UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2006

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

Commission File Number: 1-13274

MACK-CALI REALTY CORPORATION
(Exact Name of Registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)	**22-3305147** (IRS Employer Identification No.)
343 Thornall Street, Edison, New Jersey (Address of principal executive offices)	**08837-2206** (Zip code)

(732) 590-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)	(Name of Each Exchange on Which Registered)
Common Stock, $0.01 par value **Preferred Share Purchase Rights**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes X No ___

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ___ No X

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 90 days. Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer X Accelerated filer ___ Non-accelerated filer ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ___ No X

As of June 30, 2006, the aggregate market value of the voting stock held by non-affiliates of the registrant was $2,384,277,179. As of February 16, 2007, the aggregate market value of the voting stock held by non-affiliates of the registrant was $3,628,695,380. The aggregate market values were computed with references to the closing prices on the New York Stock Exchange on such dates. These calculations do not reflect a determination that persons are affiliates for any other purpose.

As of February 16, 2007, 67,792,367 shares of common stock, $0.01 par value, of the Company ("Common Stock") were outstanding.

LOCATION OF EXHIBIT INDEX: The index of exhibits is contained herein on page number 126.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the registrant's definitive proxy statement for fiscal year ended December 31, 2006 to be issued in conjunction with the registrant's annual meeting of shareholders expected to be held on May 23, 2007 are incorporated by reference in Part III of this Form 10-K. The definitive proxy statement will be filed by the registrant with the SEC not later than 120 days from the end of the registrant's fiscal year ended December 31, 2006.

FORM 10-K

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PART I

ITEM 1. BUSINESS

GENERAL

Mack-Cali Realty Corporation, a Maryland corporation (together with its subsidiaries, the "Company"), is a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") that owns and operates a real estate portfolio comprised predominantly of Class A office and office/flex properties located primarily in the Northeast. The Company performs substantially all commercial real estate leasing, management, acquisition, development and construction services on an in-house basis. Mack-Cali Realty Corporation was incorporated on May 24, 1994. The Company's executive offices are located at 343 Thornall Street, Edison, New Jersey 08837-2206, and its telephone number is (732) 590-1000. The Company has an internet website at www.mack-cali.com.

As of December 31, 2006, the Company owned or had interests in 300 properties, aggregating approximately 34.3 million square feet, plus developable land (collectively, the "Properties"), which are leased to over 2,200 tenants. The Properties are comprised of: (a) 255 wholly-owned or Company-controlled properties consisting of 150 office buildings and 95 office/flex buildings aggregating approximately 28.5 million square feet, six industrial/warehouse buildings totaling approximately 387,400 square feet, two stand-alone retail properties totaling approximately 17,300 square feet, and two land leases (collectively, the "Consolidated Properties"); and (b) 44 buildings, which are primarily office properties, aggregating approximately 5.4 million square feet, and a 350-room hotel, which are owned by unconsolidated joint ventures in which the Company has investment interests. Unless otherwise indicated, all references to square feet represent net rentable area. As of December 31, 2006, the office, office/flex, industrial/warehouse and stand-alone retail properties included in the Consolidated Properties were 92.0 percent leased. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at December 31, 2006, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases that expire at the period end date. Leases that expire as of December 31, 2006 aggregate 103,477 square feet, or 0.4 percent of the net rentable square footage. The Properties are located in seven states, primarily in the Northeast, and the District of Columbia. See Item 2: Properties.

The Company's strategy has been to focus its operations, acquisition and development of office 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. The Company plans to continue this strategy by expanding through acquisitions and/or development in Northeast markets where it has, or can achieve, similar status. The Company believes that its Properties have excellent locations and access and are well-maintained and professionally managed. As a result, the Company believes that its Properties attract high quality tenants and achieve among the highest rental, occupancy and tenant retention rates within their markets. The Company also believes that its extensive market knowledge provides it with a significant competitive advantage, which is further enhanced by its strong reputation for, and emphasis on, delivering highly responsive, professional management services. See "Business Strategies."

In May 2006, in conjunction with the completion of the Gale Company acquisition, the Company acquired The Gale Construction Company and its related companies, which offer a full complement of professional services in the areas of construction management, general contracting and advisory services.

As of December 31, 2006, executive officers and directors of the Company and their affiliates owned approximately 8.8 percent of the Company's outstanding shares of Common Stock (including Units redeemable into shares of Common Stock). As used herein, the term "Units" refers to limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership (the "Operating Partnership") through which the Company conducts its real estate activities. The Company's executive officers have been employed by the Company and/or its predecessor companies for an average of approximately 19 years.

BUSINESS STRATEGIES

Operations

Reputation: The Company has established a reputation as a highly-regarded landlord with an emphasis on delivering quality tenant services in buildings it owns and/or manages. The Company believes that its continued success depends in part on enhancing its reputation as an operator of choice, which will facilitate the retention of current tenants and the attraction of new tenants. The Company believes it provides a superior level of service to its tenants, which should in turn, allow the Company to outperform the market with respect to occupancy rates, as well as improve tenant retention.

Communication with tenants: The Company emphasizes frequent communication with tenants to ensure first-class service to the Properties. Property management personnel generally are located on site at the Properties to provide convenient access to management and to ensure that the Properties are well-maintained. Property management's primary responsibility is to ensure that buildings are operated at peak efficiency in order to meet both the Company's and tenants' needs and expectations. Property management personnel additionally budget and oversee capital improvements and building system upgrades to enhance the Properties' competitive advantages in their markets and to maintain the quality of the Company's properties.

Additionally, the Company's in-house leasing representatives develop and maintain long-term relationships with the Company's diverse tenant base and coordinate leasing, expansion, relocation and build-to-suit opportunities within the Company's portfolio. This approach allows the Company to offer office space in the appropriate size and location to current or prospective tenants in any of its sub-markets.

Growth

The Company plans to continue to own and operate a portfolio of properties in high-barrier-to-entry markets, with a primary focus in the Northeast. The Company's primary objectives are to maximize operating cash flow and to enhance the value of its portfolio through effective management, acquisition, development and property sales strategies, as follows:

Internal Growth: The Company seeks to maximize the value of its existing portfolio through implementing operating strategies designed to produce the highest effective rental and occupancy rates and lowest tenant installation cost within the markets that it operates. The Company continues to pursue internal growth through re-leasing space at higher effective rents with contractual rent increases and developing or redeveloping space for its diverse base of high credit tenants, including New Cingular Wireless PCS LLC, Morgan Stanley and The United States of America - GSA. In addition, the Company seeks economies of scale through volume discounts to take advantage of its size and dominance in particular sub-markets, and operating efficiencies through the use of in-house management, leasing, marketing, financing, accounting, legal, development and construction services.

Acquisitions: The Company also believes that growth opportunities exist through acquiring operating properties or properties for redevelopment with attractive returns in its core Northeast sub-markets where, based on its expertise in leasing, managing and operating properties, it believes it is, or can become, a significant and preferred owner and operator. The Company intends either directly or through joint ventures to acquire, invest in or redevelop additional properties that: (i) are expected to provide attractive initial yields with potential for growth in cash flow from operations; (ii) are well-located, of high quality and competitive in their respective sub-markets; (iii) are located in its existing sub-markets or in sub-markets in which the Company can become a significant and preferred owner and operator; and (iv) it believes have been under-managed or are otherwise capable of improved performance through intensive management, capital improvements and/or leasing that should result in increased effective rental and occupancy rates.

Development: The Company seeks to selectively develop additional properties either directly or through joint ventures where it believes such development will result in a favorable risk-adjusted return on investment in coordination with the above operating strategies. Such development primarily will occur: (i) when leases have been executed prior to construction; (ii) in stable core Northeast sub-markets where the demand for such space exceeds available supply; and (iii) where the Company is, or can become, a significant and preferred owner and operator.

Property Sales: While management's principal intention is to own and operate its properties on a long-term basis, it periodically assesses the attributes of each of its properties, with a particular focus on the supply and demand fundamentals of the sub-markets in which they are located. Based on these ongoing assessments, the Company may, from time to time, decide to sell any of its properties.

Financial

The Company currently intends to maintain a ratio of debt-to-undepreciated assets (total debt of the Company as a percentage of total undepreciated assets) of 50 percent or less. As of December 31, 2006, the Company's total debt constituted

approximately 41.4 percent of total undepreciated assets of the Company. The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Fitch, Inc. ("Fitch") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and Fitch have also assigned their BBB- rating to existing and prospective preferred stock offerings of the Company. Moody's Investors Service ("Moody's") has assigned its Baa2 rating to existing and prospective senior unsecured debt of the Operating Partnership and its Baa3 rating to existing and prospective preferred stock offerings of the Company. Although there is no limit in the Company's organizational documents on the amount of indebtedness that the Company may incur or a requirement for the maintenance of investment grade credit ratings, the Company has entered into certain financial agreements which contain covenants that limit the Company's ability to incur indebtedness under certain circumstances. The Company intends to conduct its operations so as to best be able to maintain its investment grade rated status. The Company intends to utilize the most appropriate sources of capital for future acquisitions, development, capital improvements and other investments, which may include funds from operating activities, proceeds from property and land sales, short-term and long-term borrowings (including draws on the Company's revolving credit facility), and the issuance of additional debt or equity securities.

EMPLOYEES

As of December 31, 2006, the Company had approximately 540 full-time employees.

COMPETITION

The leasing of real estate is highly competitive. The Properties compete for tenants with lessors and developers of similar properties located in their respective markets primarily on the basis of location, rent charged, services provided, and the design and condition of the Properties. The Company also experiences competition when attempting to acquire or dispose of real estate, including competition from domestic and foreign financial institutions, other REITs, life insurance companies, pension trusts, trust funds, partnerships, individual investors and others.

REGULATIONS

Many laws and governmental regulations are applicable to the Properties and changes in these laws and regulations, or their interpretation by agencies and the courts, occur frequently.

Under various laws and regulations relating to the protection of the environment, an owner of real estate may be held liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner was responsible for, or even knew of, the presence of such substances. The presence of such substances may adversely affect the owner's ability to rent or sell the property or to borrow using such property as collateral and may expose it to liability resulting from any release of, or exposure to, such substances. Persons who arrange for the disposal or treatment of hazardous or toxic substances at another location may also be liable for the costs of re-moval or remediation of such substances at the disposal or treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws impose liability for the release of asbestos-containing materials into the air, and third parties may also seek recovery from owners or operators of real properties for personal injury associated with asbestos-containing materials and other hazardous or toxic substances.

In connection with the ownership (direct or indirect), operation, management and development of real properties, the Company may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental penalties and injuries to persons and property.

There can be no assurance that (i) future laws, ordinances or regulations will not impose any material environmental liability, (ii) the current environmental condition of the Properties will not be affected by tenants, by the condition of land or operations in the vicinity of the Properties (such as the presence of underground storage tanks), or by third parties unrelated to the Company, or (iii) the Company's assessments reveal all environmental liabilities and that there are no material environmental liabilities of which the Company is aware. If compliance with the various laws and regulations, now existing or hereafter adopted, exceeds the Company's budgets for such items, the Company's ability to make expected distributions to stockholders could be adversely affected.

There are no other laws or regulations which have a material effect on the Company's operations, other than typical federal, state and local laws affecting the development and operation of real property, such as zoning laws.

INDUSTRY SEGMENTS

The Company operates in two industry segments: (i) real estate; and (ii) construction services. As of December 31, 2006, the Company does not have any foreign operations and its business is not seasonal. In May 2006, in conjunction with the Company's acquisition of the Gale Company and related businesses, the Company acquired a business specializing solely in construction and related services whose operations comprise the Company's construction services segment. Please see our financial statements attached hereto and incorporated by reference herein for financial information relating to our industry segments.

RECENT DEVELOPMENTS

The Company's core markets continue to be weak. The percentage leased in the Company's consolidated portfolio of stabilized operating properties increased to 92.0 percent at December 31, 2006 as compared to 91.0 percent at December 31, 2005 and 91.2 percent at December 31, 2004. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at December 31, 2006, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases that expire at the period end date. Leases that expire as of the period end date aggregate 103,477 square feet, or 0.4 percent of the net rentable square footage. Excluded from percentage leased at December 31, 2004 was a non-strategic, non-core 318,224 square foot property acquired through a deed in lieu of foreclosure, which was 12.7 percent leased at December 31, 2004 and subsequently sold on February 4, 2005. Market rental rates have declined in most markets from peak levels in late 2000 and early 2001. Rental rates on the Company's space that was re-leased (based on first rents payable) during the year ended December 31, 2006 decreased an average of 0.2 percent compared to rates that were in effect under expiring leases, as compared to a 8.2 percent decrease in 2005 and a 8.7 percent decrease in 2004. The Company believes that vacancy rates may continue to increase in most of its markets in 2007. As a result, the Company's future earnings and cash flow may continue to be negatively impacted by current market conditions.

Gale/Green Transactions

On May 9, 2006, the Company completed the acquisitions of: (i) The Gale Company and certain of its related businesses, which engage in construction, property management, facilities management, and leasing services (collectively, the "Gale Company"); (ii) three office properties; and (iii) indirect interests in a portfolio of office properties, located primarily in New Jersey, which were owned indirectly by The Gale Company and its affiliates ("Gale") and affiliates of SL Green Realty Corp. ("SL Green"). The agreements ("Gale/Green Agreements") to complete the aforementioned acquisitions (collectively, the "Gale/Green Transactions") required that the Company complete all of the acquisitions. Simultaneous with the completion of the Gale/Green Transactions, The Gale Company's President, Mark Yeager, was named an executive vice president of the Company.

Under the Gale/Green Agreements, the Company acquired 100 percent of the ownership interests in three office properties located in New Jersey, aggregating 518,257 square feet (the "Wholly-Owned Properties").

Also, as part of the Gale/Green Agreements, the Company entered into a joint venture with an entity controlled by SL Green (in which Stanley C. Gale has an interest), known as Mack-Green-Gale LLC ("Mack-Green"), to hold an approximate 96 percent interest and act as general partner of Gale SLG NJ Operating Partnership, L.P. (the "OP LP"). The OP LP owns 100 percent of entities which own 25 office properties (collectively, the"OP LP Properties") which aggregate 3.5 million square feet (consisting of 17 office properties aggregating 2.3 million square feet located in New Jersey and eight properties aggregating 1.2 million square feet located in Troy, Michigan), as well as a minor, non-controlling interest in four office properties aggregating 419,000 square feet located in Naperville, Illinois.

Mr. Gale has agreed to pay Mark Yeager, an executive officer of the Company, 49 percent of any payments he receives on account of Mr. Gale's interest with SL Green in Mack-Green.

The Gale Company, the Wholly-Owned Properties, and the interest in Mack-Green were acquired by the Company for a total initial acquisition cost of approximately $245 million consisting of: (i) the issuance by the Company of 224,719 common units of the Operating Partnership; (ii) the payment of a total of approximately $194 million in cash, which was primarily funded through borrowing under the Company's revolving credit facility; and (iii) the assumption of $39.9 million in existing mortgage indebtedness on two of the Wholly-Owned Properties. Mr. Gale has agreed to transfer to Mark Yeager 33,700 of his common units of the Operating Partnership on April 30, 2009, provided that Mr. Yeager's employment with the Company has not been terminated involuntarily without cause ("Employment Continuation") prior to such date. Additionally, the agreement to acquire the Gale Company ("Gale Agreement") contains earn-out provisions providing for the payment of contingent purchase consideration of up to $18 million in cash based upon the achievement of Gross Income and NOI (as such terms are defined in the Gale Agreement) targets and other events for The Gale Company for the three years following the closing date.

Mr. Gale has agreed to pay to Mr. Yeager 49 percent of all amounts he receives pursuant to the Gale Agreement earn-out provisions, subject to certain conditions including Mr. Yeager's Employment Continuation.

The Company has not yet obtained all the information necessary to finalize its estimates to complete the purchase price allocations related to the Gale/Green Transactions. The purchase price allocations will be finalized once the information identified by the Company has been received, which should not be longer than one year from the date of acquisition.

In addition, the Gale Agreement provides for the Company to acquire certain other ownership interests in up to 11 real estate projects (the "Non-Portfolio Properties"), subject to obtaining certain third party consents and the satisfaction of various project-related and/or other conditions. Each of the Company's acquired interests in the Non-Portfolio Properties will provide for the initial distributions of net cash flow solely to the Company, and thereafter an affiliate of Mr. Gale ("Gale Affiliate") has participation rights ("Gale 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 internal rate of return ("IRR") of 10 percent per annum, accruing on the date or dates of the Company's investments.

Mr. Gale has agreed to pay to Mr. Yeager 49 percent of any payments he receives with respect to the Gale Participation Rights, subject to adjustments for payments Mr. Yeager receives from his direct interests in such rights and subject to, in certain cases, Mr. Yeager's Employment Continuation. Mr. Gale has also agreed to pay to Mr. Yeager 49 percent of the distributions he receives with respect to Mr. Gale's interest in certain land located in Florham Park, New Jersey, which is one of the Non-Portfolio Properties not yet acquired by the Company. Such distribution may include the amounts Mr. Gale receives from the conveyance of his interest in the Florham Park land to the Company.

With respect to the arrangements between Mr. Gale and Mr. Yeager regarding the Gale Agreement earn-out provisions and the Florham Park land, they have agreed to consider offering payments to certain persons that have been employed by certain subsidiaries of The Gale Company, which may include current employees of the Company.

Through December 31, 2006, the Company has completed acquisitions of eight of the interests in the Non-Portfolio Properties, which included the acquisitions of interests in: a 527,015 square foot, mixed-use office/retail complex; a 416,429 square-foot multi-tenanted office property; a 139,750 square-foot fully-leased office property; an office property in development; two vacant land parcels (one of which Mr. Yeager has a 16.49 percent interest in the Participation Rights) and two pre-developed projects. The aggregate cost of the completed acquisitions was approximately $25.6 million.

Pursuant to Mr. Gale's agreements with Mr. Yeager, as described herein, Mr. Yeager received approximately $5.6 million during the year ended December 31, 2006.

In connection with the Company's acquisition of the Gale Company, Mr. Gale and certain other affiliates of Gale are restricted from competing with the Company or hiring the Company's employees for a period of four years expiring on May 9, 2010.

Property Acquisitions

The Company acquired the following office properties during the year ended December 31, 2006: *(dollars in thousands)*

Acquisition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Acquisition Cost
02/28/06	Capital Office Park (a)	Greenbelt, Maryland	7	842,258	$166,011
05/09/06	35 Waterview Boulevard (b) (c)	Parsippany, New Jersey	1	172,498	33,586
05/09/06	105 Challenger Road (b) (d)	Ridgefield Park, New Jersey	1	150,050	34,960
05/09/06	343 Thornall Street (b) (e)	Edison, New Jersey	1	195,709	46,193
07/31/06	395 W. Passaic Street (f)	Rochelle Park, New Jersey	1	100,589	22,219
Total Property Acquisitions:			11	1,461,104	$302,969

(a) This transaction was funded primarily through the assumption of $63.2 million of mortgage debt and the issuance of 1.9 million common operating partnership units valued at $87.2 million.

(b) The property was acquired as part of the Gale/Green Transactions.

(c) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $20.4 million of mortgage debt.

(d) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $19.5 million of mortgage debt.

(e) Transaction was funded primarily through borrowing on the Company's revolving credit facility.

(f) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $13.1 million of mortgage debt.

For a discussion of the ownership interests in Mack-Green, see Note 4: Investments in Unconsolidated Joint Ventures - Mack-Green-Gale LLC - to our financial statements included within this annual report on Form 10-K.

Sales

The Company sold the following office properties during the year ended December 31, 2006: *(dollars in thousands)*

Sale Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Net Sales Proceeds	Net Book Value	Realized Gain/ (Loss)
06/28/06	Westage Business Center	Fishkill, New York	1	118,727	$ 14,765	$ 10,872	$ 3,893
06/30/06	1510 Lancer Drive	Moorestown, New Jersey	1	88,000	4,146	3,134	1,012
11/10/06	Colorado portfolio	Various cities, Colorado	19	1,431,610	193,404	165,072	28,332
12/21/06	California portfolio	San Francisco, California	2	450,891	124,182	97,814	26,368
Total Office Property Sales:			23	2,089,228	$336,497	$276,892	$59,605

On November 6, 2006, the Company sold substantially all of its 50-percent interest in G&G Martco, a joint venture which owned a 305,618 square foot office building located in San Francisco, California for approximately $16.3 million, realizing a gain on the sale of approximately $10.8 million.

On November 7, 2006, the Company sold 10.1 acres of developable land adjacent to its Horizon Center properties in Hamilton Township, New Jersey, for net sales proceeds of approximately $1.5 million, realizing a gain of approximately $1.1 million from the sale.

Investments in Marketable Securities

In 2005, the Company purchased approximately 1.5 million shares of common stock in CarrAmerica Realty Corporation. From January 1, 2006 through January 25, 2006, the Company purchased an additional 336,500 shares in CarrAmerica for a total purchase price of approximately $11.9 million. During the three months ended March 31, 2006, the Company sold all of its 1,804,800 shares of CarrAmerica common stock, realizing a gain of approximately $15.1 million.

FINANCING ACTIVITY

On January 24, 2006, the Company issued $100 million face amount of 5.80 percent senior unsecured notes due January 15, 2016 with interest payable semi-annually in arrears, and $100 million face amount of 5.25 percent senior unsecured notes due January 15, 2012 with interest payable semi-annually in arrears. The total proceeds from the issuances, including accrued interest on the 5.80 percent notes of approximately $200.8 million, were used to reduce outstanding borrowings under the Company's unsecured facility.

On February 7, 2007, the Company completed an underwritten offer and sale of 4,650,000 shares of its common stock and used the net proceeds, which totaled approximately $252 million (after offering costs), primarily to pay down its outstanding borrowings under the Company's revolving credit facility and for general corporate purposes.

AVAILABLE INFORMATION

The Company's internet website is www.mack-cali.com. The Company makes available free of charge on or through its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after it electronically files or furnishes such materials to the Securities and Exchange Commission. In addition, the Company's internet website includes other items related to corporate governance matters, including, among other things, the Company's corporate governance guidelines, charters of various committees of the Board of Directors, and the Company's code of business conduct and ethics applicable to all employees, officers and directors. The Company intends to disclose on its internet website any amendments to or waivers from its code of business conduct and ethics as well as any amendments to its corporate governance principles or the charters of various committees of the Board of Directors. Copies of these documents may be obtained, free of charge, from our internet website. Any shareholder also may obtain copies of these documents, free of charge, by sending a request in writing to: Mack-Cali Investor Relations Department, 343 Thornall Street, Edison, NJ 08837-2206.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We consider portions of this report, 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," "should," "expect," "anticipate," "estimate," "continue" or comparable terminology. Forward-looking statements are inherently subject to risks 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.

