the final year.

Payment of Annual Bonuses to Executive, if any, shall be made in the same manner and at the same time that other senior-level executives receive their annual bonus awards, but in any event on or before the end of the first quarter following the end of the applicable performance year.

- During the Employment Period, Executive shall be eligible to be granted long term incentive or equity awards as may be determined by the Board or the Compensation Committee in its sole discretion under such plans and programs as may be in effect from time to time.

(c) Taxes and Withholding. Anything in this Agreement to the contrary notwithstanding, all payments required to be made by the Company hereunder to Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withholding as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.

(d) Additional Benefits. In addition to the compensation specified above and other benefits provided pursuant to this Section 4, Executive shall be entitled to the following benefits:

(i) participation in the Mack-Cali Realty Corporation 401(k) Savings and Retirement Plan (subject to statutory rules and maximum contributions and non-discrimination requirements applicable to 401(k) plans) and eligibility to participate in such other benefit plans and programs, including but not limited to restricted stock, phantom stock and/or unit awards, and any other incentive compensation plans or programs (whether or not employee benefit plans or programs), as maintained by the Company from time to time and made generally available to executives of the Company with such participation to be consistent with reasonable Company guidelines and each pursuant to the terms and conditions of such benefit plan as they may exist from time to time;

(ii) participation in any health insurance, disability insurance, paid vacation, group life insurance or other welfare benefit program made generally available to executives of the Company, subject to the general eligibility and participation provisions set forth in such plans;

(iii) participation in all deferred compensation, retirement or other benefit plans or perquisites as may be provided to any other executive of the Company on terms and conditions at least as favorable to the Executive as the terms and conditions generally applicable to all other executives of the Company who are also executive officers of the Company (as defined in Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)); and

(iv) upon the submission of proper substantiation by Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of executive personnel, reimbursement for all reasonable expenses actually paid or incurred by Executive during the Employment Period in the course of and pursuant to the business of the Company.

## **5. Termination of Employment; Severance Agreement.**

(a) Termination. The Employment Period, and Executive’s employment with the Company, shall terminate upon the earliest to occur of (i) Executive’s death, (ii) a termination by the Company by reason of Executive’s Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive’s employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company, any of its subsidiaries or any third party boards or committees of which Executive is a member for or on behalf of the Company or as a result of his employment with the Company. For the avoidance of doubt, the expiration of the Term in accordance with Section 2(a) shall not be considered a termination of Executive’s employment by the Company with or without Cause or the resignation of Executive for Good Reason or otherwise, and Executive’s employment shall not be considered to have been constructively terminated for any reason unless he resigns for Good Reason in accordance with this Agreement.

(b) Notice of Termination. Any termination of Executive's employment by the Company or any such termination by Executive (other than on account of death) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. In the event of the termination of Executive's employment on account of death, written Notice of Termination shall be deemed to have been provided on the date of death.

(c) "Cause" shall mean the intentional and willful commission by Executive of any of the following acts or omissions:

(i) willful and continued failure to use best efforts to substantially perform his duties to the Company (other than any such failure resulting from Executive's incapacity due to physical or mental illness) for a period of thirty (30) days after written demand for substantial performance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially performed his duties;

(ii) material and continued failure to comply with Executive's obligations under any written policy of the Company applicable to senior executives as approved by the Board from time to time for a period of thirty (30) days after written demand for substantial compliance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially complied;

(iii) any act of fraud, embezzlement, misappropriation, or misuse for personal benefit of the assets or property of the Company; or

(iv) A conviction of or plea of "guilty" or "no contest" to a felony under the laws of the United States or any state thereof;

For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in furtherance of, or not opposed to, the interests of the Company. Any determination of Cause will be made by the Board at a duly held meeting of the Board (held after reasonable notice to Executive and reasonable opportunity for him, together with his counsel, to be heard before the Board at the meeting) and pursuant to resolutions duly adopted by the affirmative vote of the majority of the Board present and voting at such meeting finding that in the good faith opinion of the Board after reasonable investigation that Executive has engaged in acts or omissions constituting Cause, provided that no such determination may be made, until Executive has been given written notice detailing the specific Cause event and, where applicable, the lapsing of any cure period.

(d) "Change in Control" shall mean that any of the following events has occurred:

(i) any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company or any of its Subsidiaries, becomes the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the shares of common stock of the Company (the “Shares”) issued and outstanding immediately prior to such acquisition;

(ii) any Shares are purchased pursuant to a tender or exchange offer that results in any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act becoming the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the Shares issued and outstanding immediately prior to such tender or exchange offer; or

(iii) (x) the dissolution or liquidation of the Company; or (y) the consummation of any merger or consolidation of the Company; or (z) any sale or other disposition of all or substantially all of its assets; if the shareholders of the Company immediately prior to such transaction own, immediately after consummation of such transaction, directly or indirectly equity securities (other than options and other rights to acquire equity securities) possessing less than 30% of the voting power of the surviving entity in the case of (y) above, or of the acquiring entity in the case of (z) above.

(e) “Change in Control Period” shall mean the period commencing on the earlier of (i) the date that a Change in Control occurs or (ii) the date that the Company enters into a definitive agreement with respect to a transaction, the consummation of which would constitute a Change in Control (provided it is actually consummated), and in either case ending on the second anniversary of the Change in Control.

(f) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(g) “Disability” shall mean the inability of Executive, as a result of any medically determinable physical or mental disease, injury, or congenital condition, to substantially perform his principal duties to the Company, with or without reasonable accommodation, for a continuous period of one hundred and eighty (180) days, or periods aggregating two hundred and seventy (270) days in any twelve (12) month period.

(h) “Good Reason” shall mean, without the express written consent of Executive, the occurrence of any of the following circumstances during either the Employment Period or a Change in Control Period:

(i) the material diminishment of Executive’s authority, duties or responsibilities as General Counsel and Secretary, it being understood that during a Change in Control Period, Good Reason shall be deemed to have occurred if Executive is not the General Counsel and Secretary of the Company (or the entity succeeding to the Company’s business) following the Change in Control;

(ii) a material reduction in Executive's Annual Base Salary, it being understood that any reduction below the Base Salary as in effect as of the Effective Date shall constitute Good Reason;

(iii) a material change in the geographic location at which the Executive must perform the services under this Agreement; or

(iv) the failure of the Company to obtain agreement from any successor to assume and agree to perform this Agreement.

Notwithstanding the foregoing, Executive shall not be considered to have resigned for Good Reason unless, Executive gives the Company written notice of resignation, specifying in reasonable detail the circumstance constituting Good Reason, not more than thirty (30) days after the occurrence of such circumstance, and the Company fails to cure such circumstance within thirty (30) days after receipt of such notice; provided, that if the Company does cure such circumstance within such period Executive may withdraw his notice of resignation without prejudice within ten (10) days after the end of the cure period.

(i) "Termination Date" shall mean the date on which Executive's employment is terminated for any reason.

The definitions contained in Sections 5(c) through 5(i) shall apply for all purposes under this Agreement.

#### **6. Severance Benefits Resulting from Death or Disability.**

Upon a termination of Executive's employment by reason of death or Disability whether before or after the expiration of the Term, Executive (or the representative of his estate) shall be entitled to receive the following payments and benefits, subject to compliance in the case of Disability with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) The following "Accrued Obligations", payable as and when those amounts would have been payable had the Employment Period not ended:

(i) all accrued but unpaid Base Salary through the Termination Date;

(ii) any unpaid or unreimbursed expenses incurred in accordance with Company policy to the extent incurred during the Employment Period;

(iii) any accrued but unpaid benefits provided under the Company's employee benefit plans (not including any severance, separation pay, or supplemental unemployment benefit plan), subject to and in accordance with the terms of those plans;

(iv) any earned but unpaid Annual Bonus in respect to any completed fiscal year that has ended on or prior to the Termination Date; and

(v) rights to indemnification by virtue of Executive's position as an officer or director of the Company or its subsidiaries and the benefits under any directors' and officers' liability insurance policy maintained by the Company, in accordance with its terms thereof.

(b) An amount equal to Executive's Annual Bonus for the year in which the Termination Date occurs, based upon the Company's actual performance for the year, multiplied by a fraction, the numerator of which is the number of days in such year through and including the Termination Date and the denominator of which is the total number of days in such year, payable at the same time that Annual Bonuses are paid to active employees.

**7. Severance Benefits upon Termination Without Cause, or Resignation for Good Reason during the Term or a Change of Control Period.**

In the event that either during the Term or thereafter during a Change in Control Period (i) the Company terminates Executive's employment for any reason other than Cause or Disability, or (ii) Executive resigns for Good Reason, Executive shall be entitled to receive the following payments and benefits, subject to compliance with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) All payments and benefits described in Section 6.

(b) A lump sum cash payment in an amount equal to one and one-half (1.5) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs, payable as soon as practicable after the Termination Date; provided however, that if such termination occurs during a Change in Control Period, the lump sum cash payment shall be in an amount equal to two (2) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs.