Among the factors about which we have made assumptions are:

- changes in the general economic climate and conditions, including those affecting industries in which our principal tenants operate;
- the extent of any tenant bankruptcies or of any early lease terminations;
- our ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for office, office/flex and industrial/warehouse properties;
- changes in interest rate levels;
- changes in operating costs;
- our ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing;
- changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

For further information on factors which could impact us and the statements contained herein, see Item 1A: Risk Factors. We assume no obligation to update and supplement forward-looking statements that become untrue because of subsequent events.

ITEM 1A. RISK FACTORS

Our results from operations and ability to make distributions on our equity and debt service on our indebtedness may be affected by the risk factors set forth below. All investors should consider the following risk factors before deciding to purchase securities of the Company. The Company refers to itself as "we" or "our" in the following risk factors.

Declines in economic activities in the Northeastern office markets could adversely affect our operating results.
A majority of our revenues are derived from our properties located in the Northeast, particularly in New Jersey, New York and Pennsylvania. Adverse economic developments in this region could adversely impact the operations of our properties and, therefore, our profitability. Because our portfolio consists primarily of office and office/flex buildings (as compared to a more diversified real estate portfolio), a decline in the economy and/or a decline in the demand for office space may adversely affect our ability to make distributions or payments to our investors.

Our performance is subject to risks associated with the real estate industry.
General: Our business and our ability to make distributions or payments to our investors depend on the ability of our properties to generate funds in excess of operating expenses (including scheduled principal payments on debt and capital expenditures). Events or conditions that are beyond our control may adversely affect our operations and the value of our properties. Such events or conditions could include:

- changes in the general economic climate;
- changes in local conditions such as an oversupply of office space, a reduction in demand for office space, or reductions in office market rental rates;
- decreased attractiveness of our properties to tenants;
- competition from other office and office/flex properties;
- our inability to provide adequate maintenance;
- increased operating costs, including insurance premiums, utilities and real estate taxes, due to inflation and other factors which may not necessarily be offset by increased rents;
- changes in laws and regulations (including tax, environmental, zoning and building codes, and housing laws and regulations) and agency or court interpretations of such laws and regulations and the related costs of compliance;
- changes in interest rate levels and the availability of financing;
- the inability of a significant number of tenants to pay rent;
- our inability to rent office space on favorable terms; and
- civil unrest, earthquakes, acts of terrorism and other natural disasters or acts of God that may result in uninsured losses.

Financially distressed tenants may be unable to pay rent: If a tenant defaults, we may experience delays and incur substantial costs in enforcing our rights as landlord and protecting our investments. If a tenant files for bankruptcy, a potential court judgment rejecting and terminating such tenant's lease could adversely affect our ability to make distributions or payments to our investors.

Renewing leases or re-letting space could be costly: If a tenant does not renew its lease upon expiration or terminates its lease early, we may not be able to re-lease the space. If a tenant does renew its lease or we re-lease the space, the terms of the renewal or new lease, including the cost of required renovations or concessions to the tenant, may be less favorable than the current lease terms which could adversely affect our ability to make distributions or payments to our investors.

Our insurance coverage on our properties may be inadequate: We currently carry comprehensive insurance on all of our properties, including insurance for liability, fire and flood. We cannot guarantee that the limits of our current policies will be sufficient in the event of a catastrophe to our properties. We cannot guarantee that we will be able to renew or duplicate our current insurance coverage in adequate amounts or at reasonable prices. In addition, while our current insurance policies insure us against loss from terrorist acts and toxic mold, in the future insurance companies may no longer offer coverage against these types of losses, or, if offered, these types of insurance may be prohibitively expensive. If any or all of the foregoing should occur, we may not have insurance coverage against certain types of losses and/or there may be decreases in the limits of insurance available. Should an uninsured loss or a loss in excess of our insured limits occur, we could lose all or a portion of the capital we have invested in a property or properties, as well as the anticipated future revenue from the property or properties. Nevertheless, we might remain obligated for any mortgage debt or other financial obligations related to the property or properties. We cannot guarantee that material losses in excess of insurance proceeds will not occur in the future. If any of our properties were to experience a catastrophic loss, it could seriously disrupt our operations, delay revenue and result in large expenses to repair or rebuild the property. Such events could adversely affect our ability to make distributions or payments to our investors.

Illiquidity of real estate limits our ability to act quickly: Real estate investments are relatively illiquid. Such illiquidity may limit our ability to react quickly in response to changes in economic and other conditions. If we want to sell an investment, we might not be able to dispose of that investment in the time period we desire, and the sales price of that investment might not recoup or exceed the amount of our investment. The prohibition in the Internal Revenue Code of 1986, as amended (the "Code"), and related regulations on a real estate investment trust holding property for sale also may restrict our ability to sell property. In addition, we acquired a significant number of our properties from individuals to whom we issued Units as part of the purchase price. In connection with the acquisition of these properties, in order to preserve such individual's income tax deferral, we contractually agreed not to sell or otherwise transfer the properties for a specified period of time, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate individuals for the income tax consequences of the recognition of such built-in-gains. As of December 31, 2006, 50 of our properties, with an aggregate net book value of approximately $1.3 billion, were subject to these restrictions, which expire periodically through 2016. For those properties where such restrictions have lapsed, we are 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 appropriate individuals. 88 of our properties, with an aggregate net book value of approximately $809.0 million, have lapsed restrictions and are subject to these conditions. The above limitations on our ability to sell our investments could adversely affect our ability to make distributions or payments to our investors.

Americans with Disabilities Act compliance could be costly: Under the Americans with Disabilities Act of 1990 ("ADA"), all public accommodations and commercial facilities must meet certain federal requirements related to access and use by disabled persons. Compliance with the ADA requirements could involve removal of structural barriers from certain disabled persons' entrances. Other federal, state and local laws may require modifications to or restrict further renovations of our properties with respect to such accesses. Although we believe that our properties are substantially in compliance with present requirements, noncompliance with the ADA or related laws or regulations could result in the United States government imposing fines or private litigants being awarded damages against us. Such costs may adversely affect our ability to make distributions or payments to our investors.

Environmental problems are possible and may be costly: Various federal, state and local laws and regulations subject property owners or operators to liability for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner or operator was responsible for or even knew of the presence of such substances. The presence of or failure to properly remediate hazardous or toxic substances (such as toxic mold) may adversely affect our ability to rent, sell or borrow against contaminated property and may impose liability upon us for personal injury to persons exposed to such substances. Various laws and regulations

also impose liability on persons who arrange for the disposal or treatment of hazardous or toxic substances at another location for the costs of removal or remediation of such substances at the disposal or treatment facility. These laws often impose liability whether or not the person arranging for such disposal ever owned or operated the disposal facility. Certain other environmental laws and regulations impose liability on owners or operators of property for injuries relating to the release of asbestos-containing or other materials into the air, water or otherwise into the environment. As owners and operators of property and as potential arrangers for hazardous substance disposal, we may be liable under such laws and regulations for removal or remediation costs, governmental penalties, property damage, personal injuries and related expenses. Payment of such costs and expenses could adversely affect our ability to make distributions or payments to our investors.

Competition for acquisitions may result in increased prices for properties: We plan to acquire additional properties in New Jersey, New York and Pennsylvania and in the Northeast generally. We may be competing for investment opportunities with entities that have greater financial resources. Several office building developers and real estate companies may compete with us in seeking properties for acquisition, land for development and prospective tenants. Such competition may adversely affect our ability to make distributions or payments to our investors by:

- reducing the number of suitable investment opportunities offered to us;
- increasing the bargaining power of property owners;
- interfering with our ability to attract and retain tenants;
- increasing vacancies which lowers market rental rates and limits our ability to negotiate rental rates; and/or
- adversely affecting our ability to minimize expenses of operation.

Development of real estate could be costly: As part of our operating strategy, we may acquire land for development or construct on owned land, under certain conditions. Included among the risks of the real estate development business are the following, which may adversely affect our ability to make distributions or payments to our investors:

- financing for development projects may not be available on favorable terms;
- long-term financing may not be available upon completion of construction; and
- failure to complete construction on schedule or within budget may increase debt service expense and construction costs.

Property ownership through joint ventures could subject us to the contrary business objectives of our co-venturers: We, from time to time, invest in joint ventures or partnerships in which we do not hold a controlling interest in the assets underlying the entities in which we invest, including joint ventures in which (i) we own a direct interest in an entity which controls such assets, or (ii) we own a direct interest in an equity which owns indirect interests, through one or more intermediaries, of such assets. These investments involve risks that do not exist with properties in which we own a controlling interest with respect to the underlying assets, including the possibility that our co-venturers or partners may, at any time, have business, economic or other objectives that are inconsistent with our objectives. Because we lack a controlling interest, our co-venturers or partners may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. While we seek protective rights against such contrary actions, there can be no assurance that we will be successful in procuring any such protective rights, or if procured, that the rights will be sufficient to fully protect us against contrary actions. Our organizational documents do not limit the amount of available funds that we may invest in joint ventures or partnerships. If the objectives of our co-venturers or partners are inconsistent with ours, it may adversely affect our ability to make distributions or payments to our investors.

Our real estate construction management activities are subject to risks particular to third-party construction projects.
As a result of the Gale/Green Transactions, we now perform fixed price construction services for third parties and we are subject to a variety of risks unique to these activities. If construction costs of a project exceed original estimates, such costs may have to be absorbed by us, thereby making the project less profitable than originally estimated, or possibly not profitable at all. In addition, a construction project may be delayed due to government or regulatory approvals, supply shortages, or other events and circumstances beyond our control, or the time required to complete a construction project may be greater than originally anticipated. If any such excess costs or project delays were to be material, such events may adversely effect our cash flow and liquidity and thereby impact our ability to pay dividends or make distributions to our investors.

Debt financing could adversely affect our economic performance.

Scheduled debt payments and refinancing could adversely affect our financial condition: We are subject to the risks normally associated with debt financing. These risks, including the following, may adversely affect our ability to make distributions or payments to our investors:

- our cash flow may be insufficient to meet required payments of principal and interest;
- payments of principal and interest on borrowings may leave us with insufficient cash resources to pay operating expenses;
- we may not be able to refinance indebtedness on our properties at maturity; and
- if refinanced, the terms of refinancing may not be as favorable as the original terms of the related indebtedness.

As of December 31, 2006, we had total outstanding indebtedness of $2.2 billion comprised of $1.6 billion of senior unsecured notes, outstanding borrowings of $145.0 million under our $600.0 million revolving credit facility and approximately $383.5 million of mortgage loans payable and other obligations indebtedness. We may have to refinance the principal due on our current or future indebtedness at maturity, and we may not be able to do so.

If we are unable to refinance our indebtedness on acceptable terms, or at all, events or conditions that may adversely affect our ability to make distributions or payments to our investors include the following:

- we may need to dispose of one or more of our properties upon disadvantageous terms;
- prevailing interest rates or other factors at the time of refinancing could increase interest rates and, therefore, our interest expense;
- if we mortgage property to secure payment of indebtedness and are unable to meet mortgage payments, the mortgagee could foreclose upon such property or appoint a receiver to receive an assignment of our rents and leases; and
- foreclosures upon mortgaged property could create taxable income without accompanying cash proceeds and, therefore, hinder our ability to meet the real estate investment trust distribution requirements of the Internal Revenue Code.

We are obligated to comply with financial covenants in our indebtedness that could restrict our range of operating activities: The mortgages on our properties contain customary negative covenants, including limitations on our ability, without the prior consent of the lender, to further mortgage the property, to enter into new leases outside of stipulated guidelines or to materially modify existing leases. In addition, our credit facility contains customary requirements, including restrictions and other limitations on our ability to incur debt, debt to assets ratios, secured debt to total assets ratios, interest coverage ratios and minimum ratios of unencumbered assets to unsecured debt. The indentures under which our senior unsecured debt have been issued contain financial and operating covenants including coverage ratios and limitations on our ability to incur secured and unsecured debt. These covenants limit our flexibility in conducting our operations and create a risk of default on our indebtedness if we cannot continue to satisfy them.

Rising interest rates may adversely affect our cash flow: As of December 31, 2006, outstanding borrowings of approximately $145.0 million under our revolving credit facility bear interest at variable rates. We may incur additional indebtedness in the future that also bears interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase. Higher debt service requirements could adversely affect our ability to make distributions or payments to our investors and/or cause us to default under certain debt covenants.

Our degree of leverage could adversely affect our cash flow: We fund acquisition opportunities and development partially through short-term borrowings (including our revolving credit facility), as well as from proceeds from property sales and undistributed cash. We expect to refinance projects purchased with short-term debt either with long-term indebtedness or equity financing depending upon the economic conditions at the time of refinancing. Our Board of Directors has a general policy of limiting the ratio of our indebtedness to total undepreciated assets (total debt as a percentage of total undepreciated assets) to 50 percent or less, although there is no limit in Mack-Cali Realty, L.P.'s or our organizational documents on the amount of indebtedness that we may incur. However, we have entered into certain financial agreements which contain financial and operating covenants that limit our ability under certain circumstances to incur additional secured and unsecured indebtedness. The Board of Directors could alter or eliminate its current policy on borrowing at any time at its discretion. If this policy were changed, we could become more highly leveraged, resulting in an increase in debt service that could adversely affect our cash flow and our ability to make distributions or payments to our investors and/or could cause an increased risk of default on our obligations.

We are dependent on external sources of capital for future growth: To qualify as a real estate investment trust, we must distribute to our shareholders each year at least 90 percent of our net taxable income, excluding any net capital gain. Because of this distribution requirement, it is not likely that we will be able to fund all future capital needs, including for acquisitions and developments, from income from operations. Therefore, we will have to rely on third-party sources of capital, which may or may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of things, including the market's perception of our growth potential and our current and potential future earnings. Moreover, additional equity offerings may result in substantial dilution of our shareholders' interests, and additional debt financing may substantially increase our leverage.

Competition for skilled personnel could increase our labor costs.
We compete with various other companies in attracting and retaining qualified and skilled personnel. We depend on our ability to attract and retain skilled management personnel who are responsible for the day-to-day operations of our company. Competitive pressures may require that we enhance our pay and benefits package to compete effectively for such personnel. We may not be able to offset such added costs by increasing the rates we charge our tenants. If there is an increase in these costs or if we fail to attract and retain qualified and skilled personnel, our business and operating results could be harmed.

We are dependent on our key personnel whose continued service is not guaranteed.
We are dependent upon our executive officers for strategic business direction and real estate experience. While we believe that we could find replacements for these key personnel, loss of their services could adversely affect our operations. We have entered into an employment agreement (including non-competition provisions) which provides for a continuous four-year employment term with each of Mitchell E. Hersh, Barry Lefkowitz and Roger W. Thomas, a continuous one-year employment term with Michael A. Grossman, and a three-year employment term with Mark Yeager which, as of May 9, 2009, shall convert to a continuous one-year employment term. We do not have key man life insurance for our executive officers.

Certain provisions of Maryland law and our charter and bylaws as well as our stockholder rights plan could hinder, delay or prevent changes in control.
Certain provisions of Maryland law, our charter and our bylaws, as well as our stockholder rights plan have the effect of discouraging, delaying or preventing transactions that involve an actual or threatened change in control. These provisions include the following:

Classified Board of Directors: Our Board of Directors is divided into three classes with staggered terms of office of three years each. The classification and staggered terms of office of our directors make it more difficult for a third party to gain control of our board of directors. At least two annual meetings of stockholders, instead of one, generally would be required to affect a change in a majority of the board of directors.

Removal of Directors: Under our charter, subject to the rights of one or more classes or series of preferred stock to elect one or more directors, a director may be removed only for cause and only by the affirmative vote of at least two-thirds of all votes entitled to be cast by our stockholders generally in the election of directors. Neither the Maryland General Corporation Law nor our charter define the term "cause." As a result, removal for "cause" is subject to Maryland common law and to judicial interpretation and review in the context of the facts and circumstances of any particular situation.

Number of Directors, Board Vacancies, Term of Office: We have, in our bylaws, elected to be subject to certain provisions of Maryland law which vest in the Board of Directors the exclusive right to determine the number of directors and the exclusive right, by the affirmative vote of a majority of the remaining directors, even if the remaining directors do not constitute a quorum, to fill vacancies on the board. These provisions of Maryland law, which are applicable even if other provisions of Maryland law or the charter or bylaws provide to the contrary, also provide that any director elected to fill a vacancy shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred, rather than the next annual meeting of stockholders as would otherwise be the case, and until his or her successor is elected and qualifies.

Stockholder Requested Special Meetings: Our bylaws provide that our stockholders have the right to call a special meeting only upon the written request of the stockholders entitled to cast not less than a majority of all the votes entitled to be cast by the stockholders at such meeting.

Advance Notice Provisions for Stockholder Nominations and Proposals: Our bylaws require advance written notice for stockholders to nominate persons for election as directors at, or to bring other business before, any meeting of stockholders. This bylaw provision limits the ability of stockholders to make nominations of persons for election as directors or to introduce other proposals unless we are notified in a timely manner prior to the meeting.

Exclusive Authority of the Board to Amend the Bylaws: Our bylaws provide that our board of directors has the exclusive power to adopt, alter or repeal any provision of the bylaws or to make new bylaws. Thus, our stockholders may not effect any changes to our bylaws.

Preferred Stock: Under our charter, our Board of Directors has authority to issue preferred stock from time to time in one or more series and to establish the terms, preferences and rights of any such series of preferred stock, all without approval of our stockholders.

Duties of Directors with Respect to Unsolicited Takeovers: Maryland law provides protection for Maryland corporations against unsolicited takeovers by limiting, among other things, the duties of the directors in unsolicited takeover situations. The duties of directors of Maryland corporations do not require them to (a) accept, recommend or respond to any proposal by a person seeking to acquire control of the corporation, (b) authorize the corporation to redeem any rights under, or modify or render inapplicable, any stockholders rights plan, (c) make a determination under the Maryland Business Combination Act or the Maryland Control Share Acquisition Act, or (d) act or fail to act solely because of the effect of the act or failure to act may have on an acquisition or potential acquisition of control of the corporation or the amount or type of consideration that may be offered or paid to the stockholders in an acquisition. Moreover, under Maryland law the act of a director of a Maryland corporation relating to or affecting an acquisition or potential acquisition of control is not subject to any higher duty or greater scrutiny than is applied to any other act of a director. Maryland law also contains a statutory presumption that an act of a director of a Maryland corporation satisfies the applicable standards of conduct for directors under Maryland law.

Ownership Limit: In order to preserve our status as a real estate investment trust under the Code, our charter generally prohibits any single stockholder, or any group of affiliated stockholders, from beneficially owning more than 9.8 percent of our outstanding capital stock unless our Board of Directors waives or modifies this ownership limit.

Maryland Business Combination Act: The Maryland Business Combination Act provides that unless exempted, a Maryland corporation may not engage in business combinations, including mergers, dispositions of 10 percent or more of its assets, certain issuances of shares of stock and other specified transactions, with an "interested stockholder" or an affiliate of an interested stockholder for five years after the most recent date on which the interested stockholder became an interested stockholder, and thereafter unless specified criteria are met. An interested stockholder is generally a person owning or controlling, directly or indirectly, 10 percent or more of the voting power of the outstanding stock of the Maryland corporation. Our board of directors has exempted from this statute business combinations between the Company and certain affiliated individuals and entities. However, unless our board adopts other exemptions, the provisions of the Maryland Business Combination Act will be applicable to business combinations with other persons.

Maryland Control Share Acquisition Act: Maryland law provides that "control shares" of a corporation acquired in a "control share acquisition" shall have no voting rights except to the extent approved by a vote of two-thirds of the votes eligible to cast on the matter under the Maryland Control Share Acquisition Act. "Control Shares" means shares of stock that, if aggregated with all other shares of stock previously acquired by the acquirer, would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of the voting power: one-tenth or more but less than one-third, one-third or more but less than a majority or a majority or more of all voting power. A "control share acquisition" means the acquisition of control shares, subject to certain exceptions.

If voting rights of control shares acquired in a control share acquisition are not approved at a stockholder's meeting, then subject to certain conditions and limitations, the issuer may redeem any or all of the control shares for fair value. If voting rights of such control shares are approved at a stockholder's meeting and the acquirer becomes entitled to vote a majority of the shares of stock entitled to vote, all other stockholders may exercise appraisal rights. Our bylaws contain a provision exempting from the Maryland Control Share Acquisition Act any acquisitions of shares by certain affiliated individuals and entities, any directors, officers or employees of the Company and any person approved by the board of directors prior to the acquisition by such person of control shares. Any control shares acquired in a control share acquisition which are not exempt under the foregoing provisions of our bylaws will be subject to the Maryland Control Share Acquisition Act.

Stockholder Rights Plan: We have adopted a stockholder rights plan that may discourage any potential acquirer from acquiring more than 15 percent of our outstanding common stock since, upon this type of acquisition without approval of our board of directors, all other common stockholders will have the right to purchase a specified amount of common stock at a substantial discount from market price.

Consequences of failure to qualify as a real estate investment trust could adversely affect our financial condition. *Failure to maintain ownership limits could cause us to lose our qualification as a real estate investment trust*: In order for us to maintain our qualification as a real estate investment trust, not more than 50 percent in value of our outstanding stock may be actually and/or constructively owned by five or fewer individuals (as defined in the Code to include certain entities). We have limited the ownership of our outstanding shares of our common stock by any single stockholder to 9.8 percent of the outstanding shares of our common stock. Our Board of Directors could waive this restriction if they were satisfied, based upon the advice of tax counsel or otherwise, that such action would be in our best interests and would not affect our qualification as a real estate investment trust. Common stock acquired or transferred in breach of the limitation may be redeemed by us for the lesser of the price paid and the average closing price for the 10 trading days immediately preceding redemption or sold at the direction of us. We may elect to redeem such shares of common stock for Units, which are nontransferable except in very limited circumstances. Any transfer of shares of common stock which, as a result of such transfer, causes us to be in violation of any ownership limit will be deemed void. Although we currently intend to continue to operate in a manner which will enable us to continue to qualify as a real estate investment trust, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to revoke the election for us to qualify as a real estate investment trust. Under our organizational documents, our Board of Directors can make such revocation without the consent of our stockholders.

In addition, the consent of the holders of at least 85 percent of Mack-Cali Realty, L.P.'s partnership units is required: (i) to merge (or permit the merger of) us with another unrelated person, pursuant to a transaction in which Mack-Cali Realty, L.P. is not the surviving entity; (ii) to dissolve, liquidate or wind up Mack-Cali Realty, L.P.; or (iii) to convey or otherwise transfer all or substantially all of Mack-Cali Realty, L.P.'s assets. As of February 16, 2007, as general partner, we own approximately 81.6 percent of Mack-Cali Realty, L.P.'s outstanding common partnership units.