(c) If Executive elects, on behalf of himself or his eligible dependents, to continue medical coverage under any medical plan of the Company pursuant to the provisions of Section 4980B of the Code or any other applicable law ("COBRA"), and such election is available to him pursuant to then governing law, and complies with all requirements for such coverage, an amount, payable not later than the last day of each month that such coverage is in effect, up to a maximum of eighteen (18) months, (or such shorter duration as governing law may then allow) equal to the excess, if any, of the premium paid by Executive for such coverage pursuant to COBRA over the premium that would be paid by an active employee for comparable coverage (the "Medical Continuation"). If Executive's continuation coverage is terminated for any reason other than dictate of governing law prior to the end of such eighteen (18) month period, the Company's obligations under this Section 7(c) shall terminate, regardless of whether the termination of Executive's coverage constitutes a second qualifying event as defined by COBRA with respect to any other dependent.

**8. Compensation or Severance Benefits upon Termination of Employment by the Company for Cause, Termination by the Company Without Cause following the Term, or Resignation by Executive following the Term.**

(a) Termination by the Company for Cause or Resignation without Good Reason during the Term. In the event the Company terminates Executive's employment for Cause (whether during the Term or thereafter), or Executive resigns without Good Reason prior to the expiration of the Term, Executive shall only be entitled to receive the Accrued Obligations, payable as and when those amounts would have been payable had the Employment Period not ended.

(b) Termination by the Company without Cause or Resignation by Executive with Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), the Company terminates Executive's employment for any reason other than as set forth in Sections 6, 7 or 8(a), or Executive resigns with Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a termination by Company.

(c) Resignation by Executive without Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), Executive resigns without Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a resignation by Executive.

**9. Release.**

Notwithstanding anything to the contrary above, all benefits and payments that may become payable pursuant to Section 6, 7 or 8 (other than the Accrued Obligations) are conditioned on Executive, or the representative of his estate, executing a release of claims and covenant not to sue, in form attached hereto as Exhibit B (the "Release"), and the period provided in such Release having expired without Executive exercising his right to revoke, not later than sixty (60) days after the Termination Date (subject to Section 15(e)(iv)), and if Executive fails to execute such Release, revokes the Release, or the revocation period has not yet expired by the end of such sixty (60) day period, Executive shall have no right to any such payment or benefit.

**10. Effect on Employee Benefit Plans and Programs and Long-Term Incentive and Equity Awards; Adjustment of Payments and Benefits.**

(a) Effect on Employee Benefit Programs. The termination of Executive's employment hereunder, whether by the Company or Executive, shall have no effect on the rights and obligations of the parties hereto under the Company's (i) welfare benefit plans including, without limitation, Medical Continuation as provided for herein and, health coverage thereafter but only to the extent required by law, and on the same basis applicable to other employees and (ii) 401(k) Plan but only to the extent required by law and pursuant to the terms of the 401(k) Plan.



(b) Effect on Long-Term Incentive and Equity Awards. The extent to which long-term incentive or equity awards held by Executive vest or become exercisable or payable as a result of a termination of employment for any reason shall be governed exclusively by the terms of the plan or award agreement governing such award.

(c) Adjustment of Payments and Benefits.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit to be paid or provided hereunder, when combined with any other amount payable to Executive, would be an "Excess Parachute Payment," within the meaning of Section 280G of the Code, or any successor provision thereto, but for the application of this sentence, then the payments and benefits to be paid or provided hereunder shall be reduced to the minimum extent necessary so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; provided, however, that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate payments and benefits to be provided, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Section 4999 of the Code, or any successor provision thereto, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes). In the event that any payment or benefit intended to be provided hereunder is required to be reduced pursuant to this Section the reduction shall occur in the following order:: (A) by first reducing or eliminating the portion of the payments which are not payable in cash and are not attributable to equity awards (other than that portion of the payments subject to clause (D) hereof), (B) then by reducing or eliminating cash payments (other than that portion of the payments subject to clause (D) hereof), (C) then by reducing or eliminating the portion of the payments which are not payable in cash and are attributable to equity awards (other than that portion of the Payments subject to clause (D) hereof) and (D) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

(ii) The determination of whether the any payment or benefit shall be reduced as provided in Section 10(c)(i) hereof and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with supporting calculations and documentation, to the Company and Executive within forty five (45) days after Executive's final day of employment, which Determination, absent manifest error, shall be binding, final and conclusive upon the Company and Executive. If the Accounting Firm determines that the payments and benefits to be provided to Executive will not result in any Excess Parachute Payments, it shall furnish Executive with an opinion to that effect. If the Accounting Firm determines that the payments and benefits to be provided to Executive will result in Excess Parachute Payments, it shall furnish the Executive with an opinion that no Excess Parachute Payments will be made after the reductions contemplated by Section 10(c)(i) hereof.

## **11. Confidential Information.**

(a) Executive understands and acknowledges that during his employment with the Company, he will be exposed to Confidential Information (as defined below), all of which is proprietary and which will rightfully belong to the Company (which, for all purposes of this Section 11, shall include its Subsidiaries). Executive shall hold in a fiduciary capacity for the benefit of the Company such Confidential Information obtained by Executive during his employment with the Company and shall not, directly or indirectly, at any time, either during or after his employment with the Company terminates, without the Company's prior written consent, use any of such Confidential Information or disclose any of such Confidential information to any individual or entity other than the Company or its employees, attorneys, accountants, financial advisors, consultants, or investment bankers except as required in the performance of his duties for the Company or as otherwise required by law, court order or an order of any governmental authority. Executive shall take all reasonable steps to safeguard such Confidential Information and to protect such Confidential Information against disclosure, misuse, loss or theft.

(b) The term "Confidential Information" shall mean any information not generally known in the relevant trade or industry or otherwise not generally available to the public, which was obtained from the Company or its predecessors or which was learned, discovered, developed, conceived, originated or prepared during or as a result of the performance of any services by Executive on behalf of the Company or its predecessors. For purposes of this Section 11, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(c) Notwithstanding anything to the contrary in this Agreement, no provision contained in this Agreement is intended or should be construed to prevent or impede Executive from voluntarily communicating with any governmental agencies (including, without limitation, the Securities and Exchange Commission) regarding possible violations of law, or to limit Executive's ability to seek or accept a financial award for providing information to any governmental agency.

## **12. Return of Documents.**

Except for such items which are of a personal nature to Executive (e.g., daily business planner), all writings, records, and other documents and things containing any Confidential Information shall be the exclusive property of the Company, shall not be copied, summarized, extracted from, or removed from the premises of the Company, except in pursuit of the business of the Company, and shall be delivered to the Company, without retaining any copies, upon the termination of Executive's employment or at any time as requested by the Company.

## **13. Non-Compete; Non-Solicitation; Non-Disparagement.**

Executive agrees that:

(a) During the Employment Period, and for a one (1) year period thereafter in the event Executive's employment is terminated under circumstances in which he is entitled to receive and

is receiving the benefits provided in Sections 6, 7, 8(b) or 8(c) hereof, Executive shall not, directly or indirectly, within Hudson County in the State of New Jersey, engage in, or own, invest in, manage or control any venture or enterprise primarily engaged in any office-service, flex, office property or multi-family residential development or acquisition activities that are competitive with the activities of the Company (which, for all purposes of this Section 13, shall include its Subsidiaries). Nothing herein shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding stock of any class of securities of a company or other entity engaged in such business which is publicly traded, so long as he has no active participation in the business of such company or other entity.

(b) If, at the time of enforcement of this Section 13, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable, the parties agree that reasonable maximum duration, scope, area or other restrictions may be substituted by such court for the stated duration, scope, area or other restrictions and upon substitution by such court, this Agreement shall be automatically modified without further action by the parties hereto.

(c) For purposes of this Section 13, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(d) Non-solicitation. Executive agrees that during the Employment Period, and for a one (1) year period thereafter, regardless of the reason for termination (the "Restricted Period"), Executive will not, without written consent of the Company, directly or indirectly, including causing, encouraging, directing or soliciting any other person to, contact, approach or solicit (other than, so long as Executive continues to be employed by the Company and makes such contact, approach or solicitation made on behalf of the Company) for the purpose of offering employment to or hiring (whether as an employee, consultant, agent, independent contractor or otherwise) or actually hire any person who is or has been employed or retained in the operation of the Company's business during the period commencing three (3) months prior to the date of such hiring or offering of employment, or induce, interfere with or solicit, or attempt to induce, interfere with or solicit, any person that is a current or former customer, supplier or other business relation of the Company to terminate its relationship or otherwise cease doing business in whole or in part or reduce the amount of business with the Company.

(e) Non-disparagement. Executive agrees not to disparage the Company or its past and present investors, officers, directors or employees, and the Company agrees not to disparage Executive.

(f) Acknowledgements. Executive acknowledges and agrees that (i) Executive's obligation to comply with the restrictions in this Section 13 shall be independent of any obligation owed to Executive by the Company (whether under this Agreement or otherwise), and specifically shall not be dependent upon whether Executive is entitled to any form of severance pay or benefits pursuant to this Agreement or otherwise; (ii) no claim against the Company by Executive (whether under this Agreement or otherwise) shall constitute a defense to the enforcement by the Company or its affiliates of the restrictions in this Section 13, (iii) the time limitations and the geographic scope on the restrictions in this Section 13 are reasonable, (iv) the restrictions imposed under this

Section 13 are reasonably necessary for the protection of the Company and its goodwill, Confidential Information, and other legitimate business interests and do not impose a greater restraint than necessary to provide such protection, (v) that through this Agreement, Executive shall receive adequate consideration for any loss of opportunity associated with the restrictions of this Section 13, and (vi) that the provisions of this Section 13 and its subparts provide a reasonable way of protecting Company's business value.

(g) Extension of Time. In the event that Executive breaches any covenant, obligation or duty in this Section 13, any such duty, obligation, or covenants to which the parties agreed by this Section 13 shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all appeals. The duration and length of Executive's duties and obligations as agreed by this Section 13 shall continue upon the effective date of any such settlement, or judicial or other resolution.

(h) Legal and Equitable Remedies. Upon any material breach by Executive of any of the provisions of Sections 11, 12 or 13, Executive shall immediately, permanently and irrevocably forfeit without payment of consideration of any kind any and all rights to any of the benefits and payments otherwise payable to Executive pursuant to this Agreement (other than the Accrued Obligations). In addition, in view of the nature of the rights in goodwill, employee relations, trade secrets, and business reputation and prospects of the Company to be protected under Sections 11, 12 and 13, Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of Executive's obligations (whether individually or together) under Sections 11, 12 or 13. Accordingly, Executive specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief, specific performance, and other equitable relief to enforce the provisions of Sections 11, 12 and 13, and that such relief may be granted without the necessity of proving actual damages, and without bond. EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE PROVISIONS IN SECTIONS 11, 12 AND 13 ARE ESSENTIAL AND MATERIAL TO THIS AGREEMENT, AND THAT UPON BREACH OF SECTIONS 11, 12 OR 13 BY EXECUTIVE, COMPANY IS ENTITLED TO WITHHOLD PROVIDING PAYMENTS OR CONSIDERATION, TO EQUITABLE RELIEF TO PREVENT CONTINUED BREACH, TO RECOVER DAMAGES AND TO SEEK ANY OTHER REMEDIES AVAILABLE TO COMPANY. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages or other remedies in addition to equitable relief.

#### **14. Successors.**

(a) Company's Successors. This Agreement may not be assigned by the Company except to a successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the Company's business and/or assets, and the Company shall require any such successor to assume expressly and agree to perform this Agreement, in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. As used in this Agreement, "Company" shall mean the Company as defined herein and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, contract or otherwise.

(b) Executive's Successors. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

## **15. Miscellaneous Provisions.**

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, on the first business day after being sent by reputable overnight courier, or on the third business day after being mailed by U.S. registered or certified mail, return receipt requested and postage prepaid, and addressed to Executive at the address shown on the Company's personnel records, or to the Company at the address set forth below, or such other address as a party shall give notice of by notice given in the same manner:

Mack-Cali Realty Corporation  
Harborside 3  
210 Hudson St., Suite 400  
Jersey City, NJ 07311  
Attn: Chief Executive Officer

(b) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(c) Interpretation. When a reference is made in this Agreement to sections, subsections or clauses, such references shall be to a section, subsection or clause of this Agreement, unless otherwise indicated. The words "herein" and "hereof" mean, except where a specific section, subsection or clause reference is expressly indicated, the entire Agreement rather than any specific section, subsection or clause. The words "include", "includes" and "including" when used in this Agreement shall be deemed to in each case to be followed by the words "without limitation". The headings of the sections or subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof and shall not affect the construction or interpretation of this Agreement.

(d) Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

(e) Section 409A of the Code. To the extent applicable, it is intended that payments and benefits provided hereunder be exempt from or comply with Section 409A of the Code and the guidance promulgated thereunder (collectively, "Section 409A"). This Agreement shall be administered in a manner consistent with this intent and if Executive or the Company believes, at any time, that any of such payment or benefit is not exempt or does not so comply, Executive or the Company shall promptly advise the other party and will negotiate reasonably and in good faith to amend the terms of such arrangement such that it is exempt or complies (with the most limited possible economic effect on Executive and on the Company) or to minimize any additional tax,

interest and/or penalties that may apply under Section 409A if exemption or compliance is not practicable. In furtherance of the foregoing, the following provisions shall apply notwithstanding anything to the contrary in this Agreement:

(i) To the extent applicable, each and every payment to be made pursuant to this Agreement shall be treated as a separate payment and not as one of a series of payments treated as a single payment for purposes of Treasury Regulation §1.409A-2(b)(2)(iii).

(ii) If Executive becomes entitled to receive any payment that constitutes deferred compensation subject to Section 409A upon a termination of employment, and such termination of employment does not constitute a “separation from service” as defined in Section 409A, payment of such amount shall be deferred, without interest, and paid on the earlier of the date Executive incurs a separation from service, as so defined (subject to subsection (f)(iii)) below, or the date of Executive’s death.

(iii) If Executive is a “specified employee”, as defined in Section 409A on the date he incurs a separation from service, any amount that becomes payable by reason of such separation from service that constitutes deferred compensation subject to Section 409A, including any amount deferred pursuant to subsection (f)(ii) above, shall be deferred, without interest, and paid on the earlier of the first business day of the seventh month following the month that includes Executive’s separation from service, or the date of Executive’s death.

(iv) If the sixty (60) day period described in Section 9 ends in the calendar year following the year that includes the Termination Date, no amount that is subject to Section 409A, the payment of which is dependent upon the execution of the Release, shall be paid until the first business day of the calendar year following the year that includes the Termination Date, regardless of when the Release is signed.

(v) Any reimbursement of any expense payable to Executive that constitutes taxable income shall be paid not later than the last day of the year following the year in which the expense is incurred, and all reimbursements and in-kind benefits shall be paid in accordance with Treasury Regulation §1.409A-3(i)(1)(iv).

(vi) The Company shall not be obligated to guarantee any particular tax result for Executive with respect to any payment or benefit provided to Executive hereunder, and Executive shall be responsible for any taxes, additional taxes or penalties imposed on Executive in connection with any such payment or benefit with respect to Section 409A or any other obligation to pay taxes.

(f) Legal Fees. If any contest or dispute shall arise between the Company and Executive regarding or as a result of any provision of this Agreement, the Company shall reimburse Executive for all legal fees and expenses reasonably incurred by Executive in connection with such contest or dispute, but only if Executive is successful in respect of substantially all of Executive’s claims pursued or defended in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed).

(g) Timing of and No Duplication of Payments.

All payments payable to Executive pursuant to this Agreement shall be paid as soon as practicable after such amounts have become fully vested and determinable. In addition, Executive shall not be entitled to receive duplicate payments under any of the provisions of this Agreement.

(h) Modification or Waiver.

No amendment, modification, waiver, termination or cancellation of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification, waiver, termination or cancellation is sought. No course of dealing between or among the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or Executive in the exercise of any of their respective rights or remedies shall operate as a waiver thereof, and no single or partial exercise by the Company or Executive of any such right or remedy shall preclude other or further exercise thereof. A waiver of right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

The respective rights and obligations of the parties hereunder shall survive Executive's termination of employment and termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

(i) Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of New Jersey, without regard to principles of conflicts of laws thereunder.

(j) Survival of Agreements.

The provisions of Sections 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 each shall survive the Term and termination of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

**Company:**

**MACK-CALI REALTY CORPORATION**

By: /s/ MaryAnne Gilmartin

Its: Interim Chief Executive Officer

**Executive:**

/s/ Gary T. Wagner

Gary T. Wagner



## **Exhibit B**

### **SEPARATION AGREEMENT AND RELEASE**

Pursuant to Section 9 of the Amended and Restated Executive Employment Agreement between Mack-Cali Realty Corporation (the "Company") and Gary T. Wagner (the "Executive"), commencing on or about January 1, 2021 (the "Employment Agreement"), all benefits and payments that may become payable pursuant to Section 6 of the Employment Agreement, other than those described in Section 6(a)(i-v), are expressly conditioned on Executive, or the representative of his estate, executing and not revoking the release set forth in this Separation Agreement and Release ("Separation Agreement" or "Release").