Tax liabilities as a consequence of failure to qualify as a real estate investment trust: We have elected to be treated and have operated so as to qualify as a real estate investment trust for federal income tax purposes since our taxable year ended December 31, 1994. Although we believe we will continue to operate in such manner, we cannot guarantee that we will do so. Qualification as a real estate investment trust involves the satisfaction of various requirements (some on an annual and some on a quarterly basis) established under highly technical and complex tax provisions of the Internal Revenue Code. Because few judicial or administrative interpretations of such provisions exist and qualification determinations are fact sensitive, we cannot assure you that we will qualify as a real estate investment trust for any taxable year.

If we fail to qualify as a real estate investment trust in any taxable year, we will be subject to the following:

- we will not be allowed a deduction for dividends paid to shareholders;
- we will be subject to federal income tax at regular corporate rates, including any alternative minimum tax, if applicable; and
- unless we are entitled to relief under certain statutory provisions, we will not be permitted to qualify as a real estate investment trust for the four taxable years following the year during which we were disqualified.

A loss of our status as a real estate investment trust could have an adverse effect on us. Failure to qualify as a real estate investment trust also would eliminate the requirement that we pay dividends to our stockholders.

Other tax liabilities: Even if we qualify as a real estate investment trust, we are subject to certain federal, state and local taxes on our income and property and, in some circumstances, certain other state and local taxes. In addition, our taxable REIT subsidiaries will be subject to federal, state and local income tax for income received in connection with certain non-customary services performed for tenants and/or third parties.

Risk of changes in the tax law applicable to real estate investment trusts: Since the Internal Revenue Service, the United States Treasury Department and Congress frequently review federal income tax legislation, we cannot predict whether, when or to what extent new federal tax laws, regulations, interpretations or rulings will be adopted. Any of such legislative action may prospectively or retroactively modify our and Mack-Cali Realty, L.P.'s tax treatment and, therefore, may adversely affect taxation of us, Mack-Cali Realty, L.P., and/or our investors.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

PROPERTY LIST

As of December 31, 2006, the Company's Consolidated Properties consisted of 251 in-service office, office/flex and industrial/warehouse properties, as well as two stand-alone retail properties and two land leases. The Consolidated Properties are located primarily in the Northeast. The Consolidated Properties are easily accessible from major thoroughfares and are in close proximity to numerous amenities. The Consolidated Properties contain a total of approximately 28.9 million square feet, with the individual properties ranging from 6,216 to 1,246,283 square feet. The Consolidated Properties, managed by on-site employees, generally have attractively landscaped sites and atriums in addition to quality design and construction. The Company's tenants include many service sector employers, including a large number of professional firms and national and international businesses. The Company believes that all of its properties are well-maintained and do not require significant capital improvements.

Office Properties

Property Location	Year Built	Net Rentable Area (Sq. Ft.)	Percentage Leased as of 12/31/06 (%) (a)	2006 Base Rent ($000's) (b) (c)	2006 Effective Rent ($000's) (c) (d)	Percentage of Total 2006 Base Rent (%)	2006 Average Base Rent Per Sq. Ft. ($) (c) (e)	2006 Average Effective Rent Per Sq. Ft. ($) (c) (f)
NEW JERSEY								
Atlantic County								
Egg Harbor								
100 Decadon Drive	1987	40,422	100.0	954	907	0.18	23.60	22.44
200 Decadon Drive	1991	39,922	100.0	936	872	0.17	23.45	21.84
Bergen County								
Fair Lawn								
17-17 Route 208 North	1987	143,000	100.0	3,463	2,960	0.64	24.22	20.70
Fort Lee								
One Bridge Plaza	1981	200,000	54.4	2,549	2,371	0.47	23.43	21.79
2115 Linwood Avenue	1981	68,000	62.6	1,253	1,017	0.23	29.44	23.89
Little Ferry								
200 Riser Road	1974	286,628	100.0	2,066	1,916	0.38	7.21	6.68
Montvale								
95 Chestnut Ridge Road	1975	47,700	100.0	796	729	0.15	16.69	15.28
135 Chestnut Ridge Road	1981	66,150	88.9	1,440	1,173	0.26	24.49	19.95
Paramus								
15 East Midland Avenue	1988	259,823	100.0	5,597	5,440	1.03	21.54	20.94
140 East Ridgewood Avenue	1981	239,680	92.1	4,844	4,218	0.89	21.94	19.11
461 From Road	1988	253,554	98.6	6,064	6,044	1.11	24.26	24.18
650 From Road	1978	348,510	93.8	7,884	6,894	1.45	24.12	21.09
61 South Paramus Avenue	1985	269,191	99.0	6,649	5,906	1.22	24.95	22.16
Ridgefield Park								
105 Challenger Road (g)	1992	150,050	87.5	2,759	2,527	0.51	32.36	29.64
Rochelle Park								
120 Passaic Street	1972	52,000	99.6	1,402	1,322	0.26	27.07	25.53
365 West Passaic Street	1976	212,578	97.6	4,177	3,742	0.77	20.13	18.04
395 West Passaic Street (g)	1979	100,589	90.2	918	794	0.17	23.98	20.74
Upper Saddle River								
1 Lake Street	1973/94	474,801	100.0	7,465	7,465	1.37	15.72	15.72
10 Mountainview Road	1986	192,000	100.0	4,352	4,045	0.80	22.67	21.07
Woodcliff Lake								
400 Chestnut Ridge Road	1982	89,200	100.0	1,950	1,456	0.36	21.86	16.32
470 Chestnut Ridge Road	1987	52,500	81.2	479	455	0.09	11.24	10.67
530 Chestnut Ridge Road	1986	57,204	100.0	1,166	1,166	0.21	20.38	20.38
50 Tice Boulevard	1984	235,000	100.0	6,155	5,570	1.13	26.19	23.70
300 Tice Boulevard	1991	230,000	100.0	6,155	5,504	1.13	26.76	23.93
Burlington County								
Moorestown								
224 Strawbridge Drive	1984	74,000	98.4	1,309	1,218	0.24	17.98	16.73
228 Strawbridge Drive	1984	74,000	100.0	1,043	896	0.19	14.09	12.11
232 Strawbridge Drive	1986	74,258	98.8	1,446	1,400	0.27	19.71	19.08
Essex County								
Millburn								
150 J.F. Kennedy Parkway	1980	247,476	100.0	7,454	6,462	1.37	30.12	26.11

Office Properties
(Continued)

Property Location	Year Built	Net Rentable Area (Sq. Ft.)	Percentage Leased as of 12/31/06 (%) (a)	2006 Base Rent ($000's) (b) (c)	2006 Effective Rent ($000's) (c) (d)	Percentage of Total 2006 Base Rent (%)	2006 Average Base Rent Per Sq. Ft. ($) (c) (e)	2006 Average Effective Rent Per Sq. Ft. ($) (c) (f)
Roseland								
101 Eisenhower Parkway	1980	237,000	93.9	5,522	5,014	1.01	24.81	22.53
103 Eisenhower Parkway	1985	151,545	87.5	3,026	2,629	0.56	22.82	19.83
105 Eisenhower Parkway	2001	220,000	85.8	4,126	3,088	0.76	21.86	16.36
Hudson County								
Jersey City								
Harborside Financial Center Plaza 1	1983	400,000	92.8	3,930	3,475	0.72	10.59	9.36
Harborside Financial Center Plaza 2	1990	761,200	100.0	17,838	16,694	3.27	23.43	21.93
Harborside Financial Center Plaza 3	1990	725,600	98.5	17,870	16,780	3.28	25.00	23.48
Harborside Financial Center Plaza 4-A	2000	207,670	99.1	6,749	5,903	1.24	32.79	28.68
Harborside Financial Center Plaza 5	2002	977,225	97.5	35,570	29,406	6.53	37.33	30.86
101 Hudson Street	1992	1,246,283	100.0	29,822	26,212	5.47	23.93	21.03
Mercer County								
Hamilton Township								
600 Horizon Drive	2002	95,000	100.0	1,373	1,373	0.25	14.45	14.45
Princeton								
103 Carnegie Center	1984	96,000	84.9	2,311	2,029	0.42	28.35	24.89
3 Independence Way	1983	111,300	49.9	884	702	0.16	15.92	12.64
100 Overlook Center	1988	149,600	100.0	3,975	3,431	0.73	26.57	22.93
5 Vaughn Drive	1987	98,500	94.0	2,431	2,120	0.45	26.26	22.90
Middlesex County								
East Brunswick								
377 Summerhill Road	1977	40,000	100.0	353	346	0.06	8.83	8.65
Edison								
343 Thornall Street (c) (g)	1991	195,709	100.0	1,953	1,608	0.36	15.37	12.65
Piscataway								
30 Knightsbridge Road, Bldg 3	1977	160,000	100.0	2,465	2,465	0.45	15.41	15.41
30 Knightsbridge Road, Bldg 4	1977	115,000	100.0	1,771	1,771	0.33	15.40	15.40
30 Knightsbridge Road, Bldg 5	1977	332,607	43.6	1,275	1,080	0.23	8.79	7.45
30 Knightsbridge Road, Bldg 6	1977	72,743	62.9	--	--	--	--	--
Plainsboro								
500 College Road East	1984	158,235	95.7	4,031	3,807	0.74	26.62	25.14
Woodbridge								
581 Main Street	1991	200,000	100.0	4,586	4,346	0.84	22.93	21.73
Monmouth County								
Freehold								
2 Paragon Way	1989	44,524	64.8	648	502	0.12	22.46	17.40
3 Paragon Way	1991	66,898	58.4	770	699	0.14	19.71	17.89
4 Paragon Way	2002	63,989	100.0	1,168	900	0.21	18.25	14.06
100 Willbowbrook	1988	60,557	74.8	812	721	0.15	17.93	15.92
Holmdel								
23 Main Street	1977	350,000	100.0	4,039	3,187	0.74	11.54	9.11

Office Properties
(Continued)

Property Location	Year Built	Net Rentable Area (Sq. Ft.)	Percentage Leased as of 12/31/06 (%) (a)	2006 Base Rent ($000's) (b) (c)	2006 Effective Rent ($000's) (c) (d)	Percentage of Total 2006 Base Rent (%)	2006 Average Base Rent Per Sq. Ft. ($) (c) (e)	2006 Average Effective Rent Per Sq. Ft. ($) (c) (f)
Middletown								
One River Center Bldg 1	1983	122,594	100.0	3,064	2,633	0.56	24.99	21.48
One River Center Bldg 2	1983	120,360	100.0	2,775	2,738	0.51	23.06	22.75
One River Center Bldg 3	1984	214,518	93.6	4,374	4,329	0.80	21.78	21.56
Neptune								
3600 Route 66	1989	180,000	100.0	2,400	2,171	0.44	13.33	12.06
Wall Township								
1305 Campus Parkway	1988	23,350	92.4	393	368	0.07	18.22	17.06
1350 Campus Parkway	1990	79,747	99.9	1,564	1,423	0.29	19.63	17.86
Morris County								
Florham Park								
325 Columbia Turnpike	1987	168,144	99.4	4,093	3,652	0.75	24.49	21.85
Morris Plains								
250 Johnson Road	1977	75,000	100.0	1,579	1,385	0.29	21.05	18.47
201 Littleton Road	1979	88,369	88.9	1,783	1,582	0.33	22.70	20.14
Morris Township								
412 Mt. Kemble Avenue	1986	475,100	33.5	81	81	0.01	0.51	0.51
Parsippany								
4 Campus Drive	1983	147,475	96.9	2,634	2,308	0.48	18.43	16.15
6 Campus Drive	1983	148,291	87.2	2,376	1,906	0.44	18.37	14.74
7 Campus Drive	1982	154,395	--	--	--	--	--	--
8 Campus Drive	1987	215,265	100.0	6,306	5,534	1.16	29.29	25.71
9 Campus Drive	1983	156,495	86.9	3,720	3,149	0.68	27.35	23.16
4 Century Drive	1981	100,036	71.9	1,592	1,444	0.29	22.13	20.08
5 Century Drive	1981	79,739	67.2	1,951	1,950	0.36	36.41	36.39
6 Century Drive	1981	100,036	69.9	28	22	0.01	0.40	0.31
2 Dryden Way	1990	6,216	100.0	93	93	0.02	14.96	14.96
4 Gatehall Drive	1988	248,480	85.4	5,190	4,707	0.95	24.46	22.18
2 Hilton Court	1991	181,592	100.0	5,089	4,600	0.93	28.02	25.33
1633 Littleton Road	1978	57,722	100.0	1,131	1,131	0.21	19.59	19.59
600 Parsippany Road	1978	96,000	94.7	1,235	1,020	0.23	13.58	11.22
1 Sylvan Way	1989	150,557	100.0	3,499	3,103	0.64	23.24	20.61
5 Sylvan Way	1989	151,383	100.0	3,929	3,592	0.72	25.95	23.73
7 Sylvan Way	1987	145,983	100.0	3,219	2,803	0.59	22.05	19.20
35 Waterview Boulevard (g)	1990	172,498	92.2	2,774	2,491	0.51	26.86	24.12
5 Wood Hollow Road	1979	317,040	96.7	5,758	4,963	1.06	18.78	16.19
Passaic County								
Clifton								
777 Passaic Avenue	1983	75,000	100.0	1,517	1,375	0.28	20.23	18.33
Totowa								
999 Riverview Drive	1988	56,066	100.0	1,079	962	0.20	19.25	17.16
Somerset County								
Basking Ridge								
222 Mt. Airy Road	1986	49,000	60.7	615	462	0.11	20.68	15.53
233 Mt. Airy Road	1987	66,000	100.0	1,315	1,103	0.24	19.92	16.71

Office Properties
(Continued)

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Bernards								
106 Allen Road	2000	132,010	97.0	3,027	2,273	0.56	23.64	17.75
Bridgewater								
721 Route 202/206	1989	192,741	97.0	3,984	3,757	0.73	21.31	20.10
Union County								
Clark								
100 Walnut Avenue	1985	182,555	99.8	4,737	4,145	0.87	26.00	22.75
Cranford								
6 Commerce Drive	1973	56,000	88.1	1,116	988	0.20	22.62	20.03
11 Commerce Drive (c)	1981	90,000	92.7	1,020	860	0.19	12.23	10.31
12 Commerce Drive	1967	72,260	95.1	991	817	0.18	14.42	11.89
14 Commerce Drive	1971	67,189	87.3	1,232	1,190	0.23	21.00	20.29
20 Commerce Drive	1990	176,600	100.0	4,332	3,806	0.80	24.53	21.55
25 Commerce Drive	1971	67,749	100.0	1,436	1,351	0.26	21.20	19.94
65 Jackson Drive	1984	82,778	95.5	1,918	1,706	0.35	24.26	21.58
New Providence								
890 Mountain Avenue	1977	80,000	87.1	1,775	1,672	0.33	25.47	24.00
Total New Jersey Office		**17,537,754**	**91.7**	**354,747**	**316,402**	**65.13**	**22.40**	**19.97**
NEW YORK								
Rockland County								
Suffern								
400 Rella Boulevard	1988	180,000	100.0	4,296	3,826	0.79	23.87	21.26
Westchester County								
Elmsford								
100 Clearbrook Road (c)	1975	60,000	99.5	1,131	1,040	0.21	18.94	17.42
101 Executive Boulevard	1971	50,000	45.3	511	462	0.09	22.56	20.40
555 Taxter Road	1986	170,554	100.0	4,173	3,499	0.77	24.47	20.52
565 Taxter Road	1988	170,554	100.0	4,052	3,511	0.74	23.76	20.59
570 Taxter Road	1972	75,000	95.9	1,843	1,708	0.34	25.62	23.75
Hawthorne								
1 Skyline Drive	1980	20,400	99.0	388	365	0.07	19.21	18.07
2 Skyline Drive	1987	30,000	98.9	475	412	0.09	16.01	13.89
7 Skyline Drive	1987	109,000	95.3	2,532	2,324	0.46	24.37	22.37
17 Skyline Drive	1989	85,000	51.7	719	713	0.13	16.36	16.22
19 Skyline Drive	1982	248,400	100.0	4,471	4,174	0.82	18.00	16.80

Office Properties
(Continued)

Property Location	Year Built	Net Rentable Area (Sq. Ft.)	Percentage Leased as of 12/31/06 (%) (a)	2006 Base Rent ($000's) (b) (c)	2006 Effective Rent ($000's) (c) (d)	Percentage of Total 2006 Base Rent (%)	2006 Average Base Rent Per Sq. Ft. ($) (c) (e)	2006 Average Effective Rent Per Sq. Ft. ($) (c) (f)
Tarrytown								
200 White Plains Road	1982	89,000	97.9	1,824	1,655	0.33	20.93	18.99
220 White Plains Road	1984	89,000	92.0	1,819	1,670	0.33	22.22	20.40
White Plains								
1 Barker Avenue	1975	68,000	97.3	1,743	1,621	0.32	26.34	24.50
3 Barker Avenue	1983	65,300	91.0	1,631	1,494	0.30	27.45	25.14
50 Main Street	1985	309,000	98.0	9,249	8,496	1.70	30.54	28.06
11 Martine Avenue	1987	180,000	90.8	4,889	4,368	0.90	29.91	26.73
1 Water Street	1979	45,700	100.0	1,011	878	0.19	22.12	19.21
Yonkers								
1 Executive Boulevard	1982	112,000	100.0	2,779	2,484	0.51	24.81	22.18
3 Executive Plaza	1987	58,000	100.0	1,472	1,281	0.27	25.38	22.09
Total New York Office		**2,214,908**	**94.7**	**51,008**	**45,981**	**9.36**	**24.31**	**21.92**
PENNSYLVANIA								
Chester County								
Berwyn								
1000 Westlakes Drive	1989	60,696	95.7	1,592	1,515	0.29	27.41	26.08
1055 Westlakes Drive	1990	118,487	90.2	2,885	2,334	0.53	26.99	21.84
1205 Westlakes Drive	1988	130,265	63.8	2,234	1,954	0.41	26.88	23.51
1235 Westlakes Drive	1986	134,902	97.7	2,789	2,436	0.51	21.16	18.48
Delaware County								
Lester								
100 Stevens Drive	1986	95,000	100.0	2,551	2,358	0.47	26.85	24.82
200 Stevens Drive	1987	208,000	100.0	5,598	5,252	1.03	26.91	25.25
300 Stevens Drive	1992	68,000	100.0	1,592	1,254	0.29	23.41	18.44
Media								
1400 Providence Road - Center I	1986	100,000	96.8	2,038	1,838	0.37	21.05	18.99
1400 Providence Road - Center II	1990	160,000	95.8	3,346	2,921	0.61	21.83	19.06
Montgomery County								
Bala Cynwyd								
150 Monument Road	1981	125,783	98.4	2,387	2,286	0.44	19.29	18.47
Blue Bell								
4 Sentry Parkway	1982	63,930	94.1	1,373	1,368	0.25	22.82	22.74
5 Sentry Parkway East	1984	91,600	30.5	1,185	1,152	0.22	42.42	41.23
5 Sentry Parkway West	1984	38,400	100.0	590	572	0.11	15.36	14.90
16 Sentry Parkway	1988	93,093	100.0	2,268	2,156	0.42	24.36	23.16
18 Sentry Parkway	1988	95,010	97.6	2,040	1,900	0.37	22.00	20.49
King of Prussia								
2200 Renaissance Boulevard	1985	174,124	74.9	3,329	3,052	0.61	25.53	23.40
Lower Providence								
1000 Madison Avenue	1990	100,700	75.8	768	622	0.14	10.06	8.15
Plymouth Meeting								
1150 Plymouth Meeting Mall	1970	167,748	92.9	2,981	2,446	0.55	19.13	15.70
Total Pennsylvania Office		**2,025,738**	**88.8**	**41,546**	**37,416**	**7.62**	**23.09**	**20.79**

Office Properties
(Continued)

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CONNECTICUT								
Fairfield County								
Greenwich								
500 West Putnam Avenue	1973	121,250	96.3	3,337	3,153	0.61	28.58	27.00
Norwalk								
40 Richards Avenue	1985	145,487	80.6	2,544	2,239	0.47	21.69	19.09
Shelton								
1000 Bridgeport Avenue	1986	133,000	93.6	2,188	1,775	0.40	17.58	14.26
Stamford								
1266 East Main Street	1984	179,260	76.2	3,627	3,453	0.67	26.55	25.28
Total Connecticut Office		**578,997**	**85.5**	**11,696**	**10,620**	**2.15**	**23.62**	**21.45**
DISTRICT OF COLUMBIA								
Washington								
1201 Connecticut Avenue, NW	1940	169,549	100.0	5,090	4,758	0.93	30.02	28.06
1400 L Street, NW	1987	159,000	90.6	4,839	4,667	0.89	33.59	32.40
Total District of Columbia Office		**328,549**	**95.5**	**9,929**	**9,425**	**1.82**	**31.66**	**30.05**
MARYLAND								
Prince George's County								
Greenbelt								
9200 Edmonston Road (g)	1973	38,690	100.0	774	699	0.14	23.78	21.48
6301 Ivy Lane (g)	1979	112,003	86.1	1,564	1,335	0.29	19.28	16.46
6303 Ivy Lane (g)	1980	112,047	87.4	2,040	1,826	0.37	24.77	22.17
6305 Ivy Lane (g)	1982	112,022	73.6	1,387	1,127	0.25	20.00	16.25
6404 Ivy Lane (g)	1987	165,234	77.9	2,274	1,815	0.42	21.00	16.76
6406 Ivy Lane (g)	1991	163,857	100.0	2,275	2,066	0.42	16.51	14.99
6411 Ivy Lane (g)	1984	138,405	90.8	2,359	2,067	0.43	22.32	19.55
Lanham								
4200 Parliament Place	1989	122,000	91.2	2,832	2,627	0.52	25.45	23.61
Total Maryland Office		**964,258**	**87.6**	**15,505**	**13,562**	**2.84**	**21.18**	**18.49**
TOTAL OFFICE PROPERTIES		**23,650,204**	**91.4**	**484,431**	**433,406**	**88.92**	**22.76**	**20.35**

Office/Flex Properties

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NEW JERSEY								
Burlington County								
Burlington								
3 Terri Lane	1991	64,500	90.4	452	369	0.08	7.75	6.33
5 Terri Lane	1992	74,555	91.7	608	516	0.11	8.89	7.55
Moorestown								
2 Commerce Drive	1986	49,000	76.3	330	301	0.06	8.83	8.05
101 Commerce Drive	1988	64,700	100.0	275	249	0.05	4.25	3.85
102 Commerce Drive	1987	38,400	87.5	232	184	0.04	6.90	5.48
201 Commerce Drive	1986	38,400	75.0	163	112	0.03	5.66	3.89
202 Commerce Drive	1988	51,200	100.0	307	237	0.06	6.00	4.63
1 Executive Drive	1989	20,570	81.1	156	101	0.03	9.35	6.05
2 Executive Drive	1988	60,800	84.7	384	364	0.07	7.46	7.07
101 Executive Drive	1990	29,355	99.7	274	258	0.05	9.36	8.82
102 Executive Drive	1990	64,000	100.0	273	229	0.05	4.27	3.58
225 Executive Drive	1990	50,600	48.6	116	112	0.02	4.72	4.55
97 Foster Road	1982	43,200	75.5	152	137	0.03	4.66	4.20
1507 Lancer Drive	1995	32,700	100.0	117	108	0.02	3.58	3.30
1245 North Church Street	1998	52,810	62.1	362	349	0.07	11.04	10.64
1247 North Church Street	1998	52,790	77.5	398	360	0.07	9.73	8.80
1256 North Church Street	1984	63,495	100.0	435	360	0.08	6.85	5.67
840 North Lenola Road	1995	38,300	100.0	367	300	0.07	9.58	7.83
844 North Lenola Road	1995	28,670	100.0	180	133	0.03	6.28	4.64
915 North Lenola Road	1998	52,488	100.0	296	224	0.05	5.64	4.27
2 Twosome Drive	2000	48,600	100.0	408	378	0.07	8.40	7.78
30 Twosome Drive	1997	39,675	100.0	144	125	0.03	3.63	3.15
31 Twosome Drive	1998	84,200	100.0	471	470	0.09	5.59	5.58
40 Twosome Drive	1996	40,265	100.0	278	229	0.05	6.90	5.69
41 Twosome Drive	1998	43,050	77.7	224	220	0.04	6.70	6.58
50 Twosome Drive	1997	34,075	100.0	245	228	0.04	7.19	6.69
Gloucester County								
West Deptford								
1451 Metropolitan Drive	1996	21,600	100.0	148	148	0.03	6.85	6.85
Mercer County								
Hamilton Township								
100 Horizon Center Boulevard	1989	13,275	100.0	192	166	0.04	14.46	12.50
200 Horizon Drive	1991	45,770	100.0	591	537	0.11	12.91	11.73
300 Horizon Drive	1989	69,780	100.0	1,123	1,029	0.21	16.09	14.75
500 Horizon Drive	1990	41,205	100.0	613	584	0.11	14.88	14.17

Office/Flex Properties
(Continued)

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Monmouth County								
Wall Township								
1325 Campus Parkway	1988	35,000	100.0	655	476	0.12	18.71	13.60
1340 Campus Parkway	1992	72,502	100.0	917	684	0.17	12.65	9.43
1345 Campus Parkway	1995	76,300	100.0	933	685	0.17	12.23	8.98
1433 Highway 34	1985	69,020	68.3	373	317	0.07	7.91	6.72
1320 Wyckoff Avenue	1986	20,336	100.0	178	168	0.03	8.75	8.26
1324 Wyckoff Avenue	1987	21,168	100.0	220	202	0.04	10.39	9.54
Passaic County								
Totowa								
1 Center Court	1999	38,961	100.0	534	415	0.10	13.71	10.65
2 Center Court	1998	30,600	99.3	244	230	0.04	8.03	7.57
11 Commerce Way	1989	47,025	100.0	552	511	0.10	11.74	10.87
20 Commerce Way	1992	42,540	38.5	99	94	0.02	6.04	5.74
29 Commerce Way	1990	48,930	100.0	711	563	0.13	14.53	11.51
40 Commerce Way	1987	50,576	100.0	687	651	0.13	13.58	12.87
45 Commerce Way	1992	51,207	64.5	360	290	0.07	10.90	8.78
60 Commerce Way	1988	50,333	85.8	580	499	0.11	13.43	11.55
80 Commerce Way	1996	22,500	88.7	305	271	0.06	15.28	13.58
100 Commerce Way	1996	24,600	100.0	333	296	0.06	13.54	12.03
120 Commerce Way	1994	9,024	100.0	125	114	0.02	13.85	12.63
140 Commerce Way	1994	26,881	99.5	374	342	0.07	13.98	12.79
Total New Jersey Office/Flex		**2,189,531**	**90.6**	**18,494**	**15,925**	**3.40**	**9.32**	**8.03**
NEW YORK								
Westchester County								
Elmsford								
11 Clearbrook Road	1974	31,800	100.0	415	392	0.08	13.05	12.33
75 Clearbrook Road	1990	32,720	100.0	702	672	0.13	21.45	20.54
125 Clearbrook Road	2002	33,000	100.0	712	592	0.13	21.58	17.94
150 Clearbrook Road	1975	74,900	100.0	931	857	0.17	12.43	11.44
175 Clearbrook Road	1973	98,900	100.0	1,553	1,444	0.29	15.70	14.60
200 Clearbrook Road	1974	94,000	99.8	1,222	1,118	0.22	13.03	11.92
250 Clearbrook Road	1973	155,000	97.3	1,427	1,262	0.26	9.46	8.37
50 Executive Boulevard	1969	45,200	98.2	480	464	0.09	10.81	10.45
77 Executive Boulevard	1977	13,000	100.0	233	222	0.04	17.92	17.08
85 Executive Boulevard	1968	31,000	93.8	343	317	0.06	11.80	10.90
300 Executive Boulevard	1970	60,000	100.0	581	550	0.11	9.68	9.17
350 Executive Boulevard	1970	15,400	98.8	296	272	0.05	19.45	17.88
399 Executive Boulevard	1962	80,000	100.0	968	941	0.18	12.10	11.76
400 Executive Boulevard	1970	42,200	100.0	782	703	0.14	18.53	16.66
500 Executive Boulevard	1970	41,600	100.0	641	578	0.12	15.41	13.89

Office/Flex Properties
(Continued)

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525 Executive Boulevard	1972	61,700	83.6	807	714	0.15	15.65	13.84
1 Westchester Plaza	1967	25,000	100.0	332	316	0.06	13.28	12.64
2 Westchester Plaza	1968	25,000	100.0	502	482	0.09	20.08	19.28
3 Westchester Plaza	1969	93,500	100.0	556	468	0.10	5.95	5.01
4 Westchester Plaza	1969	44,700	99.8	645	605	0.12	14.46	13.56
5 Westchester Plaza	1969	20,000	88.9	297	260	0.05	16.70	14.62
6 Westchester Plaza	1968	20,000	100.0	330	312	0.06	16.50	15.60
7 Westchester Plaza	1972	46,200	100.0	790	778	0.14	17.10	16.84
8 Westchester Plaza	1971	67,200	100.0	935	861	0.17	13.91	12.81
Hawthorne								
200 Saw Mill River Road	1965	51,100	100.0	656	602	0.12	12.84	11.78
4 Skyline Drive	1987	80,600	92.2	1,248	1,092	0.23	16.79	14.69
5 Skyline Drive	1980	124,022	100.0	1,629	1,511	0.30	13.13	12.18
6 Skyline Drive	1980	44,155	100.0	312	311	0.06	7.07	7.04
8 Skyline Drive	1985	50,000	98.7	711	362	0.13	14.41	7.34
10 Skyline Drive	1985	20,000	100.0	240	204	0.04	12.00	10.20
11 Skyline Drive	1989	45,000	100.0	803	760	0.15	17.84	16.89
12 Skyline Drive	1999	46,850	85.1	663	440	0.12	16.63	11.04
15 Skyline Drive	1989	55,000	73.3	632	630	0.12	15.68	15.63
Yonkers								
100 Corporate Boulevard	1987	78,000	98.3	1,432	1,348	0.26	18.68	17.58
200 Corporate Boulevard South	1990	84,000	99.8	1,401	1,324	0.26	16.71	15.79
4 Executive Plaza	1986	80,000	100.0	1,006	805	0.18	12.58	10.06
6 Executive Plaza	1987	80,000	100.0	1,341	1,268	0.25	16.76	15.85
1 Odell Plaza	1980	106,000	96.8	1,486	1,409	0.27	14.48	13.73
3 Odell Plaza	1984	71,065	100.0	1,597	1,481	0.29	22.47	20.84
5 Odell Plaza	1983	38,400	99.6	614	592	0.11	16.05	15.48
7 Odell Plaza	1984	42,600	99.6	734	704	0.13	17.30	16.59
Total New York Office/Flex		**2,348,812**	**97.7**	**32,985**	**30,023**	**6.03**	**14.37**	**13.08**
CONNECTICUT								
Fairfield County								
Stamford								
419 West Avenue	1986	88,000	100.0	1,263	1,106	0.23	14.35	12.57
500 West Avenue	1988	25,000	82.3	389	345	0.07	18.91	16.77
550 West Avenue	1990	54,000	100.0	884	879	0.16	16.37	16.28
600 West Avenue	1999	66,000	100.0	804	767	0.15	12.18	11.62
650 West Avenue	1998	40,000	100.0	555	424	0.10	13.88	10.60
Total Connecticut Office/Flex		**273,000**	**98.4**	**3,895**	**3,521**	**0.71**	**14.50**	**13.11**
TOTAL OFFICE/FLEX PROPERTIES		**4,811,343**	**94.5**	**55,374**	**49,469**	**10.14**	**12.18**	**10.88**

Industrial/Warehouse, Retail and Land Lease Properties

Property Location	Year Built	Net Rentable Area (Sq. Ft.)	Percentage Leased as of 12/31/06 (%) (a)	2006 Base Rent ($000's) (b) (c)	2006 Effective Rent ($000's) (c) (d)	Percentage of Total 2006 Base Rent (%)	2006 Average Base Rent Per Sq. Ft. ($) (c) (e)	2006 Average Effective Rent Per Sq. Ft. ($) (c) (f)
NEW YORK								
Westchester County								
Elmsford								
1 Warehouse Lane	1957	6,600	100.0	86	84	0.02	13.03	12.73
2 Warehouse Lane	1957	10,900	100.0	159	133	0.03	14.59	12.20
3 Warehouse Lane	1957	77,200	100.0	324	293	0.06	4.20	3.80
4 Warehouse Lane	1957	195,500	97.4	2,164	1,964	0.40	11.36	10.31
5 Warehouse Lane	1957	75,100	97.1	964	857	0.18	13.22	11.75
6 Warehouse Lane	1982	22,100	100.0	513	509	0.09	23.21	23.03
Total Industrial/Warehouse Properties		**387,400**	**98.1**	**4,210**	**3,840**	**0.78**	**11.07**	**10.10**
Westchester County								
Tarrytown								
230 White Plains Road	1984	9,300	100.0	195	183	0.04	20.97	19.68
Yonkers								
2 Executive Boulevard	1986	8,000	100.0	361	361	0.07	45.13	45.13
Total Retail Properties		**17,300**	**100.0**	**556**	**544**	**0.11**	**32.14**	**31.45**
Westchester County								
Elmsford								
700 Executive Boulevard	--	--	--	114	114	0.02	--	--
Yonkers								
1 Enterprise Boulevard	--	--	--	185	183	0.03	--	--
Total Land Leases		**--**	**--**	**299**	**297**	**0.05**	**--**	**--**
TOTAL PROPERTIES		**28,866,247**	**92.0**	**544,870**	**487,556**	**100.00**	**20.80**	**18.57**

(a) Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at December 31, 2006, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases expiring December 31, 2006 aggregating 103,477 square feet (representing 0.4 percent of the Company's total net rentable square footage) for which no new leases were signed.

(b) Total base rent for 2006, determined in accordance with generally accepted accounting principles ("GAAP"). Substantially all of the 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.

(c) Excludes space leased by the Company.

(d) Total base rent for 2006 minus total 2006 amortization of tenant improvements, leasing commissions and other concessions and costs, determined in accordance with GAAP.

(e) Base rent for 2006 divided by net rentable square feet leased at December 31, 2006. For those properties acquired during 2006, amounts are annualized, as per Note g.

(f) Effective rent for 2006 divided by net rentable square feet leased at December 31, 2006. For those properties acquired during 2006, amounts are annualized, as described in Note g.

(g) As this property was acquired by the Company during 2006, the amounts represented in 2006 base rent and 2006 effective rent reflect only that portion of the year during which the Company owned the property. Accordingly, these amounts may not be indicative of the property's full year results. For comparison purposes, the amounts represented in 2006 average base rent per sq. ft. and 2006 average effective rent per sq. ft. for this property have been calculated by taking 2006 base rent and 2006 effective rent for such property and annualizing these partial-year results, dividing such annualized amounts by the net rentable square feet leased at December 31, 2006. These annualized per square foot amounts may not be indicative of the property's results had the Company owned the property for the entirety of 2006.

PERCENTAGE LEASED

The following table sets forth the year-end percentages of square feet leased in the Company's stabilized operating Consolidated Properties for the last five years:

December 31,	Percentage of Square Feet Leased (%) (a)
2006	92.0
2005	91.0
2004 (b)	91.2
2003	91.5
2002	92.3

(a) Percentage of square-feet 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.
(b) Excluded from percentage leased at December 31, 2004 is a non-strategic, non-core 318,224 square foot property acquired through a deed in lieu of foreclosure, which was 12.7 percent leased at December 31, 2004 and subsequently sold on February 4, 2005.

SIGNIFICANT TENANTS

The following table sets forth a schedule of the Company's 50 largest tenants for the Consolidated Properties as of December 31, 2006 based upon annualized base rental revenue:

	Number of Properties	Annualized Base Rental Revenue ($) (a)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased	Percentage Total Company Leased Sq. Ft. (%)	Year of Lease Expiration
New Cingular Wireless PCS LLC	4	9,743,293	1.6	460,973	1.9	2014(b)
Morgan Stanley D.W. Inc.	5	9,395,415	1.6	381,576	1.6	2013(c)
United States Of America-GSA	12	8,621,861	1.5	285,684	1.1	2015(d)
Merrill Lynch Pierce Fenner	3	8,613,150	1.5	501,500	1.9	2017(e)
Credit Suisse First Boston	1	7,940,235	1.4	234,331	0.9	2012(f)
Keystone Mercy Health Plan	2	7,897,031	1.4	303,149	1.2	2015
National Union Fire Insurance	1	7,711,023	1.3	317,799	1.2	2012
Prentice-Hall Inc.	1	7,694,097	1.3	474,801	1.8	2014
DB Services New Jersey, Inc.	1	7,551,990	1.3	281,920	1.1	2017
Forest Laboratories Inc.	2	6,961,107	1.2	202,857	0.8	2017(g)
Cendant Operations Inc.	2	6,839,418	1.2	296,934	1.1	2011(h)
Allstate Insurance Company	10	6,455,295	1.1	269,594	1.0	2017(i)
Toys 'R' Us - NJ Inc.	1	6,072,651	1.1	242,518	0.9	2012
ICAP Securities USA LLC	1	5,973,008	1.0	159,834	0.6	2017
American Institute of Certified Public Accountants	1	5,817,181	1.0	249,768	1.0	2012
TD Ameritrade Online Holdings	1	5,637,193	1.0	184,222	0.7	2015
IBM Corporation	3	5,562,770	1.0	310,263	1.2	2012(j)
KPMG, LLP	3	4,784,243	0.8	181,025	0.7	2012(k)
National Financial Services	1	4,346,765	0.8	112,964	0.4	2012
Bank Of Tokyo-Mitsubishi Ltd.	1	4,228,795	0.7	137,076	0.5	2009
AT&T Corp.	1	3,805,000	0.7	275,000	1.1	2014
Vonage America Inc.	1	3,780,000	0.7	350,000	1.3	2017
Samsung Electronics America	1	3,678,028	0.6	131,300	0.5	2010
Citigroup Global Markets Inc.	5	3,492,988	0.6	132,475	0.5	2016(l)
E*Trade Financial Corporation	1	3,456,141	0.6	106,573	0.4	2022
Lehman Brothers Holdings Inc.	1	3,420,667	0.6	207,300	0.8	2010
Montefiore Medical Center	5	3,397,583	0.6	163,529	0.6	2019(m)
Hewlett-Packard Company	1	3,346,048	0.6	163,857	0.6	2007
SSB Realty LLC	1	3,321,051	0.6	114,519	0.4	2009
Dow Jones & Company Inc.	1	3,057,773	0.5	92,312	0.4	2012
Daiichi Sankyo Inc.	2	2,872,353	0.5	90,366	0.3	2012(n)
High Point Safety & Insurance	2	2,694,417	0.5	116,358	0.4	2020
American Home Assurance Co.	2	2,686,732	0.5	131,174	0.5	2019(o)
SunAmerica Asset Management	1	2,680,409	0.5	69,621	0.3	2018
Moody's Investors Service	1	2,671,149	0.5	91,344	0.3	2011(p)
United States Life Ins. Co.	1	2,520,000	0.4	180,000	0.7	2013
New Jersey Turnpike Authority	1	2,455,463	0.4	100,223	0.4	2016
Barr Laboratories Inc.	2	2,450,087	0.4	109,510	0.4	2015(q)
IXIS North America Inc.	1	2,408,679	0.4	83,629	0.3	2021
Movado Group Inc	1	2,283,547	0.4	90,050	0.3	2013
Lonza Inc.	1	2,236,200	0.4	89,448	0.3	2007
Deloitte & Touche USA LLP	1	2,171,275	0.4	86,851	0.3	2007
Regus Business Centre Corp.	2	2,159,029	0.4	79,805	0.3	2011
Computer Sciences Corporation	3	2,136,129	0.4	109,825	0.4	2011(r)
Nextel of New York Inc.	2	2,093,440	0.4	97,436	0.4	2014(s)
Bearingpoint Inc.	1	2,065,834	0.4	77,956	0.3	2011
GAB Robins North America Inc.	2	2,049,674	0.4	84,649	0.3	2009(t)
Norris McLaughlin & Marcus PA	1	2,045,307	0.4	86,913	0.3	2017
Sumitomo Mitsui Banking Corp.	2	2,027,861	0.4	71,153	0.3	2016
UBS Financial Services Inc.	3	1,949,797	0.3	73,250	0.3	2016(u)
Totals		**219,259,182**	**38.3**	**9,245,214**	**35.3**	

See footnotes on subsequent page.

Significant Tenants Footnotes

(a) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
(b) 50,660 square feet expire 2007; 4,783 square feet expire in 2008; 333,145 square feet expire in 2013; 72,385 square feet expire in 2014.
(c) 19,500 square feet expire in 2008; 7,000 square feet expire in 2009; 48,906 square feet expire in 2010; 306,170 square feet expire in 2013.
(d) 51,049 square feet expire in 2007; 26,710 square feet expire in 2008; 9,901 square feet expire in 2011; 38,690 square feet expire in 2013; 4,879 square feet expire in 2014; 154,455 square feet expire in 2015.
(e) 253,214 square feet expire in 2007; 7,485 square feet expire in 2008; 4,451 square feet expires in 2009; 236,350 square feet expire in 2017.
(f) 152,378 feet expire in 2011; 81,953 square feet expire in 2012.
(g) 22,785 square feet expire in 2010; 180,072 square feet expire in 2017.
(h) 150,951 square feet expire in 2008; 145,983 square feet expire in 2011.
(i) 32,035 square feet expire in 2007; 31,143 square feet expire in 2008; 22,185 square feet expire in 2009; 46,555 square feet expire in 2010; 83,693 square feet expire in 2011; 53,983 square feet expire in 2017.
(j) 61,864 square feet expire in 2010; 248,399 square feet expire in 2012.
(k) 23,807 square feet expire in 2007; 46,440 square feet expire in 2009; 33,397 square feet expires in 2010; 77,381 square feet expire in 2012.
(l) 19,668 square feet expire in 2007; 59,711 square feet expire in 2009; 26,834 square feet expire in 2014; 26,262 square feet expire in 2016.
(m) 48,542 square feet expire in 2009; 5,850 square feet expire in 2014; 7,200 square feet expire in 2016; 30,872 square feet expire in 2017; 71,065 square feet expire in 2019.
(n) 5,315 square feet expire in 2011; 85,051 square feet expire in 2012.
(o) 14,056 square feet expire in 2008; 117,118 square feet expire in 2019.
(p) 43,344 square feet expire in 2009; 36,193 square feet expire in 2010; 11,807 square feet expire in 2011.
(q) 20,000 square feet expire in 2008; 89,510 square feet expire in 2015.
(r) 26,975 square feet expire in 2007; 82,850 square feet expire in 2011.
(s) 62,436 square feet expire in 2010; 35,000 square feet expire in 2014.
(t) 75,049 square feet expire in 2008; 9,600 square feet expire in 2009.
(u) 21,554 square feet expire in 2010; 17,383 square feet expire in 2013; 34,313 square feet expire in 2016.

SCHEDULE OF LEASE EXPIRATIONS: ALL CONSOLIDATED PROPERTIES

The following table sets forth a schedule of lease expirations for the total of the Company's office, office/flex, industrial/warehouse and stand-alone retail properties included in the Consolidated Properties beginning January 1, 2007, assuming that none of the tenants exercise renewal or termination options:

Year Of Expiration	Number Of Leases Expiring (a)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases ($) (b)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2007 (c)	272	2,091,378	8.0	44,243,148	21.16	7.8
2008	375	2,686,853	10.4	54,923,081	20.44	9.6
2009	346	2,419,053	9.2	54,356,856	22.47	9.5
2010	343	2,850,749	10.9	60,230,025	21.13	10.5
2011	339	3,438,716	13.1	77,117,443	22.43	13.5
2012	206	2,511,774	9.6	58,548,780	23.31	10.2
2013	145	2,436,006	9.3	54,142,108	22.23	9.5
2014	75	1,524,878	5.8	32,788,456	21.50	5.7
2015	57	2,136,593	8.2	45,924,670	21.49	8.0
2016	47	756,090	2.9	14,439,966	19.10	2.5
2017	52	1,869,363	7.1	43,255,052	23.14	7.6
2018 and thereafter	53	1,449,768	5.5	32,086,350	22.13	5.6
Totals/Weighted Average	**2,310**	**26,171,221 (d)**	**100.0**	**572,055,935**	**21.86**	**100.0**

(a) Includes office, office/flex, industrial/warehouse and stand-alone retail property tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

(c) Includes leases expiring December 31, 2006 aggregating 103,477 square feet and representing annualized rent of $1,909,260 for which no new leases were signed.

(d) Reconciliation to the Company's total net rentable square footage is as follows:

	Square Feet
Square footage leased to commercial tenants	26,171,221
Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments	399,991
Square footage unleased	2,295,035
Total net rentable square footage (does not include land leases)	28,866,247

SCHEDULE OF LEASE EXPIRATIONS: OFFICE PROPERTIES

The following table sets forth a schedule of lease expirations for the office properties beginning January 1, 2007, assuming that none of the tenants exercise renewal or termination options:

Year Of Expiration	Number Of Leases Expiring (a)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases ($) (b)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2007 (c)	214	1,642,707	7.7	38,852,100	23.65	7.6
2008	285	1,911,710	9.0	46,403,461	24.27	9.1
2009	271	1,812,739	8.5	46,270,273	25.53	9.1
2010	263	1,997,684	9.4	48,563,899	24.31	9.6
2011	276	2,897,514	13.7	70,958,531	24.49	14.0
2012	157	2,077,170	9.8	52,378,087	25.22	10.3
2013	108	2,010,703	9.5	48,194,962	23.97	9.5
2014	62	1,371,378	6.5	30,612,320	22.32	6.0
2015	44	1,974,442	9.3	43,908,667	22.24	8.6
2016	34	455,091	2.1	10,428,710	22.92	2.1
2017	44	1,795,270	8.5	42,191,404	23.50	8.3
2018 and thereafter	45	1,278,703	6.0	29,663,825	23.20	5.8
Totals/Weighted Average	**1,803**	**21,225,111**	**100.0**	**508,426,239**	**23.95**	**100.0**

(a) Includes office tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

(c) Includes leases expiring December 31, 2006 aggregating 85,823 square feet and representing annualized rent of $1,691,239 for which no new leases were signed.