1. **Release and Waiver:** In further consideration of the covenants undertaken pursuant to the Employment Agreement including, without limitation, all payments and benefits provided to Executive, and in exchange for those benefits provided for in Sections 6, 7 and 8 of the Employment Agreement, other than those described in Section 6(a)(i-v), Executive releases Mack-Cali Realty L.P. and Mack-Cali Realty Corporation, their respective predecessors, successors, affiliates, subsidiaries, parents and assigns (collectively and individually, the "Employer"), and their officers, directors, managers, trustees, shareholders, partners, members, employees, agents and all persons acting by, through, under, or in concert with them or any of them (collectively called "Employer Releasees"), from any and all liability, obligations, causes of action, claims, and/or demands whatsoever in law or equity arising or that may arise from any aspect of Executive's employment with the Employer and separation from that employment. This release includes, but is not limited to (a) all wrongful discharge claims (including but not limited to claims based on breach of contract or implied contract, breach of the covenant of good faith and fair dealing, or violation of public policy); (b) claims under Title VII of the Civil Rights Act of 1964 as amended (which prohibits discrimination on the basis of color, national origin, race, religion, and sex); (c) claims under the Age Discrimination in Employment Act (which prohibits discrimination against persons 40 years of age or older because of age); (d) claims under the Employee Retirement Income Security Act of 1974, as amended; (e) claims under the Older Workers Benefit Protection Act of 1990; (f) claims under the Civil Rights Act of 1866; (g) claims under the Sarbanes-Oxley Act of 2002; (h) claims under the Consolidated Omnibus Budget Reconciliation Act; (i) claims under the Immigration Reform and Control Act; (j) claims under the National Labor Relations Act; (k) claims under the Americans With Disabilities Act (which prohibits discrimination on the basis of disabilities); (l) claims under the Family and Medical Leave Act; (m) claims under the Genetic Information Non-Discrimination Act; (n) claims under the Fair Credit Reporting Act; (o) claims under the Families First Coronavirus Response Act; (p) claims under any state or federal wage and hour law; (q) claims under the New Jersey Law Against Discrimination (which prohibits discrimination on the basis of age, color, physical or mental impairment or disability, national origin, race, religion, sex, and affectional or sexual orientation and gender identity or expression); (r) claims under the New Jersey Conscientious Employee Protection Act; (s) claims under the New Jersey Family Leave Act; (t) claims under the New Jersey SAFE Act; (u) claims under the New Jersey Earned Sick Leave Law; (v) claims under the New York State Human Rights Law; (w) claims under the New York State Wage Theft Prevention Act; (x) claims under the New York State Paid Family Leave Law; and (y) claims under any other

federal or state statute, common law, or decisional law, as well as claims for negligent and/or intentional infliction of emotional distress, for alleged interference with any contract, economic opportunity or prospective economic advantage, or for alleged violation of any federal, state or local law, regulation, ordinance or common-law duty relating to, arising out of, or having any bearing whatsoever on, Executive's former employment by the Employer, including Executive's separation from that employment.

2. **Exceptions.** Nothing in this Separation Agreement requires Executive to waive any rights or claims that Executive may have arising under the Age Discrimination in Employment Act unless Executive has been afforded at least twenty one (21) days to consider this Agreement, and the release of those claims shall not become effective until seven (7) days after Executive signs this Agreement. During this seven-day period, Executive has the right to revoke the release of those claims, in which event this Agreement will become null and void and of no further force or effect and Executive will lose the right to receive the additional compensation and benefits set forth in Section 6, 7 and 8 of the Employment Agreement. Executive may revoke the Separation Agreement and Release by sending a letter indicating that he withdraws his agreement to the Separation Agreement and Release to \_\_\_\_\_, Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311.

3. **Covenant Not to Sue.** The additional items of compensation provided to Executive under Section 6 of the Employment Agreement are in lieu of any other compensation, bonus, severance, or separation benefit to which Executive might otherwise be entitled in connection with his separation from employment under any employment policy or employee benefit plan of the Employer. By accepting the benefits under Section 6, 7 and 8 of the Employment Agreement, Executive expressly waives and surrenders his rights, if any, to benefits under any such policy or plan. This Separation Agreement does not, however, affect Executive's entitlement to benefits, if any, under any existing qualified retirement plan.

4. **Execution and Right to Revoke.** Executive represents and agrees that he has or will immediately turn over all of the Employer's property in his possession including, but not limited to, any financial information, personnel information, computer records, and any other documents, I.D. cards, computer passwords, laptops, tablets, external drives, cell phones, machinery, tools, equipment and keys.

5. **Resignations.** Pursuant to Paragraph 5(a) of the Agreement, Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company or any of its subsidiaries, including but not limited to any third party boards or committees of which Executive is a member for or on behalf of the Company or as a result of his employment with the Company

6. **Acknowledgements.** By signing this Separation Agreement, Executive acknowledges that he has carefully read it and understands its terms, that he has been advised to seek the advice of a lawyer before signing it, that he has voluntarily and knowingly executed this Separation Agreement, and that he fully appreciates the effect of executing it. Executive further acknowledges that he has had sufficient time to consider the Separation Agreement and its ramifications without coercion or intimidation before executing it.

7. **Return.** This Separation Agreement must be returned to \_\_\_\_\_, \_\_\_\_\_ at Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311, no later than \_\_\_\_\_. If this Agreement is not returned by \_\_\_\_\_, it shall be automatically withdrawn and the additional compensation and benefits offered to Executive will no longer be available to Executive, without any further notice.

**BY SIGNING BELOW, EXECUTIVE ACKNOWLEDGES THAT HE:**

- A. HAS READ THIS SEPARATION AGREEMENT AND RELEASE;**
- B. UNDERSTANDS IT AND KNOWS THAT HE IS GIVING UP IMPORTANT RIGHTS;**
- C. AGREES WITH EVERYTHING IN IT;**
- D. HAS BEEN ADVISED TO CONSULT WITH A LAWYER PRIOR TO EXECUTING THIS AGREEMENT AND RELEASE;**
- E. HAS BEEN AFFORDED AT LEAST 21 DAYS TO CONSIDER THIS AGREEMENT AND RELEASE;**
- F. HAS SEVEN (7) DAYS AFTER SIGNING THIS AGREEMENT TO REVOKE HIS RELEASE OF CLAIMS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT;**
- G. HAS SIGNED THIS AGREEMENT AND RELEASE KNOWINGLY AND VOLUNTARILY.**

I elect to receive the additional compensation and benefits described in Section 6, 7 and 8 of the Employment Agreement in exchange for my agreement to the terms of Paragraphs 1 through 7 above.

\_\_\_\_\_  
Signature Date

**IF THIS AGREEMENT IS NOT SIGNED AND RETURNED BY \_\_\_\_\_, IT SHALL BE AUTOMATICALLY WITHDRAWN AND THE BENEFITS OFFERED TO EXECUTIVE IN IT WILL NO LONGER BE AVAILABLE TO EXECUTIVE, WITHOUT FURTHER NOTICE.**

**AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (the “Agreement”) is entered into on November 3, 2020, effective as of January 1, 2021 (the “Effective Date”), by and between Giovanni M. DeBari (the “Executive”), and Mack-Cali Realty Corporation, a Maryland corporation (the “Company”) with offices at Harborside 3, 210 Hudson St., Suite 400, Jersey City, NJ 07311.

**RECITALS**

WHEREAS, the Executive is currently employed by the Company as its Chief Accounting Officer pursuant to an Employment Agreement dated March 13, 2019 (“Original Agreement”); and

WHEREAS, the Parties desire to amend and restate the Original Agreement, on the terms and conditions set forth herein; and

WHEREAS, the Company desires to continue to employ Executive, and to enter into this Agreement to set forth the terms and conditions of his continued employment, and Executive desires to accept such continued employment, pursuant to the terms and provisions set forth herein;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

**1. Employment.**

The Company hereby agrees to continue to employ Executive, and Executive hereby agrees to accept such continued employment, upon the terms and conditions set forth in this Agreement. Effective as of the Effective Date, the terms and conditions of Executive’s employment shall be governed by the terms of this Agreement, which shall supersede all prior understandings and agreements, written or oral, with respect to Executive’s employment; provided, that the Indemnification Agreement, dated December 6, 2008, between the Executive and the Company, and any agreements entered into prior to the Effective Date evidencing outstanding equity or long-term incentive awards shall remain in effect.

**2. Employment Period.**

(a) Subject to Sections 3(b) and 5 hereof, the Company agrees to continue to employ the Executive, and the Executive agrees to continue to be employed by the Company, in each case pursuant to this Agreement, for a period commencing on the Effective Date, and ending December 31, 2022 (the “Term”). On each December 31 during the Term, commencing with December 31, 2022, the Term will be automatically extended for an additional one year, through the following December 31, unless either party notifies the other party in writing, not fewer than ninety (90) days prior to such December 31, that it has elected not to extend the Term, in which event the Term shall expire on such December 31.

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(b) Notwithstanding anything contained herein to the contrary: (i) Executive's employment with the Company may be terminated by the Company or Executive during the Term, subject to the terms and conditions of this Agreement; and (ii) nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Term upon such terms and conditions as the Board of Directors of the Company (the "Board"), and Executive may mutually agree. The Executive's period of employment pursuant to this Agreement shall hereinafter be referred to as the "Employment Period".

### **3. Duties and Responsibilities.**

(a) During the Employment Period, Executive shall be employed and serve as the Chief Accounting Officer of the Company reporting directly to the Chief Financial Officer of the Company (the "CFO"). In his position, Executive shall perform such duties, functions and responsibilities during the Employment Period, commensurate with the Executive's position, as reasonably and lawfully directed by the CFO.

(b) Executive shall devote substantially all of his business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Company (which, for all purposes of this Section 3(b), shall include all Subsidiaries of the Company). Without limiting the foregoing, Executive shall not engage in any other business, occupation or related activity during the Employment Period that (i) conflicts with the interests of the Company or its subsidiaries, (ii) interferes with the proper and efficient performance of his duties for the Company, or (iii) interferes with the exercise of his judgment in the Company's best interests. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for Executive to (iv) with the advance approval of the Board or the Governance Committee of the Board (not to be unreasonably withheld), serve on corporate, civic or charitable boards or committees, (v) deliver lectures, fulfill speaking engagements or teach at educational institutions, or (vi) manage personal investments, including real estate investments, so long as such activities do not significantly interfere with or significantly detract from the performance of Executive's responsibilities to the Company in accordance with this Agreement, and provided that any real estate investments or activities within Hudson County in the State of New Jersey shall be limited to passive, non-controlling investments and activities.