SCHEDULE OF LEASE EXPIRATIONS: OFFICE/FLEX PROPERTIES

The following table sets forth a schedule of lease expirations for the office/flex properties beginning January 1, 2007, assuming that none of the tenants exercise renewal or termination options:

Year Of Expiration	Number Of Leases Expiring (a)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases ($) (b)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2007 (c)	54	434,671	9.6	5,160,091	11.87	8.7
2008	87	683,774	15.0	8,043,229	11.76	13.6
2009	69	548,031	12.0	7,102,195	12.96	12.0
2010	79	825,065	18.1	11,358,126	13.77	19.2
2011	62	533,602	11.7	6,063,912	11.36	10.2
2012	49	434,604	9.6	6,170,693	14.20	10.4
2013	30	370,067	8.1	5,248,671	14.18	8.9
2014	13	153,500	3.4	2,176,136	14.18	3.7
2015	13	162,151	3.6	2,016,003	12.43	3.4
2016	11	165,917	3.7	2,592,895	15.63	4.4
2017	8	74,093	1.6	1,063,648	14.36	1.8
2018 and thereafter	7	163,065	3.6	2,197,525	13.48	3.7
Totals/Weighted Average	**482**	**4,548,540**	**100.0**	**59,193,124**	**13.01**	**100.0**

(a) Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above. Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(c) Includes leases expiring December 31, 2006 aggregating 17,654 square feet and representing annualized rent of $218,021 for which no new leases were signed.

SCHEDULE OF LEASE EXPIRATIONS: INDUSTRIAL/WAREHOUSE PROPERTIES

The following table sets forth a schedule of lease expirations for the industrial/warehouse properties beginning January 1, 2007, assuming that none of the tenants exercise renewal or termination options:

Year Of Expiration	Number Of Leases Expiring (a)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases ($) (b)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2007	4	14,000	3.7	230,957	16.50	5.7
2008	3	91,369	24.0	476,391	5.21	11.8
2009	5	48,983	12.9	789,388	16.12	19.7
2010	1	28,000	7.4	308,000	11.00	7.7
2011	1	7,600	2.0	95,000	12.50	2.4
2013	7	55,236	14.5	698,475	12.65	17.4
2016	2	135,082	35.5	1,418,361	10.50	35.3
Totals/Weighted Average	**23**	**380,270**	**100.0**	**4,016,572**	**10.56**	**100.0**

(a) Includes industrial/warehouse tenants only. Excludes leases for amenity, retail, parking and month-to-month industrial/warehouse tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, the historical results may differ from those set forth above.

SCHEDULE OF LEASE EXPIRATIONS: STAND-ALONE RETAIL PROPERTIES

The following table sets forth a schedule of lease expirations for the stand-alone retail properties beginning January 1, 2007, assuming that none of the tenants exercise renewal or termination options:

Year Of Expiration	Number Of Leases Expiring (a)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases ($) (b)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2009	1	9,300	53.8	195,000	20.97	46.4
2018 and thereafter	1	8,000	46.2	225,000	28.13	53.6
Totals/Weighted Average	**2**	**17,300**	**100.0**	**420,000**	**24.28**	**100.0**

(a) Includes stand-alone retail property tenants only.

(b) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007 annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

INDUSTRY DIVERSIFICATION

The following table lists the Company's 30 largest industry classifications based on annualized contractual base rent of the Consolidated Properties:

Industry Classification (a)	Annualized Base Rental Revenue ($) (b) (c) (d)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased (d)	Percentage of Total Company Leased Sq. Ft. (%)
Securities, Commodity Contracts & Other Financial	101,287,164	17.7	3,801,890	14.6
Manufacturing	48,710,080	8.5	2,324,704	9.0
Insurance Carriers & Related Activities	46,461,377	8.1	2,070,823	7.9
Computer System Design Services	31,816,449	5.6	1,504,890	5.8
Credit Intermediation & Related Activities	28,501,580	5.0	1,148,669	4.4
Telecommunications	25,970,292	4.5	1,261,689	4.8
Legal Services	24,471,697	4.3	980,359	3.7
Health Care & Social Assistance	24,343,912	4.3	1,212,140	4.6
Wholesale Trade	21,918,707	3.8	1,419,040	5.4
Scientific Research/Development	21,336,995	3.7	957,503	3.7
Other Professional	18,050,828	3.2	799,887	3.1
Accounting/Tax Prep.	17,217,047	3.0	727,887	2.8
Retail Trade	16,272,370	2.8	980,650	3.7
Public Administration	15,819,365	2.8	610,340	2.3
Advertising/Related Services	15,240,009	2.7	634,569	2.4
Other Services (except Public Administration)	12,383,016	2.2	685,321	2.6
Information Services	10,476,463	1.8	453,549	1.7
Real Estate & Rental & Leasing	9,745,287	1.7	451,915	1.7
Arts, Entertainment & Recreation	9,199,907	1.6	563,141	2.2
Broadcasting	7,428,246	1.3	474,532	1.8
Architectural/Engineering	7,392,806	1.3	336,549	1.3
Construction	7,187,628	1.3	359,355	1.4
Utilities	6,316,637	1.1	312,222	1.2
Data Processing Services	5,725,405	1.0	245,949	0.9
Transportation	5,431,003	0.9	297,239	1.1
Educational Services	5,388,364	0.9	272,450	1.0
Publishing Industries	4,392,580	0.8	221,179	0.8
Admin & Support, Waste Mgt. & Remediation Services	4,023,252	0.7	258,929	1.0
Specialized Design Services	3,824,875	0.7	177,950	0.7
Management of Companies & Finance	3,611,995	0.6	146,335	0.6
Other	12,110,599	2.1	479,566	1.8
Totals	**572,055,935**	**100.0**	**26,171,221**	**100.0**

(a) The Company's tenants are classified according to the U.S. Government's North American Industrial Classification System (NAICS) which has replaced the Standard Industrial Code (SIC) system.

(b) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

(c) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(d) Includes leases in effect as of the period end date, some of which have commencement dates in the future (including, at December 31, 2006, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases expiring December 31, 2006 aggregating 103,477 square feet and representing annualized rent of $1,909,260 for which no new leases were signed.

MARKET DIVERSIFICATION

The following table lists the Company's markets (MSAs), based on annualized contractual base rent of the Consolidated Properties:

Market (MSA)	Annualized Base Rental Revenue ($) (a) (b) (c)	Percentage Of Company Annualized Base Rental Revenue (%)	Total Property Size Rentable Area (b) (c)	Percentage Of Rentable Area (%)
Newark, NJ				
(Essex-Morris-Union Counties)	111,232,535	19.5	5,847,318	20.3
Jersey City, NJ	111,092,277	19.5	4,317,978	15.0
New York, NY				
(Westchester-Rockland Counties)	92,351,278	16.1	4,968,420	17.2
Bergen-Passaic, NJ	91,713,438	16.0	4,602,401	15.9
Philadelphia, PA-NJ	54,788,117	9.6	3,529,994	12.2
Washington, DC-MD-VA-WV	30,725,147	5.4	1,292,807	4.5
Monmouth-Ocean, NJ	25,299,731	4.4	1,620,863	5.6
Middlesex-Somerset-Hunterdon, NJ	20,111,613	3.5	986,760	3.4
Trenton, NJ	16,985,745	3.0	767,365	2.7
Stamford-Norwalk, CT	13,317,359	2.3	706,510	2.4
Bridgeport, CT	2,558,828	0.4	145,487	0.5
Atlantic-Cape May, NJ	1,879,867	0.3	80,344	0.3
Totals	**572,055,935**	**100.0**	**28,866,247**	**100.0**

(a) Annualized base rental revenue is based on actual December 2006 billings times 12. For leases whose rent commences after January 1, 2007, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

(b) Includes leases in effect as of the period end date, some of which have commencement dates in the future (including, at December 31, 2006, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases expiring December 31, 2006 aggregating 103,477 and representing annualized rent of $1,909,260 for which no new leases were signed.

(c) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

ITEM 3. LEGAL PROCEEDINGS

On February 12, 2003, the NJSEA selected The Mills Corporation and the Company to redevelop the Continental Airlines Arena site ("Arena Site") for mixed uses, including retail. In March 2003, Hartz Mountain Industries, Inc., ("Hartz"), filed a lawsuit in the Superior Court of New Jersey, Law Division, for Bergen County, seeking to enjoin NJSEA from entering into a contract with the Meadowlands Venture for the redevelopment of the Continental Airlines Arena site. In May 2003, the court denied Hartz's request for an injunction and dismissed its suit for failure to exhaust administrative remedies. In June 2003, the NJSEA held hearings on Hartz's protest, and on a parallel protest filed by another rejected developer, Westfield, Inc. ("Westfield"). On September 10, 2003, the NJSEA ruled against Hartz's and Westfield's protests. Hartz and Westfield, as well as Elliot Braha and three other taxpayers (collectively "Braha"), thereafter filed appeals from the NJSEA's final decision. By decision dated May 14, 2004, the Appellate Division of the Superior Court of New Jersey rejected the appellants' contention that the NJSEA lacks statutory authority to allow retail development of its property. The Appellate Division also remanded Hart's claim under the Open Public Records Acts, seeking disclosure of additional documents from NJSEA, to the Law Division for further proceedings. The Supreme Court of New Jersey declined to review the Appellate Division's decision. On August 19, 2004, the Law Division issued a decision resolving Hartz's Open Public Records Act claim and ordered NJSEA to disclose some, but not all, of the documents Hartz was seeking. The Appellate Division, in a decision rendered on November 24, 2004, upheld the findings of the Law Division in the remand proceeding. The Supreme Court of New Jersey declined to review the Appellate Division's decision. At Hartz's request, the NJSEA thereafter held further hearings on December 15 and 16, 2004, to review certain additional facts in support of Hartz's and Westfield's bid protest. Braha, as a taxpayer, did not have standing to participate in the supplemental protest hearing. On March 4 , 2005, the Hearing Officer rendered his Supplemental Report and Recommendation to the NJSEA, finding no merit in the protests presented by Hartz and Westfield. The NJSEA accepted the Hearing Officer's Supplemental Report and Recommendation on March 30, 2005 and Hartz and Braha have appealed that decision to the Appellate Division.

In January 2004, Hartz and Westfield also appealed to the Appellate Division of the Superior Court of New Jersey from the NJSEA's December 2003 approval and execution of the Redevelopment Agreement with the Meadowlands Venture.

In November 2004, Hartz and Westfield filed additional appeals in the Appellate Division challenging NJSEA's resolution authorizing the execution of the First Amendment to the Redevelopment Agreement with Meadowlands Venture and the ground lease with the Meadowlands Venture.

All of the above appeals were consolidated by the Appellate Division. On August 17, 2006, the Appellate Division issued an opinion affirming NJSEA's selection of the Meadowlands Venture and rejecting the appellants' arguments in all respects. On August 28, 2006, Hartz made a motion before the Appellate Division for reconsideration of this decision and for supplementation of the record. That motion was denied, and neither Hartz nor Braha has sought review in the New Jersey Supreme Court. These consolidated appeals are now resolved.

On September 30, 2004, the Borough of Carlstadt filed an action in the Superior Court of New Jersey Law Division, challenging Meadowlands Xanadu, which asserted claims that are substantially the same as claims asserted by Hartz and Braha in the above appeals. By Order dated November 19, 2004, the Law Division transferred that matter to the Superior Court of New Jersey, Appellate Division. This matter was voluntarily dismissed by Carlstadt in accordance with a March 22, 2006, Settlement Agreement and Release between Carlstadt and the Meadowlands Venture.

Several appeals filed by Hartz, the Sierra Club and others, including certain environmental groups, that challenge certain approvals received by the Meadowlands Venture from the NJSEA, the New Jersey Meadowlands Commission ("NJMC") and the New Jersey Department of Environmental Protection ("NJDEP") remain pending before the Appellate Division. Some of these appeals challenge NJDEP's issuance of a stream encroachment permit, waterfront development permit, and coastal zone consistency determination for Meadowlands Xanadu. Other of these appeals are from NJDEP's and NJMC's issuance of reports in connection with a consultation process the NJSEA was statutorily required to undertake in connection with any NJSEA-development project.

A Hartz affiliate and a trade association have filed an appeal from an advisory opinion favorable to the Meadowlands Venture issued by the Director of the Division of Alcoholic Beverage Control concerning the availability of special concessionaire permits. That appeal is also pending in the Appellate Division of the Superior Court of New Jersey.

Three separate lawsuits have been filed in the United States District Court for the District of New Jersey, challenging a permit issued by the U.S. Army Corps of Engineers ("USACE") in connection with the project. The first suit was filed on March 30, 2005, by the Sierra Club, the New Jersey Public Interest Research Group, Citizen Lobby, Inc. and the New Jersey Environmental Federation. Additional suits were filed on May 16 and May 31, 2005, respectively, by Hartz (together with one of its officers as an individually-named plaintiff) and the Borough of Carlstadt. The Sierra Club also filed a motion for a preliminary injunction to stop certain construction activities on the project, which the Court denied on July 6, 2005. On October 26, 2005, the court granted the motions of the Meadowlands Venture and the USACE to dismiss the Hartz complaint for lack of standing. The deadline for appealing that decision has passed, so the Hartz action is ended. On October 31, 2005, the USACE filed a motion to dismiss the complaint filed by the Borough of Carlstadt for lack of standing. On February 7, 2006, the Court granted the motion and dismissed the Borough of Carlstadt's complaint in its entirety. On March 9, 2006, Carlstadt filed a notice of appeal of this decision to the United States Court of Appeals for the Third Circuit. This appeal has been dismissed pursuant to the Settlement Agreement and Release executed by Carlstadt and the Meadowlands Venture.

On April 5, 2005, the New York Football Giants ("Giants") filed an emergent application with the Supreme Court of New Jersey, Chancery Division, seeking an injunction stopping all work on the Meadowlands Xanadu project as being in violation of its existing lease with the NJSEA. After hearing oral argument on the application on August 5, 2005, the court denied the Giants' motion for preliminary injunctive relief. On June 22, 2006, the court entered a Stipulation and Consent Order that dismissed without prejudice the parties' respective claims.

The New Jersey Builders' Association ("NJBA") has commenced an action, which is pending in the Appellate Division, alleging that the NJSEA has failed to meet a purported obligation to provide affordable housing at the Meadowlands Complex and seeking, among other relief, an order enjoining the construction of Meadowlands Xanadu. NJBA filed an application for preliminary injunctive relief seeking to enjoin further construction of Meadowlands Xanadu, which the Appellate Division denied on July 28, 2005. The Meadowlands Venture is not a party to that action.

On January 25, 2006, the Bergen Cliff Hawks Baseball Club, LLC (the "Cliff Hawks"), filed a complaint against the Company and Mills, alleging that the Company and Mills breached an agreement to provide the Cliff Hawks with a minor league baseball park as part of the Xanadu Project. This matter is pending.

The Company believes that the Meadowlands Venture's proposal and the planned project comply with applicable laws, and the Meadowlands Venture intends to continue its vigorous defense of its rights under the Redevelopment Agreement and Ground Lease. Although there can be no assurance, the Company does not believe that the pending lawsuits will have any material affect on its ability to develop the Meadowlands Xanadu project.

There are no other 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 the Properties is subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION

The shares of the Company's Common Stock are traded on the New York Stock Exchange ("NYSE") under the symbol "CLI."

The following table sets forth the quarterly high, low, and closing price per share of Common Stock reported on the NYSE for the years ended December 31, 2006 and 2005, respectively:

For the Year Ended December 31, 2006:

	High	Low	Close
First Quarter	$48.37	$42.34	$48.00
Second Quarter	$47.47	$42.17	$45.92
Third Quarter	$53.66	$45.47	$51.80
Fourth Quarter	$55.37	$48.24	$51.00

For the Year Ended December 31, 2005:

	High	Low	Close
First Quarter	$45.97	$41.53	$42.35
Second Quarter	$46.99	$41.00	$45.30
Third Quarter	$48.25	$43.22	$44.94
Fourth Quarter	$44.80	$40.21	$43.20

On February 16, 2007, the closing Common Stock price reported on the NYSE was $54.13 per share.

On June 16, 2006, the Company filed with the NYSE its annual CEO Certification and Annual Written Affirmation pursuant to Section 303A.12 of the NYSE Listed Company Manual, each certifying that the Company was in compliance with all of the listing standards of the NYSE.

HOLDERS

On February 16, 2007, the Company had 596 common shareholders of record.

RECENT SALES OF UNREGISTERED SECURITIES; USES OF PROCEEDS FROM REGISTERED SECURITIES

During the three months ended December 31, 2006, the Company issued 253,542 shares of common stock to holders of common units in the Operating Partnership upon the redemption of such common units in private offerings pursuant to Section 4(2) of the Securities Act. The holders of the common units were limited partners of the Operating Partnership and accredited investors under Rule 501 of the Securities Act. The common units were converted into an equal number of shares of common stock. The Company has registered the resale of such shares under the Securities Act.

DIVIDENDS AND DISTRIBUTIONS

During the year ended December 31, 2006, the Company declared four quarterly common stock dividends and common unit distributions in the amounts of $0.63, $0.63, $0.64 and $0.64 per share and per unit from the first to the fourth quarter, respectively. Additionally, in 2006, the Company declared quarterly preferred stock dividends of $50.00 per preferred share from the first to the fourth quarter.

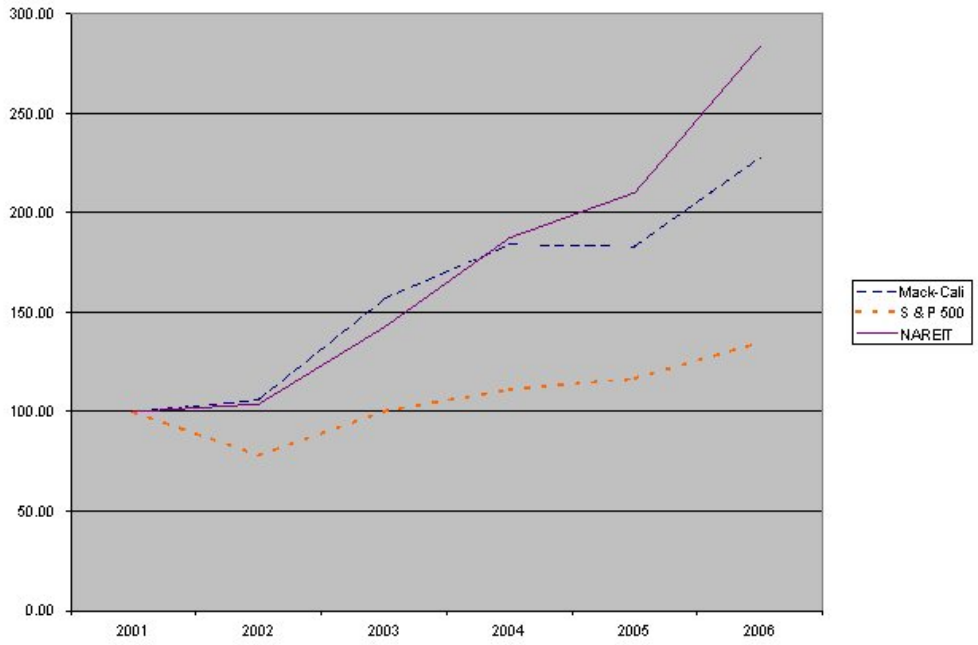
During the year ended December 31, 2005, the Company declared four quarterly common stock dividends and common unit distributions of $0.63 per share and per unit from the first to the fourth quarter. Additionally, in 2005, the Company declared quarterly preferred stock dividends of $50.00 per preferred share from the first to the fourth quarter. The Company also declared one quarterly preferred unit distribution of $18.1818 per preferred unit for the first quarter.

The declaration and payment of dividends and distributions will continue to be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition, capital requirements, applicable REIT and legal restrictions and other factors.

PERFORMANCE GRAPH

The following graph compares total stockholder returns from the last five fiscal years to the Standard & Poor's 500 Index ("S&P 500") and to the National Association of Real Estate Investment Trusts, Inc.'s Equity REIT Total Return Index ("NAREIT"). The graph assumes that the value of the investment in the Company's Common Stock and in the S&P 500 and NAREIT indices was $100 at December 31, 2001 and that all dividends were reinvested. The price of the Company's Common Stock on December 31, 2001 (on which the graph is based) was $31.02. The stockholder return shown on the following graph is not necessarily indicative of future performance.

Comparison of Five-Year Cumulative Total Return



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Information regarding securities authorized for issuance under our equity compensation plans is disclosed in Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data on a consolidated basis for the Company. The consolidated selected operating, balance sheet and other data of the Company as of December 31, 2006, 2005, 2004, 2003 and 2002, and for the years then ended have been derived from the Company's financial statements for the respective periods.

Operating Data (a)	Year Ended December 31,				
In thousands, except per share data	2006	2005	2004	2003	2002
Total revenues	$ 740,309	$ 600,131	$ 537,239	$ 516,536	$ 474,765
Property expenses (b)	$ 238,112	$ 210,473	$ 170,814	$ 158,755	$ 138,332
Direct construction costs	$ 53,602	--	--	--	--
General and administrative	$ 49,077	$ 32,441	$ 31,324	$ 30,843	$ 26,344
Interest expense	$ 136,357	$ 119,337	$ 109,649	$ 115,430	$ 105,385
Income from continuing operations	$ 86,360	$ 76,594	$ 80,780	$ 113,146	$ 100,601
Net income available to common shareholders	$ 142,666	$ 93,488	$ 100,453	$ 141,381	$ 139,722
Income from continuing operations per share - basic	$ 1.35	$ 1.21	$ 1.30	$ 1.93	$ 1.80
Income from continuing operations per share - diluted	$ 1.35	$ 1.20	$ 1.29	$ 1.92	$ 1.79
Net income per share - basic	$ 2.29	$ 1.52	$ 1.66	$ 2.45	$ 2.44
Net income per share - diluted	$ 2.28	$ 1.51	$ 1.65	$ 2.43	$ 2.43
Dividends declared per common share	$ 2.54	$ 2.52	$ 2.52	$ 2.52	$ 2.50
Basic weighted average shares outstanding	62,237	61,477	60,351	57,724	57,227
Diluted weighted average shares outstanding	77,901	74,189	68,743	65,980	65,475

Balance Sheet Data	December 31,				
In thousands	2006	2005	2004	2003	2002
Rental property, before accumulated depreciation and amortization	$4,573,587	$4,491,752	$4,160,959	$3,954,632	$3,857,657
Rental property held for sale, net	--	--	$ 19,132	--	--
Total assets	$4,422,889	$4,247,502	$3,850,165	$3,749,570	$3,796,429
Total debt (c)	$2,159,959	$2,126,181	$1,702,300	$1,628,584	$1,752,372
Total liabilities	$2,412,762	$2,335,396	$1,877,096	$1,779,983	$1,912,199
Minority interests	$ 482,220	$ 400,819	$ 427,958	$ 428,099	$ 430,036
Stockholders' equity	$1,527,907	$1,511,287	$1,545,111	$1,541,488	$1,454,194

(a) Certain reclassifications have been made to prior period amounts in order to conform with current period presentation.
(b) Property expenses is calculated by taking the sum of real estate taxes, utilities and operating services for each of the periods presented.
(c) Total debt is calculated by taking the sum of senior unsecured notes, revolving credit facilities, and mortgages, loans payable and other obligations.

ITEM 7. 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 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 (the "Company") is one of the largest real estate investment trusts (REITs) in the United States, with a total market capitalization of approximately $6.2 billion at December 31, 2006. The Company has been involved in all aspects of commercial real estate development, management and ownership for over 50 years and has been a publicly-traded REIT since 1994. The Company owns or has interests in 300 properties (collectively, the "Properties"), primarily class A office and office/flex buildings, totaling approximately 34.3 million square feet, leased to over 2,200 tenants. The Properties are located primarily in suburban markets of the Northeast, some with adjacent, Company-controlled developable land sites able to accommodate up to 11.5 million square feet of additional commercial space.

The Company's strategy is to be a significant real estate owner and operator in its core, high-barriers-to-entry markets, primarily in the Northeast.

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

- the general economic climate;
- the occupancy rates of the Properties;
- rental rates on new or renewed leases;
- tenant improvement and leasing costs incurred to obtain and retain tenants;
- the extent of early lease terminations;
- operating expenses;
- cost of capital; and
- the extent of acquisitions, development and sales of real estate.

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

A failure 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 office and office/flex space or competition within the market.

The Company's core markets continue to be weak. The percentage leased in the Company's consolidated portfolio of stabilized operating properties increased to 92.0 percent at December 31, 2006 as compared to 91.0 percent at December 31, 2005 and 91.2 percent at December 31, 2004. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at December 31, 2006, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases that expire at the period end date. Excluded from percentage leased at December 31, 2004 was a non-strategic, non-core 318,224 square foot property acquired through a deed in lieu of foreclosure, which was 12.7 percent leased at December 31, 2004 and subsequently sold on February 4, 2005. Leases that expired as of December 31, 2006, 2005 and 2004 aggregate 103,477, 311,623 and 439,697 square feet, respectively, or 0.4, 1.1 and 1.5 percentage of the net rentable square footage, respectively. Market rental rates have declined in most markets from peak levels in late 2000 and early 2001. Rental rates on the Company's space that was re-leased (based on first rents payable) during the year ended December 31, 2006 decreased an average of 0.2 percent compared to rates that were in effect under expiring leases, as compared to a 8.2 percent decrease in 2005 and a 8.7 percent decrease in 2004. The Company believes that vacancy rates may continue to increase in most of its markets in 2007. As a result, the Company's future earnings and cash flow may continue to be negatively impacted by current market conditions.

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

- property transactions during the period;
- critical accounting policies and estimates;
- results of operations for the year ended December 31, 2006, as compared to the year ended December 31, 2005;
- results of operations for the year ended December 31, 2005, as compared to the year ended December 31, 2004; and
- liquidity and capital resources.

Summary of Transactions

Gale/Green Transactions

On May 9, 2006, the Company completed the acquisitions of: (i) The Gale Company and certain of its related businesses, which engage in construction, property management, facilities management, and leasing services (collectively, the "Gale Company"); (ii) three office properties; and (iii) indirect interests in a portfolio of office properties, located primarily in New Jersey, which were owned indirectly by The Gale Company and its affiliates ("Gale") and affiliates of SL Green Realty Corp. ("SL Green"). The agreements ("Gale/Green Agreements") to complete the aforementioned acquisitions (collectively, the "Gale/Green Transactions") required that the Company complete all of the acquisitions. Simultaneous with the completion of the Gale/Green Transactions, The Gale Company's President, Mark Yeager, was named an executive vice president of the Company.

Under the Gale/Green Agreements, the Company acquired 100 percent of the ownership interests in three office properties located in New Jersey, aggregating 518,257 square feet (the "Wholly-Owned Properties").

Also, as part of the Gale/Green Agreements, the Company entered into a joint venture with an entity controlled by SL Green (in which Stanley C. Gale has an interest), known as Mack-Green-Gale LLC ("Mack-Green"), to hold an approximate 96 percent interest and act as general partner of Gale SLG NJ Operating Partnership, L.P. (the "OP LP"). The OP LP owns 100 percent of entities which own 25 office properties (collectively, the"OP LP Properties") which aggregate 3.5 million square feet (consisting of 17 office properties aggregating 2.3 million square feet located in New Jersey and eight properties aggregating 1.2 million square feet located in Troy, Michigan), as well as a minor, non-controlling interest in four office properties aggregating 419,000 square feet located in Naperville, Illinois. For a discussion of the ownership interests in Mack-Green, see Note 4: Investments in Unconsolidated Joint Ventures - Mack-Green-Gale LLC - to our financial statements included within this annual report on Form 10-K.

Mr. Gale has agreed to pay Mark Yeager, an executive officer of the Company, 49 percent of any payments he receives on account of Mr. Gale's interest with SL Green in Mack-Green.

The Gale Company, the Wholly-Owned Properties, and the interest in Mack-Green were acquired by the Company for a total initial acquisition cost of approximately $245 million consisting of: (i) the issuance by the Company of 224,719 common units of the Operating Partnership; (ii) the payment of a total of approximately $194 million in cash, which was primarily funded through borrowing under the Company's revolving credit facility; and (iii) the assumption of $39.9 million in existing mortgage indebtedness on two of the Wholly-Owned Properties. Mr. Gale has agreed to transfer to Mark Yeager 33,700 of his common units of the Operating Partnership on April 30, 2009, provided that Mr. Yeager's employment with the Company has not been terminated involuntarily without cause ("Employment Continuation") prior to such date. Additionally, the agreement to acquire the Gale Company ("Gale Agreement") contains earn-out provisions providing for the payment of contingent purchase consideration of up to $18 million in cash based upon the achievement of Gross Income and NOI (as such terms are defined in the Gale Agreement) targets and other events for The Gale Company for the three years following the closing date.

Mr. Gale has agreed to pay to Mr. Yeager 49 percent of all amounts he receives pursuant to the Gale Agreement earn-out provisions, subject to certain conditions including Mr. Yeager's Employment Continuation.

The Company has not yet obtained all the information necessary to finalize its estimates to complete the purchase price allocations related to the Gale/Green Transactions. The purchase price allocations will be finalized once the information identified by the Company has been received, which should not be longer than one year from the date of acquisition.

In addition, the Gale Agreement provides for the Company to acquire certain other ownership interests in up to 11 real estate projects (the "Non-Portfolio Properties"), subject to obtaining certain third party consents and the satisfaction of various project-related and/or other conditions. Each of the Company's acquired interests in the Non-Portfolio Properties will provide for the initial distributions of net cash flow solely to the Company, and thereafter an affiliate of Mr. Gale ("Gale Affiliate") has participation rights ("Gale 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 internal rate of return ("IRR") of 10 percent per annum, accruing on the date or dates of the Company's investments.

Mr. Gale has agreed to pay to Mr. Yeager 49 percent of any payments he receives with respect to the Gale Participation Rights, subject to adjustments for payments Mr. Yeager receives from his direct interests in such rights and subject to, in certain cases, Mr. Yeager's Employment Continuation. Mr. Gale has also agreed to pay to Mr. Yeager 49 percent of the distributions he receives with respect to Mr. Gale's interest in certain land located in Florham Park, New Jersey, which is one of the Non-Portfolio Properties not yet acquired by the Company. Such distribution may include the amounts Mr. Gale receives from the conveyance of his interest in the Florham Park land to the Company.

With respect to the arrangements between Mr. Gale and Mr. Yeager regarding the Gale Agreement earn-out provisions and the Florham Park land, they have agreed to consider offering payments to certain persons that have been employed by certain subsidiaries of The Gale Company, which may include current employees of the Company.

Through December 31, 2006, the Company has completed acquisitions of eight of the interests in the Non-Portfolio Properties, which included the acquisitions of interests in: a 527,015 square foot, mixed-use office/retail complex; a 416,429 square-foot multi-tenanted office property; a 139,750 square-foot fully-leased office property; an office property in development; two vacant land parcels (one of which Mr. Yeager has a 16.49 percent interest in the Participation Rights) and two pre-developed projects. The aggregate cost of the completed acquisitions was approximately $25.6 million.

Pursuant to Mr. Gale's agreements with Mr. Yeager, as described herein, Mr. Yeager received approximately $5.6 million during the year ended December 31, 2006.

In connection with the Company's acquisition of the Gale Company, Mr. Gale and certain other affiliates of Gale are restricted from competing with the Company or hiring the Company's employees for a period of four years expiring on May 9, 2010.

Property Acquisitions

The Company acquired the following office properties during the year ended December 31, 2006: *(dollars in thousands)*

Acquisition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Acquisition Cost
02/28/06	Capital Office Park (a)	Greenbelt, Maryland	7	842,258	$166,011
05/09/06	35 Waterview Boulevard (b) (c)	Parsippany, New Jersey	1	172,498	33,586
05/09/06	105 Challenger Road (b) (d)	Ridgefield Park, New Jersey	1	150,050	34,960
05/09/06	343 Thornall Street (b) (e)	Edison, New Jersey	1	195,709	46,193
07/31/06	395 W. Passaic Street (f)	Rochelle Park, New Jersey	1	100,589	22,219
Total Property Acquisitions:			11	1,461,104	$302,969

(a) This transaction was funded primarily through the assumption of $63.2 million of mortgage debt and the issuance of 1.9 million common operating partnership units valued at $87.2 million.

(b) The property was acquired as part of the Gale/Green Transactions.

(c) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $20.4 million of mortgage debt.

(d) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $19.5 million of mortgage debt.

(e) Transaction was funded primarily through borrowing on the Company's revolving credit facility.

(f) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $13.1 million of mortgage debt.

Sales

The Company sold the following office properties during the year ended December 31, 2006: *(dollars in thousands)*

Sale Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Net Sales Proceeds	Net Book Value	Realized Gain/ (Loss)
06/28/06	Westage Business Center	Fishkill, New York	1	118,727	$ 14,765	$ 10,872	$ 3,893
06/30/06	1510 Lancer Drive	Moorestown, New Jersey	1	88,000	4,146	3,134	1,012
11/10/06	Colorado portfolio	Various cities, Colorado	19	1,431,610	193,404	165,072	28,332
12/21/06	California portfolio	San Francisco, California	2	450,891	124,182	97,814	26,368
Total Office Property Sales:			23	2,089,228	$336,497	$276,892	$59,605

On November 6, 2006, the Company sold its 50-percent interest in G&G Martco, a joint venture which owned a 305,618 square foot office building located in San Francisco, California for approximately $16.3 million, realizing a gain on the sale of approximately $10.8 million.

On November 7, 2006, the Company sold 10.1 acres of developable land adjacent to its Horizon Center properties in Hamilton Township, New Jersey, for net sales proceeds of approximately $1.5 million, realizing a gain of approximately $1.1 million from the sale.

Critical Accounting Policies and Estimates

The Financial Statements have been prepared in conformity with generally accepted accounting principles. The preparation of the Financial Statements 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 reported 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. 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. 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 years ended December 31, 2006, 2005 and 2004 was $6.1 million, $5.5 million and $3.9 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 completion of tenant 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 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 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 generally consisting of the fair value of (i) above and below market leases, (ii) in-place leases and (iii) tenant relationships. The Company allocates the purchase price to the assets acquired and liabilities assumed based on their relative fair values. 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 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 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 term 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 value of in-place leases are amortized to expense over the remaining initial terms of the respective leases. The value of tenant relationship intangibles will be amortized to expense over the anticipated life of the relationships.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental properties may be impaired. 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 is less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions that 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. Management does not believe that the value of any of the Company's rental properties is impaired.

Rental Property 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. If, in management's opinion, the net sales price of the assets which have been identified as held for sale is less than the net book value of the assets, a valuation allowance is established. Properties identified as held for sale and/or sold are presented in discontinued operations for all periods presented.

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

Revenue Recognition:

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the 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 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 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 term 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. Parking and other revenue includes income from parking spaces leased to tenants, income from tenants for additional services provided by the Company, income from tenants for early lease terminations and income from managing and/or leasing properties for third parties. Escalations and recoveries are 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.

Construction services revenue includes fees earned and reimbursements received by the Company for providing construction management and general contractor services to clients. Construction services revenue is recognized on the percentage of completion method. Using this method, profits are recorded on the basis of estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon estimates of the percentage of completion of the construction contract. This revenue recognition method involves inherent risks relating to profit and cost estimates. Real estate services revenue includes property management, facilities management, leasing commission fees and other services, and payroll and related costs reimbursed from clients. Other income includes income from parking spaces leased to tenants, income from tenants for additional services arranged for by the Company and income from tenants for early lease terminations.

Allowance for Doubtful Accounts:

Management periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are impaired based on factors affecting the collectibility of those balances. Management's estimate of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income.

Results From Operations

The following comparisons for the year ended December 31, 2006 ("2006"), as compared to the year ended December 31, 2005 ("2005"), and for 2005, as compared to the year ended December 31, 2004 ("2004"), make reference to the following: (i) the effect of the "Same-Store Properties," which represents all in-service properties owned by the Company at December 31, 2004, (for the 2006 versus 2005 comparison) and which represents all in-service properties owned by the Company at December 31, 2003, (for the 2005 versus 2004 comparison), excluding properties sold or held for sale through December 31, 2006, and (ii) the effect of the "Acquired Properties," which represents all properties acquired by the Company or commencing initial operations from January 1, 2005 through December 31, 2006 (for the 2006 versus 2005 comparison) and which represent all properties acquired by the Company or commencing initial operation from January 1, 2004 through December 31, 2005 (for the 2005 versus 2004 comparison).

Year Ended December 31, 2006 Compared to Year Ended December 31, 2005

(dollars in thousands)	Year Ended December 31, 2006	2005	Dollar Change	Percent Change
Revenue from rental operations:				
Base rents	$ 544,870	$ 508,227	$ 36,643	7.2%
Escalations and recoveries from tenants	91,044	77,900	13,144	16.9
Other income	17,125	11,087	6,038	54.5
Total revenues from rental operations	653,039	597,214	55,825	9.4
Property expenses:				
Real estate taxes	86,612	77,252	9,360	12.1
Utilities	60,487	52,401	8,086	15.4
Operating services	91,013	80,820	10,193	12.6
Total property expenses	238,112	210,473	27,639	13.1
Non-property revenues:				
Construction services	56,225	--	56,225	--
Real estate services	31,045	2,917	28,128	964.3
Total non-property revenues	87,270	2,917	84,353	2,891.8
Non-property expenses:				
Direct constructions costs	53,602	--	53,602	--
Real estate services and salaries, wages and other costs	18,600	--	18,600	--
General and administrative	49,077	32,441	16,636	51.3
Depreciation and amortization	160,859	143,593	17,266	12.0
Total non-property expenses	282,138	176,034	106,104	60.3
Operating Income	220,059	213,624	6,435	3.0
Other (expense) income:				
Interest expense	(136,357)	(119,337)	(17,020)	(14.3)
Interest and other investment income	3,054	856	2,198	256.8
Equity in earnings (loss) of unconsolidated joint ventures	(5,556)	248	(5,804)	(2,340.3)
Minority interest in consolidated joint ventures	218	(74)	292	394.6
Gain on sale of investment in marketable securities	15,060	--	15,060	--
Gain on sale of investment in joint ventures	10,831	35	10,796	30,845.7
Gain/(loss) on sale of land and other assets	(416)	--	(416)	--
Total other (expense) income	(113,166)	(118,272)	5,106	4.3
Income from continuing operations before minority interest in Operating Partnership	106,893	95,352	11,541	12.1
Minority interest in Operating Partnership	(20,533)	(18,758)	(1,775)	(9.5)
Income from continuing operations	86,360	76,594	9,766	12.8
Discontinued operations (net of minority interest):				
Income (loss) from discontinued operations	10,591	14,468	(3,877)	(26.8)
Realized gains (losses) and unrealized losses on disposition of rental property, net	47,715	4,426	43,289	978.1
Total discontinued operations, net	58,306	18,894	39,412	208.6
Net income	144,666	95,488	49,178	51.5
Preferred stock dividends	(2,000)	(2,000)	--	--
Net income available to common shareholders	$ 142,666	$ 93,488	$ 49,178	52.6%

The following is a summary of the changes in revenue from rental operations and property expenses in 2006 as compared to 2005 divided into Same-Store Properties and Acquired Properties *(dollars in thousands):*

	Total Company		Same-Store Properties		Acquired Properties	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations:						
Base rents	$ 36,643	7.2%	$ 7,277	1.4%	$ 29,366	5.8%
Escalations and recoveries from tenants	13,144	16.9	6,596	8.5	6,548	8.4
Other income	6,038	54.5	5,177	46.7	861	7.8
Total	$ 55,825	9.4%	$ 19,050	3.2%	$ 36,775	6.2%
Property expenses:						
Real estate taxes	$ 9,360	12.1%	$ 5,229	6.8%	$ 4,131	5.3%
Utilities	8,086	15.4	3,821	7.3	4,265	8.1
Operating services	10,193	12.6	1,875	2.3	8,318	10.3
Total	$ 27,639	13.1%	$ 10,925	5.2%	$ 16,714	7.9%
OTHER DATA:						
Number of Consolidated Properties	255		238		17	
Square feet (in thousands)	28,866		25,573		3,293	

Base rents for the Same-Store Properties increased $7.3 million, or 1.4 percent, for 2006 as compared to 2005, due primarily to an increase in the percentage of space leased at the properties in 2006 from 2005. Escalations and recoveries from tenants for the Same-Store Properties increased $6.6 million, or 8.5 percent, for 2006 over 2005, due primarily to an increased amount of total property expenses in 2006. Other income for the Same-Store Properties increased $5.2 million, or 46.7 percent, due primarily to an increase in lease breakage fees of $3.1 million in 2006 and $1.4 million recognized in 2006 for additional purchase consideration earned from a past sale of a joint venture.

Real estate taxes on the Same-Store Properties increased $5.2 million, or 6.8 percent, for 2006 as compared to 2005, due primarily to property tax rate increases in certain municipalities in 2006. Utilities for the Same-Store Properties increased $3.8 million, or 7.3 percent, for 2006 as compared to 2005, due primarily to increased electric rates in 2006 as compared to 2005. Operating services for the Same-Store Properties increased $1.9 million, or 2.3 percent, due primarily to increased maintenance and related labor costs of $5.1 million for 2006 as compared to 2005, partially offset by a decrease in snow removal costs in 2006 of $3.1 million.

Construction services amounted to $56.2 million in 2006, due to the effect of the Gale/Green Transactions. Real estate services increased by $28.1 million, or 964.3 percent, for 2006 as compared to 2005, also due primarily to the effect of the Gale/Green Transactions.

Direct construction costs totaled $53.6 million in 2006, due primarily to the effect of the Gale/Green Transactions. Real estate services salaries, wages and other costs equaled $18.6 million in 2006, also due primarily to the effect of the Gale/Green Transactions. General and administrative increased by $16.6 million, or 51.3 percent, for 2006 as compared to 2005 due primarily to the effect of the Gale/Green Transactions.

Depreciation and amortization increased by $17.3 million, or 12.0 percent, for 2006 over 2005. Of this increase, $2.9 million, or 2.0 percent, was attributable to the Same-Store Properties and $14.4 million, or 10.0 percent, was due to the Acquired Properties.

Interest expense increased $17.0 million, or 14.3 percent, for 2006 as compared to 2005. This increase was primarily as a result of higher average debt balances in 2006 as compared to 2005.

Interest and other investment income increased $2.2 million, or 256.8 percent, for 2006 as compared to 2005. This increase was due primarily to the receipt of approximately $0.9 million in dividends on the Company's investment in marketable securities, as well as higher cash balances invested in 2006 due primarily to property sales proceeds as compared to 2005.

Equity in earnings of unconsolidated joint ventures decreased $5.8 million, or 2,340.3 percent, for 2006 as compared to 2005. The decrease was due primarily to a loss of $4.9 million in 2006 in the Mack-Green joint venture and a loss of $1.9 million in 2006 in the Meadowlands Xanadu joint venture, partially offset by an increase of $1.1 million in the Harborside South Pier joint venture.

The Company recognized a gain on sale of investment in marketable securities of $15.1 million in 2006.

Gain on sale of investment in unconsolidated joint ventures amounted to $10.8 million in 2006 from the sale of the Company's interest in the G&G Martco joint venture. Gain on sale of investment in unconsolidated joint ventures amounted to $35,000 in 2005 from the sale of the Company's interest in the Ashford Loop joint venture.

Gain (loss) on sale of land and other assets amounted to a loss of $0.4 million in 2006 due to a loss on the sale of Gale Global Facilities and related companies in 2006 of $1.5 million, partially offset by a gain of $1.1 million from the sale of a parcel of land in Hamilton, New Jersey.

Income from continuing operations before minority interest in Operating Partnership increased to $106.9 million in 2006 from $95.4 million in 2005. The increase of approximately $11.5 million was due to the factors discussed above.

Net income available to common shareholders increased by $49.2 million, or 52.6 percent, from $93.5 million in 2005 to $142.7 million in 2006. This increase was primarily the result of realized gains on disposition of rental property of $47.7 million in 2006 and an increase in income from continuing operations before minority interest in Operating Partnership of $11.5 million. These were partially offset by realized gains on disposition of rental property of $4.4 million in 2005, a decrease in income from discontinued operations of approximately $3.8 million in 2006 as compared to 2005, and an increase in minority interest in Operating Partnership in 2006 of $1.8 million as compared to 2005.