### **4. Compensation and Benefits.**

(a) **Base Salary.** Effective on the Effective Date and during the Employment Period, the Company shall pay Executive an annual base salary in the amount of \$450,000 (the "Annual Base Salary"), payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. Executive's Annual Base Salary shall be reviewed, at least annually, for merit increases and may, by action and in the discretion of the Board or its Executive Compensation and Option Committee (the "Compensation Committee"), be increased at any time or from time to time, but may not be decreased from the then current Annual Base Salary without Executive's prior written consent.

(b) Incentive Compensation/Bonuses. In addition, for each calendar year during the Employment Period, Executive shall be eligible to receive annual cash incentive compensation as follows:

- Bonus Opportunity: For each fiscal year during the Employment Period, Executive shall be eligible to receive an annual bonus (the "Annual Bonus") under the terms of the Company's annual bonus plan as in effect from time to time, based on the achievement of performance criteria established by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. For fiscal year 2021, Executive shall be eligible to receive an Annual Bonus equal to twenty percent (20%) of his Annual Base Salary earned in 2021 if threshold performance is attained, an Annual Bonus equal to forty percent (40%) of his Annual Base Salary earned in 2021 ("Target Bonus") if target performance is attained and an Annual Bonus equal to sixty percent (60%) of his Annual Base Salary earned in 2021 if performance equals or exceeds the maximum performance level established. The threshold, target and maximum Annual Bonus for each subsequent fiscal year of the Term and the corresponding performance criteria shall be determined in good faith by the Board or the Compensation Committee within the first three (3) months of each fiscal year that begins during the Employment Period. In respect to the Annual Bonus for the final year of the Term, as may be extended pursuant to Section 2(b), provided that Executive is employed by the Company until the expiration of the Term and that Executive's employment was not terminated for Cause by the Company following the Term, any qualitative performance evaluation will be performed by December 16 of the final year, and the achievement of quantitative performance metrics shall be determined based on actual performance for the final year and determined on or before March 31 of the year following the final year of the Term, whether or not Executive is employed during the year following the final year.

Payment of Annual Bonuses to Executive, if any, shall be made in the same manner and at the same time that other senior-level executives receive their annual bonus awards, but in any event on or before the end of the first quarter following the end of the applicable performance year.

- During the Employment Period, Executive shall be eligible to be granted long term incentive or equity awards as may be determined by the Board or the Compensation Committee in its sole discretion under such plans and programs as may be in effect from time to time.

(c) Taxes and Withholding. Anything in this Agreement to the contrary notwithstanding, all payments required to be made by the Company hereunder to Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withholding as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.

(d) Additional Benefits. In addition to the compensation specified above and other benefits provided pursuant to this Section 4, Executive shall be entitled to the following benefits:

(i) participation in the Mack-Cali Realty Corporation 401(k) Savings and Retirement Plan (subject to statutory rules and maximum contributions and non-discrimination requirements applicable to 401(k) plans) and eligibility to participate in such other benefit plans and programs, including but not limited to restricted stock, phantom stock and/or unit awards, and any other incentive compensation plans or programs (whether or not employee benefit plans or programs), as maintained by the Company from time to time and made generally available to executives of the Company with such participation to be consistent with reasonable Company guidelines and each pursuant to the terms and conditions of such benefit plan as they may exist from time to time;

(ii) participation in any health insurance, disability insurance, paid vacation, group life insurance or other welfare benefit program made generally available to executives of the Company, subject to the general eligibility and participation provisions set forth in such plans;

(iii) participation in all deferred compensation, retirement or other benefit plans or perquisites as may be provided to any other executive of the Company on terms and conditions at least as favorable to the Executive as the terms and conditions generally applicable to all other executives of the Company who are also executive officers of the Company (as defined in Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)); and

(iv) upon the submission of proper substantiation by Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of executive personnel, reimbursement for all reasonable expenses actually paid or incurred by Executive during the Employment Period in the course of and pursuant to the business of the Company.

## **5. Termination of Employment; Severance Agreement.**

(a) Termination. The Employment Period, and Executive’s employment with the Company, shall terminate upon the earliest to occur of (i) Executive’s death, (ii) a termination by the Company by reason of Executive’s Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive’s employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company, any of its subsidiaries or any third party boards or committees of which Executive is a member for or on behalf of the Company or as a result of his employment with the Company. For the avoidance of doubt, the expiration of the Term in accordance with Section 2(a) shall not be considered a termination of Executive’s employment by the Company with or without Cause or the resignation of Executive for Good Reason or otherwise, and Executive’s employment shall not be considered to have been constructively terminated for any reason unless he resigns for Good Reason in accordance with this Agreement.

(b) Notice of Termination. Any termination of Executive’s employment by the Company or any such termination by Executive (other than on account of death) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a “Notice

of Termination” shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive’s employment under the provision so indicated. In the event of the termination of Executive’s employment on account of death, written Notice of Termination shall be deemed to have been provided on the date of death.

(c) “Cause” shall mean the intentional and willful commission by Executive of any of the following acts or omissions:

(i) willful and continued failure to use best efforts to substantially perform his duties to the Company (other than any such failure resulting from Executive’s incapacity due to physical or mental illness) for a period of thirty (30) days after written demand for substantial performance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially performed his duties;

(ii) material and continued failure to comply with Executive’s obligations under any written policy of the Company applicable to senior executives as approved by the Board from time to time for a period of thirty (30) days after written demand for substantial compliance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially complied;

(iii) any act of fraud, embezzlement, misappropriation, or misuse for personal benefit of the assets or property of the Company; or

(iv) A conviction of or plea of “guilty” or “no contest” to a felony under the laws of the United States or any state thereof;

For purposes of this Section 5(c), no act, or failure to act, on Executive’s part shall be considered “willful” unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in furtherance of, or not opposed to, the interests of the Company. Any determination of Cause will be made by the Board at a duly held meeting of the Board (held after reasonable notice to Executive and reasonable opportunity for him, together with his counsel, to be heard before the Board at the meeting) and pursuant to resolutions duly adopted by the affirmative vote of the majority of the Board present and voting at such meeting finding that in the good faith opinion of the Board after reasonable investigation that Executive has engaged in acts or omissions constituting Cause, provided that no such determination may be made, until Executive has been given written notice detailing the specific Cause event and, where applicable, the lapsing of any cure period.

(d) “Change in Control” shall mean that any of the following events has occurred:

(i) any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company or any of its Subsidiaries, becomes the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the shares of common stock of the Company (the “Shares”) issued and outstanding immediately prior to such acquisition;



(ii) any Shares are purchased pursuant to a tender or exchange offer that results in any “person” or “group” of persons, as such terms are used in Sections 13 and 14 of the Exchange Act becoming the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act) of 30% or more of the Shares issued and outstanding immediately prior to such tender or exchange offer; or

(iii) (x) the dissolution or liquidation of the Company; or (y) the consummation of any merger or consolidation of the Company; or (z) any sale or other disposition of all or substantially all of its assets; if the shareholders of the Company immediately prior to such transaction own, immediately after consummation of such transaction, directly or indirectly equity securities (other than options and other rights to acquire equity securities) possessing less than 30% of the voting power of the surviving entity in the case of (y) above, or of the acquiring entity in the case of (z) above.

(e) “Change in Control Period” shall mean the period commencing on the earlier of (i) the date that a Change in Control occurs or (ii) the date that the Company enters into a definitive agreement with respect to a transaction, the consummation of which would constitute a Change in Control (provided it is actually consummated), and in either case ending on the second anniversary of the Change in Control.

(f) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(g) “Disability” shall mean the inability of Executive, as a result of any medically determinable physical or mental disease, injury, or congenital condition, to substantially perform his principal duties to the Company, with or without reasonable accommodation, for a continuous period of one hundred and eighty (180) days, or periods aggregating two hundred and seventy (270) days in any twelve (12) month period.

(h) “Good Reason” shall mean, without the express written consent of Executive, the occurrence of any of the following circumstances during either the Employment Period or a Change in Control Period:

(i) the material diminishment of Executive’s authority, duties or responsibilities as Chief Accounting Officer, it being understood that during a Change in Control Period, Good Reason shall be deemed to have occurred if Executive is not the Chief Accounting Officer of the Company (or the entity succeeding to the Company’s business) following the Change in Control;

(ii) a material reduction in Executive’s Annual Base Salary, it being understood that any reduction below the Base Salary as in effect as of the Effective Date shall constitute Good Reason;

(iii) a material change in the geographic location at which the Executive must perform the services under this Agreement; or

(iv) the failure of the Company to obtain agreement from any successor to assume and agree to perform this Agreement.

Notwithstanding the foregoing, Executive shall not be considered to have resigned for Good Reason unless, Executive gives the Company written notice of resignation, specifying in reasonable detail the circumstance constituting Good Reason, not more than thirty (30) days after the occurrence of such circumstance, and the Company fails to cure such circumstance within thirty (30) days after receipt of such notice; provided, that if the Company does cure such circumstance within such period Executive may withdraw his notice of resignation without prejudice within ten (10) days after the end of the cure period.

(i) “Termination Date” shall mean the date on which Executive’s employment is terminated for any reason.

The definitions contained in Sections 5(c) through 5(i) shall apply for all purposes under this Agreement.

#### **6. Severance Benefits Resulting from Death or Disability.**

Upon a termination of Executive’s employment by reason of death or Disability whether before or after the expiration of the Term, Executive (or the representative of his estate) shall be entitled to receive the following payments and benefits, subject to compliance in the case of Disability with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) The following “Accrued Obligations”, payable as and when those amounts would have been payable had the Employment Period not ended:

- (i) all accrued but unpaid Base Salary through the Termination Date;
- (ii) any unpaid or unreimbursed expenses incurred in accordance with Company policy to the extent incurred during the Employment Period;
- (iii) any accrued but unpaid benefits provided under the Company’s employee benefit plans (not including any severance, separation pay, or supplemental unemployment benefit plan), subject to and in accordance with the terms of those plans;
- (iv) any earned but unpaid Annual Bonus in respect to any completed fiscal year that has ended on or prior to the Termination Date; and
- (v) rights to indemnification by virtue of Executive’s position as an officer or director of the Company or its subsidiaries and the benefits under any directors’ and officers’ liability insurance policy maintained by the Company, in accordance with its terms thereof.

(b) An amount equal to Executive’s Annual Bonus for the year in which the Termination Date occurs, based upon the Company’s actual performance for the year, multiplied by a fraction,

the numerator of which is the number of days in such year through and including the Termination Date and the denominator of which is the total number of days in such year, payable at the same time that Annual Bonuses are paid to active employees.

**7. Severance Benefits upon Termination Without Cause, or Resignation for Good Reason during the Term or a Change of Control Period.**

In the event that either during the Term or thereafter during a Change in Control Period (i) the Company terminates Executive's employment for any reason other than Cause or Disability, or (ii) Executive resigns for Good Reason, Executive shall be entitled to receive the following payments and benefits, subject to compliance with the release requirement of Section 9 and except as otherwise provided in Sections 13(h) and 15(f):

(a) All payments and benefits described in Section 6.

(b) A lump sum cash payment in an amount equal to one and one half (1.5) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs, payable as soon as practicable after the Termination Date; provided however, that if such termination occurs during a Change in Control Period, the lump sum cash payment shall be in an amount equal to two (2) times the sum of (i) Executive's Annual Base Salary immediately prior to the Termination Date, and (ii) Executive's Target Bonus for the year during which the Termination Date occurs.

(c) If Executive elects, on behalf of himself or his eligible dependents, to continue medical coverage under any medical plan of the Company pursuant to the provisions of Section 4980B of the Code or any other applicable law ("COBRA"), and such election is available to him pursuant to then governing law, and complies with all requirements for such coverage, an amount, payable not later than the last day of each month that such coverage is in effect, up to a maximum of eighteen (18) months, (or such shorter duration as governing law may then allow) equal to the excess, if any, of the premium paid by Executive for such coverage pursuant to COBRA over the premium that would be paid by an active employee for comparable coverage (the "Medical Continuation"). If Executive's continuation coverage is terminated for any reason other than dictate of governing law prior to the end of such eighteen (18) month period, the Company's obligations under this Section 7(c) shall terminate, regardless of whether the termination of Executive's coverage constitutes a second qualifying event as defined by COBRA with respect to any other dependent.

**8. Compensation or Severance Benefits upon Termination of Employment by the Company for Cause, Termination by the Company Without Cause following the Term, or Resignation by Executive following the Term.**

(a) Termination by the Company for Cause or Resignation without Good Reason during the Term. In the event the Company terminates Executive's employment for Cause (whether during the Term or thereafter), or Executive resigns without Good Reason prior to the expiration of the Term, Executive shall only be entitled to receive the Accrued Obligations, payable as and when those amounts would have been payable had the Employment Period not ended.

(b) Termination by the Company without Cause or Resignation by Executive with Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), the Company terminates Executive's employment for any reason other than as set forth in Sections 6, 7 or 8(a), or Executive resigns with Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a termination by Company.

(c) Resignation by Executive without Good Reason following the Term. In the event that following the expiration of the Term on its own accord (assuming Executive's employment has not been terminated prior to such date), Executive resigns without Good Reason, Executive shall be entitled to receive the Accrued Obligations. For the avoidance of doubt, expiration of the Term on its own accord shall not be deemed a resignation by Executive.

## **9. Release.**

Notwithstanding anything to the contrary above, all benefits and payments that may become payable pursuant to Section 6, 7 or 8 (other than the Accrued Obligations) are conditioned on Executive, or the representative of his estate, executing a release of claims and covenant not to sue, in form attached hereto as Exhibit B (the "Release"), and the period provided in such Release having expired without Executive exercising his right to revoke, not later than sixty (60) days after the Termination Date (subject to Section 15(e)(iv)), and if Executive fails to execute such Release, revokes the Release, or the revocation period has not yet expired by the end of such sixty (60) day period, Executive shall have no right to any such payment or benefit.

10. Effect on Employee Benefit Plans and Programs and Long-Term Incentive and Equity Awards; Adjustment of Payments and Benefits.

(a) Effect on Employee Benefit Programs. The termination of Executive's employment hereunder, whether by the Company or Executive, shall have no effect on the rights and obligations of the parties hereto under the Company's (i) welfare benefit plans including, without limitation, Medical Continuation as provided for herein and, health coverage thereafter but only to the extent required by law, and on the same basis applicable to other employees and (ii) 401(k) Plan but only to the extent required by law and pursuant to the terms of the 401(k) Plan.

(b) Effect on Long-Term Incentive and Equity Awards. The extent to which long-term incentive or equity awards held by Executive vest or become exercisable or payable as a result of a termination of employment for any reason shall be governed exclusively by the terms of the plan or award agreement governing such award.

(c) Adjustment of Payments and Benefits.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit to be paid or provided hereunder, when combined with any other amount payable to Executive, would be an "Excess Parachute Payment," within the meaning of Section

280G of the Code, or any successor provision thereto, but for the application of this sentence, then the payments and benefits to be paid or provided hereunder shall be reduced to the minimum extent necessary so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; provided, however, that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate payments and benefits to be provided, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Section 4999 of the Code, or any successor provision thereto, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes). In the event that any payment or benefit intended to be provided hereunder is required to be reduced pursuant to this Section the reduction shall occur in the following order:: (A) by first reducing or eliminating the portion of the payments which are not payable in cash and are not attributable to equity awards (other than that portion of the payments subject to clause (D) hereof), (B) then by reducing or eliminating cash payments (other than that portion of the payments subject to clause (D) hereof), (C) then by reducing or eliminating the portion of the payments which are not payable in cash and are attributable to equity awards (other than that portion of the Payments subject to clause (D) hereof) and (D) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

(ii) The determination of whether the any payment or benefit shall be reduced as provided in Section 10(c)(i) hereof and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with supporting calculations and documentation, to the Company and Executive within forty five (45) days after Executive's final day of employment, which Determination, absent manifest error, shall be binding, final and conclusive upon the Company and Executive. If the Accounting Firm determines that the payments and benefits to be provided to Executive will not result in any Excess Parachute Payments, it shall furnish Executive with an opinion to that effect. If the Accounting Firm determines that the payments and benefits to be provided to Executive will result in Excess Parachute Payments, it shall furnish the Executive with an opinion that no Excess Parachute Payments will be made after the reductions contemplated by Section 10(c)(i) hereof.

## **11. Confidential Information.**

(a) Executive understands and acknowledges that during his employment with the Company, he will be exposed to Confidential Information (as defined below), all of which is proprietary and which will rightfully belong to the Company (which, for all purposes of this Section 11, shall include its Subsidiaries). Executive shall hold in a fiduciary capacity for the benefit of the Company such Confidential Information obtained by Executive during his employment with the Company and shall not, directly or indirectly, at any time, either during or after his employment with the Company terminates, without the Company's prior written consent, use any of such Confidential Information or disclose any of such Confidential information to any individual or entity other than the Company or its employees, attorneys, accountants, financial advisors, consultants, or investment bankers except as required in the performance of his duties

for the Company or as otherwise required by law, court order or an order of any governmental authority. Executive shall take all reasonable steps to safeguard such Confidential Information and to protect such Confidential Information against disclosure, misuse, loss or theft.

(b) The term “Confidential Information” shall mean any information not generally known in the relevant trade or industry or otherwise not generally available to the public, which was obtained from the Company or its predecessors or which was learned, discovered, developed, conceived, originated or prepared during or as a result of the performance of any services by Executive on behalf of the Company or its predecessors. For purposes of this Section 11, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(c) Notwithstanding anything to the contrary in this Agreement, no provision contained in this Agreement is intended or should be construed to prevent or impede Executive from voluntarily communicating with any governmental agencies (including, without limitation, the Securities and Exchange Commission) regarding possible violations of law, or to limit Executive’s ability to seek or accept a financial award for providing information to any governmental agency.