Year Ended December 31, 2005 Compared to Year Ended December 31, 2004

(dollars in thousands)	Year Ended December 31, 2005	2004	Dollar Change	Percent Change
Revenue from rental operations:				
Base rents	$ 508,227	$ 464,303	$ 43,924	9.5%
Escalations and recoveries from tenants	77,900	60,492	17,408	28.8
Other income	11,087	7,950	3,137	39.5
Total revenues from rental operations	597,214	532,745	64,469	12.1
Property expenses:				
Real estate taxes	77,252	64,036	13,216	20.6
Utilities	52,401	38,456	13,945	36.3
Operating services	80,820	68,322	12,498	18.3
Total property expenses	210,473	170,814	39,659	23.2
Non-property revenues:				
Construction services	--	--	--	--
Real estate services	2,917	4,494	(1,577)	(35.1)
Total non-property revenues	2,917	4,494	(1,577)	(35.1)
Non-property expenses:				
Direct constructions costs	--	--	--	--
Real estate services and salaries, wages and other costs	--	--	--	--
General and administrative	32,441	31,324	1,117	3.6
Depreciation and amortization	143,593	117,097	26,496	22.6
Total non-property expenses	176,034	148,421	27,613	18.6
Operating Income	213,624	218,004	(4,380)	(2.0)
Other (expense) income:				
Interest expense	(119,337)	(109,649)	(9,688)	8.8
Interest and other investment income	856	1,367	(511)	(37.4)
Equity in earnings (loss) of unconsolidated joint ventures	248	(3,886)	4,134	106.4
Minority interest in consolidated joint ventures	(74)	--	(74)	--
Gain on sale of investment in marketable securities	--	--	--	--
Gain on sale of investment in joint ventures	35	720	(685)	(95.1)
Total other (expense) income	(118,272)	(111,448)	(6,824)	(6.1)
Income from continuing operations before minority interest in Operating Partnership	95,352	106,556	(11,204)	(10.5)
Minority interest in Operating Partnership	(18,758)	(25,776)	7,018	27.2
Income from continuing operations	76,594	80,780	(4,186)	(5.2)
Discontinued operations (net of minority interest):				
Income (loss) from discontinued operations	14,468	22,292	(7,824)	(35.1)
Realized gains (losses) and unrealized losses on disposition of rental property, net	4,426	(619)	5,045	815.0
Total discontinued operations, net	18,894	21,673	(2,779)	(12.8)
Net income	95,488	102,453	(6,965)	(6.8)
Preferred stock dividends	(2,000)	(2,000)	--	--
Net income available to common shareholders	$ 93,488	$ 100,453	$ (6,965)	(6.9)%

The following is a summary of the changes in revenue from rental operations and property expenses in 2005 as compared to 2004 divided into Same-Store Properties and Acquired Properties *(dollars in thousands)*:

	Total Company		Same-Store Properties		Acquired Properties	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations:						
Base rents	$ 43,924	9.5%	$ (191)	--	$ 44,115	9.5%
Escalations and recoveries from tenants	17,408	28.8	6,816	11.3%	10,592	17.5
Other income	3,137	39.5	1,294	16.3	1,843	23.2
Total	$ 64,469	12.1%	$ 7,919	1.5%	$ 56,550	10.6%
Property expenses:						
Real estate taxes	$ 13,216	20.6%	$ 4,074	6.4%	$ 9,142	14.2%
Utilities	13,945	36.3	8,755	22.8	5,190	13.5
Operating services	12,498	18.3	2,485	3.6	10,013	14.7
Total	$ 39,659	23.2%	$ 15,314	9.0%	$ 24,345	14.2%
OTHER DATA:						
Number of Consolidated Properties	244		224		20	
Square feet (in thousands)	27,405		23,163		4,242	

Base rents for the Same-Store Properties decreased $0.2 million, for 2005 as compared to 2004, due primarily to decreased rental rates for new leases in 2005 as compared to 2004. Escalations and recoveries from tenants for the Same-Store Properties increased $6.8 million, or 11.3 percent, for 2005 over 2004, due primarily to an increased amount of total property expenses in 2005. Other income for the Same-Store Properties increased $1.3 million, or 16.3 percent, due primarily to an increase in lease termination fees in 2005 as compared to 2004.

Real estate taxes on the Same-Store Properties increased $4.1 million, or 6.4 percent, for 2005 as compared to 2004, due primarily to property tax rate increases in certain municipalities in 2005, partially offset by lower assessments on certain properties in 2005. Utilities for the Same-Store Properties increased $8.8 million, or 22.8 percent, for 2005 as compared to 2004, due primarily to increased electric rates and increased usage in 2005. Operating services for the Same-Store Properties increased $2.5 million, or 3.6 percent, due primarily to increases in 2005 as compared to 2004 in snow removal costs of $2.0 million, and property management compensation and related expenses of $0.8 million.

General and administrative increased by $1.1 million, or 3.6 percent, for 2005 as compared to 2004. This was due primarily to increases in 2005 as compared to 2004 in compensation costs and related expenses of $0.9 million and state income tax expense of $0.5 million, as well as compensation costs and related expenses in 2005 of $0.6 million in connection with the resignation of a non-executive officer, and a write-down in 2005 of a technology investment of $0.5 million. These increases were partially offset by compensation costs and related expenses incurred in 2004 in connection with the resignation of the Company's president of $1.3 million.

Depreciation and amortization increased by $26.5 million, or 22.6 percent, for 2005 over 2004. Of this increase, $5.4 million, or 4.6 percent, was attributable to the Same-Store Properties primarily on account of the amortization of additional tenant installation costs in 2005 and $21.1 million, or 18.0 percent, was due to the Acquired Properties.

Interest expense increased $9.7 million, or 8.8 percent, for 2005 as compared to 2004. This increase was primarily as a result of higher average debt balances in 2005, as well as an overall increase in interest rates on the Company's debt.

Interest and other investment income decreased $0.5 million, or 37.4 percent, for 2005 as compared to 2004. This decrease was due primarily to lower interest income from mortgage notes receivable in 2005 and lower average cash balances in 2005.

Equity in earnings of unconsolidated joint ventures increased $4.1 million, or 106.4 percent, for 2005 as compared to 2004. This increase was due primarily to the following: an increase of $5.2 million in 2005 on account of the Ashford Loop joint venture having a loss in 2004, with no activity in 2005 due to the Company's sale of its interest in the venture in early 2005; an increase of $0.8 million from increased earnings in 2005 at the Harborside South Pier Hyatt Hotel Venture; and an increase of $0.6 million in 2005 on account of equity in loss in 2004 at the Ramland Realty joint venture, with no equity in earnings in 2005. These increases were partially offset by a decrease in equity in earnings of $1.9 million at the G&G Martco joint venture on account of equity in loss in 2005; and a decrease of $0.7 million in 2005 on account of equity in earnings in the HPMC joint venture in 2004, with no activity in 2005 due to the joint venture's sale of the Pacific Plaza I & II complex in 2004.

Gain on sale of investment in unconsolidated joint ventures amounted to $35,000 in 2005 from the sale of the Company's interest in the Ashford Loop joint venture. Gain on sale of investment in unconsolidated joint venture amounted to $0.7 million in 2004 on account of the receipt of additional contingent purchase consideration from the Harborside North Pier sale.

Income from continuing operations before minority interest in Operating Partnership decreased to $95.4 million in 2005 from $106.6 million in 2004. The decrease of approximately $11.2 million was due to the factors discussed above.

Net income available to common shareholders decreased by $7.0 million, or 6.9 percent, from $100.5 million in 2004 to $93.5 million in 2005. This decrease was primarily the result of a decrease in 2005 from 2004 in income from continuing operations before minority interest in Operating Partnership of $11.2 million, and a decrease in income from discontinued operations of approximately $7.8 million. These were partially offset by a decrease in minority interest in Operating Partnership of $7.0 million, realized gains on disposition of rental property of $4.4 million in 2005, and realized gains and unrealized losses on disposition of rental property of $0.6 million in 2004.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Overview:

Historically, rental revenue has been the 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 revolving credit facility and other debt and equity financings.

The Company believes that with the general downturn in the Company's markets in recent years, it is reasonably likely that vacancy rates may continue to increase, effective rental rates on new and renewed leases may continue to decrease and tenant installation costs, including concessions, may continue to increase in most or all of its markets in 2007. As a result of the potential negative effects on the Company's revenue from the overall reduced demand for office space, the Company's cash flow could be insufficient to cover increased tenant installation costs over the short-term. If this situation were to occur, the Company expects that it would finance any shortfalls through borrowings under its revolving credit facility and other debt and equity financings.

The Company expects to meet its short-term liquidity requirements generally through its working capital, net cash provided by operating activities and from its 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, proceeds from property sales, long-term and short-term borrowings (including draws on the Company's revolving credit facility) and the issuance of additional debt and/or equity securities.

Gale Company Earn-Out:

The agreement under which the Company acquired the Gale Company on May 9, 2006 ("Gale Agreement"), contains earn-out provisions providing for the payment of contingent purchase consideration of up to $18 million in cash based upon the achievement of Gross Income and NOI (as such terms are defined in the Gale Agreement) targets and other events for the three years following the closing date.

Construction Projects:

The Company entered into a 15-year lease with AAA Mid-Atlantic ("AAA") for a 120,000 square foot office building being constructed by the Company in its Horizon Center Business Park located in Hamilton Township, New Jersey. The building is expected to be completed during the early part of 2007 at an estimated cost of approximately $19.2 million (of which the Company has incurred $15.7 million through December 31, 2006), which is expected to be funded through borrowings on the Company's unsecured credit facility. Concurrent with the signing of the lease, the Company executed a purchase and sale agreement with AAA pursuant to which the Company, upon the commencement of the 120,000 square foot lease, will acquire AAA's three office and office/flex buildings, totaling approximately 84,000, square feet and certain vacant, developable land, all located in Hamilton Township, New Jersey, for a total purchase price of approximately $10 million, subject to certain conditions.

Additionally, the Company, through a joint venture with the PRC Group, is constructing a 92,878 square-foot office property, to be known as Red Bank Corporate Plaza, located in Red Bank, New Jersey, on land contributed by its joint venture partner. The project is fully leased to Hovnanian Enterprise, Inc. for a 10-year term. The total cost of the project, which is expected to be completed in the third quarter 2007, is estimated to be approximately $27 million, of which the Company currently expects to fund approximately $3 million. On October 20, 2006, the venture entered into a $22.0 million construction loan with a commercial bank. The loan carries an interest rate of LIBOR plus 130 basis points and matures in April 2008. The loan currently has three one-year extension options subject to certain conditions, each of which require payment of a fee.

The Company owns a 15 percent indirect interest in a joint venture which plans to develop a 1.2 million square foot mixed-use project in downtown Boston consisting of office and retail space, condominium apartments, a hotel and garage. The development project, which is subject to government approval, is currently projected to cost approximately $630 million, of which the Company is currently projected to invest a total of approximately $20.3 million (of which the Company has invested $14.8 million through February 16, 2007).

REIT Restrictions:

To maintain its qualification as a REIT, the Company must make annual distributions to its stockholders of at least 90 percent of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains. Moreover, the Company intends to continue to make regular quarterly distributions to its common stockholders which, based upon current policy, in the aggregate would equal approximately $173.5 million on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would only be paid out of available cash, including borrowings and other sources, after meeting operating requirements, preferred stock and unit dividends and distributions, and scheduled debt service on the Company's debt.

Property Lock-Ups:

The Company may not dispose of or distribute certain of its properties, currently comprising 50 properties with an aggregate net book value of approximately $1.3 billion, which were originally contributed by members of either the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, director; Martin S. Berger, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, director, and John J. Cali, a former director) or certain other common unitholders, without the express written consent of a representative of the Mack Group, the Robert Martin Group, the Cali Group or the specific certain other common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company's Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration of the Property Lock-Ups, the Company generally is 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 appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders. 88 of our properties, with an aggregate net book value of approximately $809.0 million, have lapsed restrictions and are subject to these conditions.

Unencumbered Properties:
As of December 31, 2006, the Company had 236 unencumbered properties, totaling 24.8 million square feet, representing 85.8 percent of the Company's total portfolio on a square footage basis.

Credit Ratings:
The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Fitch, Inc. ("Fitch") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and Fitch have also assigned their BBB- rating to existing and prospective preferred stock offerings of the Company. Moody's Investors Service ("Moody's") has assigned its Baa2 rating to existing and prospective senior unsecured debt of the Operating Partnership and its Baa3 rating to its existing and prospective preferred stock offerings of the Company.

Cash Flows

Cash and cash equivalents increased by $40.8 million to $101.2 million at December 31, 2006, compared to $60.4 million at December 31, 2005. This increase is comprised of the following net cash flow items:

1) $235.9 million provided by operating activities.

2) $74.2 million provided by investing activities, consisting primarily of the following:
   (a) $217.8 million used for additions to rental property; minus
   (b) $163.4 million used for investments in unconsolidated joint ventures; minus
   (c) $11.9 million used for the purchase of marketable securities; plus
   (d) $338.5 million received from proceeds from sale of rental properties; plus
   (e) $78.6 million received from proceeds from the sale of marketable securities; plus
   (f) $16.3 million received from proceeds from the sale of investment in unconsolidated joint ventures; plus
   (g) $40 million received from distributions from investments in unconsolidated joint ventures.

3) $269.3 million used in financing activities, consisting primarily of the following:
   (a) $983 million from borrowings under the revolving credit facility; minus
   (b) $200 million from proceeds from the sale of senior unsecured notes; minus
   (c) $10.4 million from proceeds received from stock options and warrants exercised; plus
   (d) $1.1 billion used for repayments of borrowings under the Company's unsecured credit facility; plus
   (e) $197 million used for payments of dividends and distributions; plus
   (f) $160.6 million used for repayments of mortgages, loans payable and other obligations.

Debt Financing

Summary of Debt:
The following is a breakdown of the Company's debt between fixed and variable-rate financing as of December 31, 2006:

	Balance ($000's)	% of Total	Weighted Average Interest Rate (a)	Weighted Average Maturity in Years
Fixed Rate Unsecured Debt	$1,670,225	77.33%	6.28%	5.29
Fixed Rate Secured Debt and Other Obligations	344,734	15.96%	5.43%	5.11
Variable Rate Unsecured Debt	145,000	6.71%	5.76%	2.90
Totals/Weighted Average:	$2,159,959	100.00%	6.11%	5.10

Debt Maturities:
Scheduled principal payments and related weighted average annual interest rates for the Company's debt as of December 31, 2006 are as follows:

Period	Scheduled Amortization ($000's)	Principal Maturities ($000's)	Total ($000's)	Weighted Avg. Interest Rate of Future Repayments (a)
2007	$ 19,126	$ 15,152	$ 34,278	5.67%
2008	17,971	12,563	30,534	5.25%
2009	10,100	445,000	455,100	6.89%
2010	2,795	334,500	337,295	5.26%
2011	3,580	300,000	303,580	7.91%
Thereafter	11,685	993,091	1,004,776	5.57%
Sub-total	65,257	2,100,306	2,165,563	6.11%
Adjustment for unamortized debt discount/premium, net, as of December 31, 2006	(5,604)	--	(5,604)	--
Totals/Weighted Average	$ 59,653	$ 2,100,306	$ 2,159,959	6.11%

(a) Actual weighted average LIBOR contract rates relating to the Company's outstanding debt as of December 31, 2006 of 5.35 percent was used in calculating revolving credit facility.

Senior Unsecured Notes:
On January 24, 2006, the Company issued $100 million face amount of 5.80 percent senior unsecured notes due January 15, 2016 with interest payable semi-annually in arrears, and $100 million face amount of 5.25 percent senior unsecured notes due January 15, 2012 with interest payable semi-annually in arrears. The Company's total proceeds from the issuances, including accrued interest on the 5.80 percent notes of approximately $200.8 million, were used to reduce outstanding borrowings under the total unsecured facility.

The terms of the Company's senior unsecured notes (which totaled approximately $1.6 billion as of December 31, 2006) 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:
The Company has an unsecured revolving credit facility with a borrowing capacity of $600 million (expandable to $800 million). The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) under the unsecured facility is currently LIBOR plus 65 basis points. The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to $300 million at interest rates less than the current LIBOR plus 65 basis point spread. As of December 31, 2006, the Company's outstanding borrowings carried a weighted

average interest rate of LIBOR plus 41 basis points. The Company may also elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The unsecured facility, which also requires a 15 basis point facility fee on the current borrowing capacity payable quarterly in arrears, is scheduled to mature in November 2009 and has an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the facility upon exercise.

The interest rate and the facility fee are subject to adjustment, on a sliding scale, based upon the operating partnership's unsecured debt ratings. In the event of a change in the Operating Partnership's unsecured debt rating, the interest and facility fee rates will be adjusted in accordance with the following table:

Operating Partnership's Unsecured Debt Ratings: S&P Moody's/Fitch (a)	**Interest Rate - Applicable Basis Points Above LIBOR**	**Facility Fee Basis Points**
No ratings or less than BBB-/Baa3/BBB-	112.5	25.0
BBB-/Baa3/BBB-	80.0	20.0
BBB/Baa2/BBB (current)	65.0	15.0
BBB+/Baa1/BBB+	55.0	15.0
A-/A3/A- or higher	50.0	15.0

(a) If the Operating Partnership has debt ratings from two rating agencies, one of which is Standard & Poor's Rating Services ("S&P") or Moody's Investors Service ("Moody's"), the rates per the above table shall be based on the lower of such ratings. If the Operating Partnership has debt ratings from three rating agencies, one of which is S&P or Moody's, the rates per the above table shall be based on the lower of the two highest ratings. If the Operating Partnership has debt ratings from only one agency, it will be considered to have no rating or less than BBB-/Baa3/BBB- per the above table.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), 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 facility described below, or (ii) the property dispositions are completed while the Company is under an event of default under the facility, 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, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other common equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined in the facility agreement) for such period, subject to certain other adjustments.

The lending group for the unsecured facility consists of: JPMorgan Chase Bank, N.A., as administrative agent; Bank of America, N. A., as syndication agent; The Bank of Nova Scotia, New York Agency; Wachovia Bank, National Association; and Wells Fargo Bank, National Association, as documentation agents; SunTrust Bank, as senior managing agent; US Bank National Association; Citicorp North America, Inc.; and PNC Bank National Association, as managing agents; and Bank of China, New York Branch; The Bank of New York; Chevy Chase Bank, F.S.B.; The Royal Bank of Scotland, plc; Mizuho Corporate Bank, Ltd.; UFJ Bank Limited, New York Branch; The Governor and Company of the Bank of Ireland; Bank Hapoalim B.M.; Comerica Bank; Chang Hwa Commercial Bank, Ltd., New York Branch; First Commercial Bank, New York Agency; Chiao Tung Bank Co., Ltd., New York Agency; Deutsche Bank Trust Company Americas; and Hua Nan Commercial Bank, New York Agency.

Mortgages, Loans Payable and Other Obligations:

The Company has mortgages, loans payable and other obligations which consist principally 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 or its mortgages, loans payable and other obligations upon maturity. Instead, the Company will seek to refinance such debt at maturity or retire such debt through the issuance of additional equity or debt securities 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 February 16, 2007, the Company had $75.0 million of outstanding borrowings under its $600 million unsecured revolving credit facility. The Company is reviewing various refinancing options, including the purchase of its senior unsecured notes in privately-negotiated transactions, the issuance of additional, or exchange of current, unsecured debt, preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed during 2007. The Company anticipates that its available cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs both in the short and long-term. However, if these sources of funds are insufficient or unavailable, the Company's ability to make the expected distributions discussed below may be adversely affected.

Equity Financing and Registration Statements

Equity Activity:

The following table presents the changes in the Company's issued and outstanding shares of Common Stock and the Operating Partnership's common units since December 31, 2005:

	Common Stock	Common Units	Total
Outstanding at December 31, 2005	62,019,646	13,650,439	75,670,085
Stock options exercised	352,699	--	352,699
Common units redeemed for Common Stock	475,208	(475,208)	--
Common units redeemed for cash	--	(1)	(1)
Common units issued	--	2,167,053	2,167,053
Shares issued under Dividend Reinvestment and Stock Purchase Plan	5,154	--	5,154
Restricted shares issued, net of cancellations	72,484	--	72,484
Outstanding at December 31, 2006	62,925,191	15,342,283	78,267,474

On February 7, 2007, the Company completed an underwritten offer and sale of 4,650,000 shares of its common stock and used the net proceeds, which totaled approximately $252 million (after offering costs), primarily to pay down its outstanding borrowings under the Company's revolving credit facility and for general corporate purposes.

Share Repurchase Program:

The Company has authorization to repurchase up to $45.5 million of its outstanding common stock, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

Shelf Registration Statements:

The Company has an effective shelf registration statement on Form S-3 filed with the Securities and Exchange Commission ("SEC") for an aggregate amount of $2.0 billion in common stock, preferred stock, depositary shares, and/or warrants of the Company, under which $260.1 million of securities have been sold through February 16, 2007 and $1.7 billion remains available for future issuances.

The Company 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 Company and debt securities of the Operating Partnership, under which $600 million of securities have been sold through February 16, 2007 and $1.9 billion remains available for future issuances.

Off-Balance Sheet Arrangements

Unconsolidated Joint Venture Debt:

The debt of the Company's unconsolidated joint ventures aggregating $571.7 million, at December 31, 2006, 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 posted a $7.3 million letter of credit in support of the Harborside South Pier joint venture, $3.6 million of which is indemnified by Hyatt.

The Company's off-balance sheet arrangements are further discussed in Note 4 to our financial statements filed with this annual report on Form 10-K: 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, and ground lease agreements as of December 31, 2006 *(dollars in thousands)*:

		Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	6 - 10 years	After 10 years
Senior unsecured notes	$2,197,175	$100,494	$490,114	$598,326	$1,008,241	--
Revolving credit facility (1)	169,369	8,355	161,014	--	--	--
Mortgages, loans payable and other obligations	472,847	52,057	72,262	190,734	127,280	$30,514
Payments in lieu of taxes (PILOT)	70,102	4,193	12,680	8,587	23,229	21,413
Operating lease payments	499	412	87	--	--	--
Ground lease payments	37,950	508	1,488	1,002	2,525	32,427
Total	$2,947,942	$166,019	$737,645	$798,649	$1,161,275	$84,354

(1) Interest payments assume current revolving credit facility borrowings and interest rates remain at the December 31, 2006 level until maturity.