## **12. Return of Documents.**

Except for such items which are of a personal nature to Executive (e.g., daily business planner), all writings, records, and other documents and things containing any Confidential Information shall be the exclusive property of the Company, shall not be copied, summarized, extracted from, or removed from the premises of the Company, except in pursuit of the business of the Company, and shall be delivered to the Company, without retaining any copies, upon the termination of Executive’s employment or at any time as requested by the Company.

## **13. Non-Compete; Non-Solicitation; Non-Disparagement.**

Executive agrees that:

(a) During the Employment Period, and for a one (1) year period thereafter in the event Executive’s employment is terminated under circumstances in which he is entitled to receive and is receiving the benefits provided in Sections 6, 7, 8(b) or 8(c) hereof, Executive shall not, directly or indirectly, within Hudson County in the State of New Jersey, engage in, or own, invest in, manage or control any venture or enterprise primarily engaged in any office-service, flex, office property or multi-family residential development or acquisition activities that are competitive with the activities of the Company (which, for all purposes of this Section 13, shall include its Subsidiaries). Nothing herein shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding stock of any class of securities of a company or other entity engaged in such business which is publicly traded, so long as he has no active participation in the business of such company or other entity.

(b) If, at the time of enforcement of this Section 13, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable, the parties agree that reasonable

maximum duration, scope, area or other restrictions may be substituted by such court for the stated duration, scope, area or other restrictions and upon substitution by such court, this Agreement shall be automatically modified without further action by the parties hereto.

(c) For purposes of this Section 13, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

(d) Non-solicitation. Executive agrees that during the Employment Period, and for a one (1) year period thereafter, regardless of the reason for termination (the “Restricted Period”), Executive will not, without written consent of the Company, directly or indirectly, including causing, encouraging, directing or soliciting any other person to, contact, approach or solicit (other than, so long as Executive continues to be employed by the Company and makes such contact, approach or solicitation made on behalf of the Company) for the purpose of offering employment to or hiring (whether as an employee, consultant, agent, independent contractor or otherwise) or actually hire any person who is or has been employed or retained in the operation of the Company’s business during the period commencing three (3) months prior to the date of such hiring or offering of employment, or induce, interfere with or solicit, or attempt to induce, interfere with or solicit, any person that is a current or former customer, supplier or other business relation of the Company to terminate its relationship or otherwise cease doing business in whole or in part or reduce the amount of business with the Company.

(e) Non-disparagement. Executive agrees not to disparage the Company or its past and present investors, officers, directors or employees, and the Company agrees not to disparage Executive.

(f) Acknowledgements. Executive acknowledges and agrees that (i) Executive’s obligation to comply with the restrictions in this Section 13 shall be independent of any obligation owed to Executive by the Company (whether under this Agreement or otherwise), and specifically shall not be dependent upon whether Executive is entitled to any form of severance pay or benefits pursuant to this Agreement or otherwise; (ii) no claim against the Company by Executive (whether under this Agreement or otherwise) shall constitute a defense to the enforcement by the Company or its affiliates of the restrictions in this Section 13, (iii) the time limitations and the geographic scope on the restrictions in this Section 13 are reasonable, (iv) the restrictions imposed under this Section 13 are reasonably necessary for the protection of the Company and its goodwill, Confidential Information, and other legitimate business interests and do not impose a greater restraint than necessary to provide such protection, (v) that through this Agreement, Executive shall receive adequate consideration for any loss of opportunity associated with the restrictions of this Section 13, and (vi) that the provisions of this Section 13 and its subparts provide a reasonable way of protecting Company’s business value.

(g) Extension of Time. In the event that Executive breaches any covenant, obligation or duty in this Section 13, any such duty, obligation, or covenants to which the parties agreed by this Section 13 shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all

appeals. The duration and length of Executive's duties and obligations as agreed by this Section 13 shall continue upon the effective date of any such settlement, or judicial or other resolution.

(h) Legal and Equitable Remedies. Upon any material breach by Executive of any of the provisions of Sections 11, 12 or 13, Executive shall immediately, permanently and irrevocably forfeit without payment of consideration of any kind any and all rights to any of the benefits and payments otherwise payable to Executive pursuant to this Agreement (other than the Accrued Obligations). In addition, in view of the nature of the rights in goodwill, employee relations, trade secrets, and business reputation and prospects of the Company to be protected under Sections 11, 12 and 13, Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of Executive's obligations (whether individually or together) under Sections 11, 12 or 13. Accordingly, Executive specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief, specific performance, and other equitable relief to enforce the provisions of Sections 11, 12 and 13, and that such relief may be granted without the necessity of proving actual damages, and without bond. EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE PROVISIONS IN SECTIONS 11, 12 AND 13 ARE ESSENTIAL AND MATERIAL TO THIS AGREEMENT, AND THAT UPON BREACH OF SECTIONS 11, 12 OR 13 BY EXECUTIVE, COMPANY IS ENTITLED TO WITHHOLD PROVIDING PAYMENTS OR CONSIDERATION, TO EQUITABLE RELIEF TO PREVENT CONTINUED BREACH, TO RECOVER DAMAGES AND TO SEEK ANY OTHER REMEDIES AVAILABLE TO COMPANY. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages or other remedies in addition to equitable relief.

#### **14. Successors.**

(a) Company's Successors. This Agreement may not be assigned by the Company except to a successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the Company's business and/or assets, and the Company shall require any such successor to assume expressly and agree to perform this Agreement, in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. As used in this Agreement, "Company" shall mean the Company as defined herein and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, contract or otherwise.

(b) Executive's Successors. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees.

#### **15. Miscellaneous Provisions.**

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, on the first business day after being sent by reputable overnight courier, or on the third business day after being mailed by U.S. registered or certified mail, return receipt requested and postage prepaid, and addressed to Executive at the address shown on the Company's personnel records, or to the



Company at the address set forth below, or such other address as a party shall give notice of by notice given in the same manner:

Mack-Cali Realty Corporation  
Harborside 3  
210 Hudson St., Suite 400  
Jersey City, NJ 07311  
Attn: Chief Executive Officer

(b) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(c) Interpretation. When a reference is made in this Agreement to sections, subsections or clauses, such references shall be to a section, subsection or clause of this Agreement, unless otherwise indicated. The words "herein" and "hereof" mean, except where a specific section, subsection or clause reference is expressly indicated, the entire Agreement rather than any specific section, subsection or clause. The words "include", "includes" and "including" when used in this Agreement shall be deemed to in each case to be followed by the words "without limitation". The headings of the sections or subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof and shall not affect the construction or interpretation of this Agreement.

(d) Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

(e) Section 409A of the Code. To the extent applicable, it is intended that payments and benefits provided hereunder be exempt from or comply with Section 409A of the Code and the guidance promulgated thereunder (collectively, "Section 409A"). This Agreement shall be administered in a manner consistent with this intent and if Executive or the Company believes, at any time, that any of such payment or benefit is not exempt or does not so comply, Executive or the Company shall promptly advise the other party and will negotiate reasonably and in good faith to amend the terms of such arrangement such that it is exempt or complies (with the most limited possible economic effect on Executive and on the Company) or to minimize any additional tax, interest and/or penalties that may apply under Section 409A if exemption or compliance is not practicable. In furtherance of the foregoing, the following provisions shall apply notwithstanding anything to the contrary in this Agreement:

(i) To the extent applicable, each and every payment to be made pursuant to this Agreement shall be treated as a separate payment and not as one of a series of payments treated as a single payment for purposes of Treasury Regulation §1.409A-2(b)(2)(iii).

(ii) If Executive becomes entitled to receive any payment that constitutes deferred compensation subject to Section 409A upon a termination of employment, and such termination of employment does not constitute a "separation from service" as defined in Section 409A,

payment of such amount shall be deferred, without interest, and paid on the earlier of the date Executive incurs a separation from service, as so defined (subject to subsection (f)(iii)) below, or the date of Executive's death.

(iii) If Executive is a "specified employee", as defined in Section 409A on the date he incurs a separation from service, any amount that becomes payable by reason of such separation from service that constitutes deferred compensation subject to Section 409A, including any amount deferred pursuant to subsection (f)(ii) above, shall be deferred, without interest, and paid on the earlier of the first business day of the seventh month following the month that includes Executive's separation from service, or the date of Executive's death.

(iv) If the sixty (60) day period described in Section 9 ends in the calendar year following the year that includes the Termination Date, no amount that is subject to Section 409A, the payment of which is dependent upon the execution of the Release, shall be paid until the first business day of the calendar year following the year that includes the Termination Date, regardless of when the Release is signed.

(v) Any reimbursement of any expense payable to Executive that constitutes taxable income shall be paid not later than the last day of the year following the year in which the expense is incurred, and all reimbursements and in-kind benefits shall be paid in accordance with Treasury Regulation § 1.409A-3(i)(1)(iv).

(vi) The Company shall not be obligated to guarantee any particular tax result for Executive with respect to any payment or benefit provided to Executive hereunder, and Executive shall be responsible for any taxes, additional taxes or penalties imposed on Executive in connection with any such payment or benefit with respect to Section 409A or any other obligation to pay taxes.

(f) Legal Fees. If any contest or dispute shall arise between the Company and Executive regarding or as a result of any provision of this Agreement, the Company shall reimburse Executive for all legal fees and expenses reasonably incurred by Executive in connection with such contest or dispute, but only if Executive is successful in respect of substantially all of Executive's claims pursued or defended in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed).

(g) Timing of and No Duplication of Payments.

All payments payable to Executive pursuant to this Agreement shall be paid as soon as practicable after such amounts have become fully vested and determinable. In addition, Executive shall not be entitled to receive duplicate payments under any of the provisions of this Agreement.

(h) Modification or Waiver.

No amendment, modification, waiver, termination or cancellation of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification, waiver, termination or cancellation is

sought. No course of dealing between or among the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or Executive in the exercise of any of their respective rights or remedies shall operate as a waiver thereof, and no single or partial exercise by the Company or Executive of any such right or remedy shall preclude other or further exercise thereof. A waiver of right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

The respective rights and obligations of the parties hereunder shall survive Executive's termination of employment and termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

(i) Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of New Jersey, without regard to principles of conflicts of laws thereunder.

(j) Survival of Agreements.

The provisions of Sections 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 each shall survive the Term and termination of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

**Company:**

**MACK-CALI REALTY CORPORATION**

By: /s/ Gary T. Wagner  
Its: General Counsel and Secretary

**Executive:**

/s/ Giovanni M. DeBari  
Giovanni M. DeBari

## **Exhibit B**

### **SEPARATION AGREEMENT AND RELEASE**

Pursuant to Section 9 of the Amended and Restated Executive Employment Agreement between Mack-Cali Realty Corporation (the "Company") and Giovanni M. DeBari (the "Executive"), commencing on or about January 1, 2021 (the "Employment Agreement"), all benefits and payments that may become payable pursuant to Section 6 of the Employment Agreement, other than those described in Section 6(a)(i-v), are expressly conditioned on Executive, or the representative of his estate, executing and not revoking the release set forth in this Separation Agreement and Release ("Separation Agreement" or "Release").

1. **Release and Waiver:** In further consideration of the covenants undertaken pursuant to the Employment Agreement including, without limitation, all payments and benefits provided to Executive, and in exchange for those benefits provided for in Sections 6, 7 and 8 of the Employment Agreement, other than those described in Section 6(a)(i-v), Executive releases Mack-Cali Realty L.P. and Mack-Cali Realty Corporation, their respective predecessors, successors, affiliates, subsidiaries, parents and assigns (collectively and individually, the "Employer"), and their officers, directors, managers, trustees, shareholders, partners, members, employees, agents and all persons acting by, through, under, or in concert with them or any of them (collectively called "Employer Releasees"), from any and all liability, obligations, causes of action, claims, and/or demands whatsoever in law or equity arising or that may arise from any aspect of Executive's employment with the Employer and separation from that employment. This release includes, but is not limited to (a) all wrongful discharge claims (including but not limited to claims based on breach of contract or implied contract, breach of the covenant of good faith and fair dealing, or violation of public policy); (b) claims under Title VII of the Civil Rights Act of 1964 as amended (which prohibits discrimination on the basis of color, national origin, race, religion, and sex); (c) claims under the Age Discrimination in Employment Act (which prohibits discrimination against persons 40 years of age or older because of age); (d) claims under the Employee Retirement Income Security Act of 1974, as amended; (e) claims under the Older Workers Benefit Protection Act of 1990; (f) claims under the Civil Rights Act of 1866; (g) claims under the Sarbanes-Oxley Act of 2002; (h) claims under the Consolidated Omnibus Budget Reconciliation Act; (i) claims under the Immigration Reform and Control Act; (j) claims under the National Labor Relations Act; (k) claims under the Americans With Disabilities Act (which prohibits discrimination on the basis of disabilities); (l) claims under the Family and Medical Leave Act; (m) claims under the Genetic Information Non-Discrimination Act; (n) claims under the Fair Credit Reporting Act; (o) claims under the Families First Coronavirus Response Act; (p) claims under any state or federal wage and hour law; (q) claims under the New Jersey Law Against Discrimination (which prohibits discrimination on the basis of age, color, physical or mental impairment or disability, national origin, race, religion, sex, and affectional or sexual orientation and gender identity or expression); (r) claims under the New Jersey Conscientious Employee Protection Act; (s) claims under the New Jersey Family Leave Act; (t) claims under the New Jersey SAFE Act; (u) claims under the New Jersey Earned Sick Leave Law; (v) claims under the New York State Human Rights Law; (w) claims under the New York State Wage Theft Prevention Act; (x) claims under the New York State Paid Family Leave Law; and (y) claims under any other

federal or state statute, common law, or decisional law, as well as claims for negligent and/or intentional infliction of emotional distress, for alleged interference with any contract, economic opportunity or prospective economic advantage, or for alleged violation of any federal, state or local law, regulation, ordinance or common-law duty relating to, arising out of, or having any bearing whatsoever on, Executive's former employment by the Employer, including Executive's separation from that employment.

2. **Exceptions.** Nothing in this Separation Agreement requires Executive to waive any rights or claims that Executive may have arising under the Age Discrimination in Employment Act unless Executive has been afforded at least twenty one (21) days to consider this Agreement, and the release of those claims shall not become effective until seven (7) days after Executive signs this Agreement. During this seven-day period, Executive has the right to revoke the release of those claims, in which event this Agreement will become null and void and of no further force or effect and Executive will lose the right to receive the additional compensation and benefits set forth in Section 6, 7 and 8 of the Employment Agreement. Executive may revoke the Separation Agreement and Release by sending a letter indicating that he withdraws his agreement to the Separation Agreement and Release to Mr. Gary Wagner, General Counsel, Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311.

3. **Covenant Not to Sue.** The additional items of compensation provided to Executive under Section 6 of the Employment Agreement are in lieu of any other compensation, bonus, severance, or separation benefit to which Executive might otherwise be entitled in connection with his separation from employment under any employment policy or employee benefit plan of the Employer. By accepting the benefits under Section 6, 7 and 8 of the Employment Agreement, Executive expressly waives and surrenders his rights, if any, to benefits under any such policy or plan. This Separation Agreement does not, however, affect Executive's entitlement to benefits, if any, under any existing qualified retirement plan.

4. **Execution and Right to Revoke.** Executive represents and agrees that he has or will immediately turn over all of the Employer's property in his possession including, but not limited to, any financial information, personnel information, computer records, and any other documents, I.D. cards, computer passwords, laptops, tablets, external drives, cell phones, machinery, tools, equipment and keys.

5. **Resignations.** Pursuant to Paragraph 5(a) of the Agreement, Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company or any of its subsidiaries, including but not limited to any third party boards or committees of which Executive is a member for or on behalf of the Company or as a result of his employment with the Company

6. **Acknowledgements.** By signing this Separation Agreement, Executive acknowledges that he has carefully read it and understands its terms, that he has been advised to seek the advice of a lawyer before signing it, that he has voluntarily and knowingly executed this Separation Agreement, and that he fully appreciates the effect of executing it. Executive further acknowledges that he has had sufficient time to consider the Separation Agreement and its ramifications without coercion or intimidation before executing it.

7. **Return.** This Separation Agreement must be returned to Mr. Gary Wagner, General Counsel at Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, N.J. 07311, no later than \_\_\_\_\_. If this Agreement is not returned by \_\_\_\_\_, it shall be automatically withdrawn and the additional compensation and benefits offered to Executive will no longer be available to Executive, without any further notice.

**BY SIGNING BELOW, EXECUTIVE ACKNOWLEDGES THAT HE:**

- A. HAS READ THIS SEPARATION AGREEMENT AND RELEASE;**
- B. UNDERSTANDS IT AND KNOWS THAT HE IS GIVING UP IMPORTANT RIGHTS;**
- C. AGREES WITH EVERYTHING IN IT;**
- D. HAS BEEN ADVISED TO CONSULT WITH A LAWYER PRIOR TO EXECUTING THIS AGREEMENT AND RELEASE;**
- E. HAS BEEN AFFORDED AT LEAST 21 DAYS TO CONSIDER THIS AGREEMENT AND RELEASE;**
- F. HAS SEVEN (7) DAYS AFTER SIGNING THIS AGREEMENT TO REVOKE HIS RELEASE OF CLAIMS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT;**
- G. HAS SIGNED THIS AGREEMENT AND RELEASE KNOWINGLY AND VOLUNTARILY.**

I elect to receive the additional compensation and benefits described in Section 6, 7 and 8 of the Employment Agreement in exchange for my agreement to the terms of Paragraphs 1 through 7 above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**IF THIS AGREEMENT IS NOT SIGNED AND RETURNED BY \_\_\_\_\_, IT SHALL BE AUTOMATICALLY WITHDRAWN AND THE BENEFITS OFFERED TO EXECUTIVE IN IT WILL NO LONGER BE AVAILABLE TO EXECUTIVE, WITHOUT FURTHER NOTICE.**

**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: November 4, 2020

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

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**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: November 4, 2020

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

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**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: November 4, 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.

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**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: November 4, 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.

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**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 September 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: November 4, 2020

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

Date: November 4, 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.

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**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 September 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: November 4, 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: November 4, 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.