Other Commitments and Contingencies

Legal Proceedings:

On February 12, 2003, the NJSEA selected The Mills Corporation and the Company to redevelop the Continental Airlines Arena site ("Arena Site") for mixed uses, including retail. In March 2003, Hartz Mountain Industries, Inc., ("Hartz"), filed a lawsuit in the Superior Court of New Jersey, Law Division, for Bergen County, seeking to enjoin NJSEA from entering into a contract with the Meadowlands Venture for the redevelopment of the Continental Airlines Arena site. In May 2003, the court denied Hartz's request for an injunction and dismissed its suit for failure to exhaust administrative remedies. In June 2003, the NJSEA held hearings on Hartz's protest, and on a parallel protest filed by another rejected developer, Westfield, Inc. ("Westfield"). On September 10, 2003, the NJSEA ruled against Hartz's and Westfield's protests. Hartz and Westfield, as well as Elliot Braha and three other taxpayers (collectively "Braha"), thereafter filed appeals from the NJSEA's final decision. By decision dated May 14, 2004, the Appellate Division of the Superior Court of New Jersey rejected the appellants' contention that the NJSEA lacks statutory authority to allow retail development of its property. The Appellate Division also remanded Hart's claim under the Open Public Records Acts, seeking disclosure of additional documents from NJSEA, to the Law Division for further proceedings. The Supreme Court of New Jersey declined to review the Appellate Division's decision. On August 19, 2004, the Law Division issued a decision resolving Hartz's Open Public Records Act claim and ordered NJSEA to disclose some, but not all, of the documents Hartz was seeking. The Appellate Division, in a decision rendered on November 24, 2004, upheld the findings of the Law Division in the remand proceeding. The Supreme Court of New Jersey declined to review the Appellate Division's decision. At Hartz's request, the NJSEA thereafter held further hearings on December 15 and 16, 2004, to review certain additional facts in support of Hartz's and Westfield's bid protest. Braha, as a taxpayer, did not have standing to participate in the supplemental protest hearing. On March 4 , 2005, the Hearing Officer rendered his Supplemental Report and Recommendation to the NJSEA, finding no merit in the protests presented by Hartz and Westfield. The NJSEA accepted the Hearing Officer's Supplemental Report and Recommendation on March 30, 2005 and Hartz and Braha have appealed that decision to the Appellate Division.

In January 2004, Hartz and Westfield also appealed to the Appellate Division of the Superior Court of New Jersey from the NJSEA's December 2003 approval and execution of the Redevelopment Agreement with the Meadowlands Venture.

In November 2004, Hartz and Westfield filed additional appeals in the Appellate Division challenging NJSEA's resolution authorizing the execution of the First Amendment to the Redevelopment Agreement with Meadowlands Venture and the ground lease with the Meadowlands Venture.

All of the above appeals were consolidated by the Appellate Division. On August 17, 2006, the Appellate Division issued an opinion affirming NJSEA's selection of the Meadowlands Venture and rejecting the appellants' arguments in all respects. On August 28, 2006, Hartz made a motion before the Appellate Division for reconsideration of this decision and for supplementation of the record. That motion was denied, and neither Hartz nor Braha has sought review in the New Jersey Supreme Court. These consolidated appeals are now resolved.

On September 30, 2004, the Borough of Carlstadt filed an action in the Superior Court of New Jersey Law Division, challenging Meadowlands Xanadu, which asserted claims that are substantially the same as claims asserted by Hartz and Braha in the above appeals. By Order dated November 19, 2004, the Law Division transferred that matter to the Superior Court of New Jersey, Appellate Division. This matter was voluntarily dismissed by Carlstadt in accordance with a March 22, 2006, Settlement Agreement and Release between Carlstadt and the Meadowlands Venture.

Several appeals filed by Hartz, the Sierra Club and others, including certain environmental groups, that challenge certain approvals received by the Meadowlands Venture from the NJSEA, the New Jersey Meadowlands Commission ("NJMC") and the New Jersey Department of Environmental Protection ("NJDEP") remain pending before the Appellate Division. Some of these appeals challenge NJDEP's issuance of a stream encroachment permit, waterfront development permit, and coastal zone consistency determination for Meadowlands Xanadu. Other of these appeals are from NJDEP's and NJMC's issuance of reports in connection with a consultation process the NJSEA was statutorily required to undertake in connection with any NJSEA-development project.

A Hartz affiliate and a trade association have filed an appeal from an advisory opinion favorable to the Meadowlands Venture issued by the Director of the Division of Alcoholic Beverage Control concerning the availability of special concessionaire permits. That appeal is also pending in the Appellate Division of the Superior Court of New Jersey.

Three separate lawsuits have been filed in the United States District Court for the District of New Jersey, challenging a permit issued by the U.S. Army Corps of Engineers ("USACE") in connection with the project. The first suit was filed on March 30, 2005, by the Sierra Club, the New Jersey Public Interest Research Group, Citizen Lobby, Inc. and the New Jersey Environmental Federation. Additional suits were filed on May 16 and May 31, 2005, respectively, by Hartz (together with one of its officers as an individually-named plaintiff) and the Borough of Carlstadt. The Sierra Club also filed a motion for a preliminary injunction to stop certain construction activities on the project, which the Court denied on July 6, 2005. On October 26, 2005, the court granted the motions of the Meadowlands Venture and the USACE to dismiss the Hartz complaint for lack of standing. The deadline for appealing that decision has passed, so the Hartz action is ended. On October 31, 2005, the USACE filed a motion to dismiss the complaint filed by the Borough of Carlstadt for lack of standing. On February 7, 2006, the Court granted the motion and dismissed the Borough of Carlstadt's complaint in its entirety. On March 9, 2006, Carlstadt filed a notice of appeal of this decision to the United States Court of Appeals for the Third Circuit. This appeal has been dismissed pursuant to the Settlement Agreement and Release executed by Carlstadt and the Meadowlands Venture.

On April 5, 2005, the New York Football Giants ("Giants") filed an emergent application with the Supreme Court of New Jersey, Chancery Division, seeking an injunction stopping all work on the Meadowlands Xanadu project as being in violation of its existing lease with the NJSEA. After hearing oral argument on the application on August 5, 2005, the court denied the Giants' motion for preliminary injunctive relief. On June 22, 2006, the court entered a Stipulation and Consent Order that dismissed without prejudice the parties' respective claims.

The New Jersey Builders' Association ("NJBA") has commenced an action, which is pending in the Appellate Division, alleging that the NJSEA has failed to meet a purported obligation to provide affordable housing at the Meadowlands Complex and seeking, among other relief, an order enjoining the construction of Meadowlands Xanadu. NJBA filed an application for preliminary injunctive relief seeking to enjoin further construction of Meadowlands Xanadu, which the Appellate Division denied on July 28, 2005. The Meadowlands Venture is not a party to that action.

On January 25, 2006, the Bergen Cliff Hawks Baseball Club, LLC (the "Cliff Hawks"), filed a complaint against the Company and Mills, alleging that the Company and Mills breached an agreement to provide the Cliff Hawks with a minor league baseball park as part of the Xanadu Project. This matter is pending.

The Company believes that the Meadowlands Venture's proposal and the planned project comply with applicable laws, and the Meadowlands Venture intends to continue its vigorous defense of its rights under the Redevelopment Agreement and Ground Lease. Although there can be no assurance, the Company does not believe that the pending lawsuits will have any material affect on its ability to develop the Meadowlands Xanadu project.

There are no other 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 the Properties is subject.

Inflation

The Company's leases with the majority of its 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.

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," "should," "expect," "anticipate," "estimate," "continue" or comparable terminology. Forward-looking statements are inherently subject to risks 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.

Among the factors about which we have made assumptions are:

- changes in the general economic climate and conditions, including those affecting industries in which our principal tenants operate;
- the extent of any tenant bankruptcies or of any early lease terminations;
- our ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for office, office/flex and industrial/warehouse properties;
- changes in interest rate levels;
- changes in operating costs;
- our ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing;
- changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

For further information on factors which could impact us and the statements contained herein, see Item 1A: Risk Factors. We assume no obligation to update and supplement forward-looking statements that become untrue because of subsequent events.

ITEM 7A. 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 $2.0 billion of the Company's long-term debt 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 average interest rate on the variable rate debt as of December 31, 2006 was LIBOR plus 41 basis points.

December 31, 2006 **Debt, including current portion** ***($'s in thousands)***	**2007**	**2008**	**2009**	**2010**	**2011**	**Thereafter**	**Total**	**Fair Value**
Fixed Rate	$ 32,967	$29,377	$309,246	$336,398	$302,766	$1,004,205	$2,014,959	$2,033,913
Average Interest Rate	5.67%	5.25%	7.41%	5.26%	7.91%	5.57%	6.14%	
Variable Rate			$145,000				$ 145,000	$ 145,000

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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by Item 8 is contained in the Consolidated Financial Statements, together with the notes to the Consolidated Financial Statements and the report of independent registered public accounting firm.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company'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 Company's chief executive officer and chief financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

Management's Report on Internal Control Over Financial Reporting. Internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, is a process designed by, or under the supervision of, the Company's chief executive officer and chief financial officer, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, 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. The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has established and maintained policies and procedures designed to maintain the adequacy of the Company's internal control over financial reporting, and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management has evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2006 based on the criteria established in a report entitled *Internal Control—Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment and those criteria, the Company's management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2006.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2006 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes In Internal Control Over Financial Reporting. There have not been any changes in the Company'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 fourth fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 will be set forth in the Company's definitive proxy statement for its annual meeting of shareholders expected to be held on May 23, 2007, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be set forth in the Company's definitive proxy statement for its annual meeting of shareholders expected to be held on May 23, 2007, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 will be set forth in the Company's definitive proxy statement for its annual meeting of shareholders expected to be held on May 23, 2007, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be set forth in the Company's definitive proxy statement for its annual meeting of shareholders expected to be held on May 23, 2007, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 will be set forth in the Company's definitive proxy statement for its annual meeting of shareholders expected to be held on May 23, 2007, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements and Report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2006 and 2005

Consolidated Statements of Operations for the Years Ended December 31, 2006, 2005 and 2004

Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2006, 2005 and 2004

Consolidated Statements of Cash Flows for the Years Ended December 31, 2006, 2005 and 2004

Notes to Consolidated Financial Statements

(a) 2. Financial Statement Schedules

Schedule III - Real Estate Investments and Accumulated Depreciation as of December 31, 2006

All other schedules are omitted because they are not required or the required information is shown in the financial statements or notes thereto.

(a) 3. Exhibits

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Board of Directors and Shareholders
of Mack-Cali Realty Corporation:

We have completed integrated audits of Mack-Cali Realty Corporation's consolidated financial statements and of its internal control over financial reporting as of December 31, 2006, in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and financial statement schedule

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Mack-Cali Realty Corporation and its subsidiaries (collectively, the "Company") at December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that the Company maintained effective internal control over financial reporting as of December 31, 2006 based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006 based on criteria established in *Internal Control - Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 21, 2007

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

	December 31,	
ASSETS	2006	2005
Rental property		
Land and leasehold interests	$ 659,169	$ 637,653
Buildings and improvements	3,549,699	3,539,003
Tenant improvements	356,495	307,664
Furniture, fixtures and equipment	8,224	7,432
	4,573,587	4,491,752
Less - accumulated depreciation and amortization	(796,793)	(722,980)
Net investment in rental property	3,776,794	3,768,772
Cash and cash equivalents	101,223	60,397
Marketable securities available for sale at fair value	--	50,847
Investments in unconsolidated joint ventures	160,301	62,138
Unbilled rents receivable, net	100,847	92,692
Deferred charges and other assets, net	240,637	197,634
Restricted cash	15,448	9,221
Accounts receivable, net of allowance for doubtful accounts of $1,260 and $1,088	27,639	5,801
Total assets	$ 4,422,889	$ 4,247,502
LIABILITIES AND STOCKHOLDERS' EQUITY		
Senior unsecured notes	$ 1,631,482	$ 1,430,509
Revolving credit facilities	145,000	227,000
Mortgages, loans payable and other obligations	383,477	468,672
Dividends and distributions payable	50,591	48,178
Accounts payable, accrued expenses and other liabilities	122,134	85,481
Rents received in advance and security deposits	45,972	47,685
Accrued interest payable	34,106	27,871
Total liabilities	2,412,762	2,335,396
Minority interests:		
Operating Partnership	480,103	400,819
Consolidated joint ventures	2,117	--
Total minority interests	482,220	400,819
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, 5,000,000 shares authorized, 10,000 and 10,000 shares outstanding, at liquidation preference	25,000	25,000
Common stock, $0.01 par value, 190,000,000 shares authorized, 62,925,191 and 62,019,646 shares outstanding	629	620
Additional paid-in capital	1,708,053	1,682,141
Unamortized stock compensation	--	(6,105)
Dividends in excess of net earnings	(205,775)	(189,579)
Accumulated other comprehensive loss	--	(790)
Total stockholders' equity	1,527,907	1,511,287
Total liabilities and stockholders' equity	$ 4,422,889	$ 4,247,502

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)*

	Year Ended December 31,		
REVENUES	2006	2005	2004
Base rents	$ 544,870	$ 508,227	$ 464,303
Escalations and recoveries from tenants	91,044	77,900	60,492
Construction services	56,225	--	--
Real estate services	31,045	2,917	4,494
Other income	17,125	11,087	7,950
Total revenues	740,309	600,131	537,239
EXPENSES			
Real estate taxes	86,612	77,252	64,036
Utilities	60,487	52,401	38,456
Operating services	91,013	80,820	68,322
Direct construction costs	53,602	--	--
Real estate services salaries, wages and other costs	18,600	--	--
General and administrative	49,077	32,441	31,324
Depreciation and amortization	160,859	143,593	117,097
Total expenses	520,250	386,507	319,235
Operating Income	220,059	213,624	218,004
OTHER (EXPENSE) INCOME			
Interest expense	(136,357)	(119,337)	(109,649)
Interest and other investment income	3,054	856	1,367
Equity in earnings (loss) of unconsolidated joint ventures	(5,556)	248	(3,886)
Minority interest in consolidated joint ventures	218	(74)	--
Gain on sale of investment in marketable securities	15,060	--	
Gain on sale of investment in unconsolidated joint ventures	10,831	35	720
Gain/(loss) on sale of land and other assets	(416)	--	--
Total other (expense) income	(113,166)	(118,272)	(111,448)
Income from continuing operations before minority interest in Operating Partnership	106,893	95,352	106,556
Minority interest in Operating Partnership	(20,533)	(18,758)	(25,776)
Income from continuing operations	86,360	76,594	80,780
Discontinued operations (net of minority interest):			
Income from discontinued operations	10,591	14,468	22,292
Realized gains (losses) and unrealized losses on disposition of rental property, net	47,715	4,426	(619)
Total discontinued operations, net	58,306	18,894	21,673
Net income	144,666	95,488	102,453
Preferred stock dividends	(2,000)	(2,000)	(2,000)
Net income available to common shareholders	$ 142,666	$ 93,488	$ 100,453
Basic earnings per common share:			
Income from continuing operations	$ 1.35	$ 1.21	$ 1.30
Discontinued operations	0.94	0.31	0.36
Net income available to common shareholders	$ 2.29	$ 1.52	$ 1.66
Diluted earnings per common share:			
Income from continuing operations	$ 1.35	$ 1.20	$ 1.29
Discontinued operations	0.93	0.31	0.36
Net income available to common shareholders	$ 2.28	$ 1.51	$ 1.65
Dividends declared per common share	$ 2.54	$ 2.52	$ 2.52
Basic weighted average shares outstanding	62,237	61,477	60,351
Diluted weighted average shares outstanding	77,901	74,189	68,743

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

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY *(in thousands)*

	Preferred Stock		Common Stock		Additional Paid-In	Unamortized	Dividends in Excess of Net	Accumulated Other Comprehensive	Total Stockholders'	Comprehensive
	Shares	Amount	Shares	Par Value	Capital	Stock Compensation	Earnings	Income (Loss)	Equity	Income
Balance at January 1, 2004	10	$ 25,000	59,420	$ 594	$ 1,597,785	$ (7,170)	$ (74,721)	--	$ 1,541,488	--
Net income	--	--	--	--	--	--	102,453	--	102,453	$ 102,453
Preferred stock dividends	--	--	--	--	--	--	(2,000)	--	(2,000)	--
Common stock dividends	--	--	--	--	--	--	(153,097)	--	(153,097)	--
Redemption of common units for common stock	--	--	179	2	4,642	--	--	--	4,644	--
Shares issued under Dividend Reinvestment and Stock Purchase Plan	--	--	12	--	481	--	--	--	481	--
Stock options exercised	--	--	1,251	13	40,507	--	--	--	40,520	--
Stock warrants exercised	--	--	149	1	4,924	--	--	--	4,925	--
Stock options expense	--	--	--	--	415	--	--	--	415	--
Directors Deferred comp. plan	--	--	--	--	265	--	--	--	265	--
Issuance of restricted stock	--	--	47	--	2,106	(578)	--	--	1,528	--
Amortization of stock comp.	--	--	--	--	--	3,489	--	--	3,489	--
Adj. to fair value of restricted stock	--	--	--	--	284	(284)	--	--	--	--
Cancellation of restricted stock	--	--	(19)	--	(575)	575	--	--	--	--
Balance at December 31, 2004	10	$ 25,000	61,039	$ 610	$ 1,650,834	$ (3,968)	$ (127,365)	--	$ 1,545,111	$ 102,453
Net income	--	--	--	--	--	--	95,488	--	95,488	95,488
Preferred stock dividends	--	--	--	--	--	--	(2,000)	--	(2,000)	--
Common stock dividends	--	--	--	--	--	--	(155,702)	--	(155,702)	--
Redemption of common units for common stock	--	--	235	2	6,788	--	--	--	6,790	--
Shares issued under Dividend Reinvestment and Stock Purchase Plan	--	--	9	--	390	--	--	--	390	--
Stock options exercised	--	--	574	6	16,597	--	--	--	16,603	--
Stock options expense	--	--	--	--	448	--	--	--	448	--
Comprehensive Loss:										
Unrealized holding loss on marketable securities available for sale	--	--	--	--	--	--	--	(790)	(790)	(790)
Directors Deferred comp. plan	--	--	5	--	288	--	--	--	288	--
Issuance of restricted stock	--	--	166	2	7,189	(7,191)	--	--	--	--
Amortization of stock comp.	--	--	--	--	--	4,661	--	--	4,661	--
Adj. to fair value of restricted stock	--	--	--	--	(37)	37	--	--	--	--
Cancellation of restricted stock	--	--	(8)	--	(356)	356	--	--	--	--
Balance at December 31, 2005	10	$ 25,000	62,020	$ 620	$ 1,682,141	$ (6,105)	$ (189,579)	$ (790)	$ 1,511,287	$ 94,698
Reclassification upon the adoption of FASB No. 123(R)	--	--	--	--	(6,105)	6,105	--	--	--	--
Net income	--	--	--	--	--	--	144,666	--	144,666	144,666
Preferred stock dividends	--	--	--	--	--	--	(2,000)	--	(2,000)	--
Common stock dividends	--	--	--	--	--	--	(158,862)	--	(158,862)	--
Redemption of common units for common stock	--	--	475	5	14,669	--	--	--	14,674	--
Shares issued under Dividend Reinvestment and Stock Purchase Plan	--	--	5	--	244	--	--	--	244	--
Stock options exercised	--	--	353	3	10,442	--	--	--	10,445	--
Stock options expense	--	--	--	--	465	--	--	--	465	--
Comprehensive Gain:										
Unrealized holding gain										

on marketable securities										
available for sale	--	--	--	--	--	--	--	15,850	15,850	15,850
Directors Deferred comp. plan	--	--	--	--	302	--	--	--	302	--
Issuance of restricted stock	--	--	81	1	--	--	--	--	1	--
Amortization of stock comp.	--	--	--	--	5,895	--	--	--	5,895	--
Cancellation of restricted stock	--	--	(9)	--	--	--	--	--	--	--
Reclassification adjustment for realized gain included in net income	--	--	--	--	--	--	--	(15,060)	(15,060)	(15,060)--
Balance at December 31, 2006	10	$ 25,000	62,925	$ 629	$ 1,708,053	$ --	$ (205,775)	$ --	$ 1,527,907	$ 145,456

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

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

	Year Ended December 31,		
CASH FLOWS FROM OPERATING ACTIVITIES	2006	2005	2004
Net income	$ 144,666	$ 95,488	$ 102,453
Adjustments to reconcile net income to net cash provided by			
Operating activities:			
Depreciation and amortization	160,859	143,593	117,097
Depreciation and amortization on discontinued operations	7,090	12,506	15,477
Stock options expense	465	448	415
Amortization of stock compensation	5,895	4,661	3,489
Amortization of deferred financing costs and debt discount	3,157	3,271	4,163
Equity in earnings of unconsolidated joint venture, net	5,556	(248)	3,886
Gain on sale of investment in unconsolidated joint ventures	(10,831)	(35)	(720)
Gain on sale of marketable securities available for sale	(15,060)	--	--
Loss on sale of land and other assets	416	--	--
(Realized gains) unrealized losses on disposition of rental property			
(net of minority interest)	(47,715)	(4,426)	619
Distributions of cumulative earnings from unconsolidated joint ventures	2,302	--	--
Minority interest in Operating Partnership	20,533	18,758	25,776
Minority interest in consolidated joint ventures	(218)	74	--
Minority interest in income from discontinued operations	2,603	2,777	2,869
Changes in operating assets and liabilities:			
Increase in unbilled rents receivable, net	(15,989)	(13,283)	(11,230)
Increase in deferred charges and other assets, net	(40,084)	(40,566)	(48,306)
Decrease (increase) in accounts receivable, net	3,162	(1,237)	(106)
Increase in accounts payable, accrued expenses and	4,598	15,674	15,579
other liabilities			
(Decrease) increase in rents received in advance and security deposits	(1,713)	(253)	7,839
Increase (decrease) in accrued interest payable	6,235	5,727	(860)
Net cash provided by operating activities	$ 235,927	$ 242,929	$ 238,440
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to rental property, related intangibles and service companies	$ (217,804)	$ (451,335)	$ (200,033)
Repayment of mortgage note receivable	150	81	850
Investment in unconsolidated joint ventures	(163,428)	(17,788)	(27,945)
Distributions from unconsolidated joint ventures	39,982	--	25,942
Proceeds from sale of investment in unconsolidated joint venture	16,324	2,676	720
Acquisition of minority interest in consolidated joint venture	--	(7,713)	--
Proceeds from sales of rental property and service company	338,546	102,980	110,141
Purchase of marketable securities available for sale	(11,912)	(51,637)	--
Proceeds from sale of marketable securities available for sale	78,609	--	--
Funding of note receivable	--	--	(13,042)
(Increase) decrease in restricted cash	(6,227)	1,256	(2,388)
Net cash provided by (used in) investing activities	$ 74,240	$ (421,480)	$ (105,755)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from senior unsecured notes	$ 199,914	$ 398,480	$ 202,363
Borrowings from revolving credit facility	983,250	1,041,560	612,475
Proceeds from mortgages	--	58,500	--
Repayment of senior unsecured notes	--	--	(300,000)
Repayment of revolving credit facility	(1,104,643)	(921,560)	(505,475)
Repayment of mortgages, loans payable and other obligations	(160,626)	(169,935)	(58,553)
Payment of financing costs	(646)	(5,071)	(5,648)
Proceeds from stock options exercised	10,445	16,603	40,520
Proceeds from stock warrants exercised	--	--	4,925
Payment of dividends and distributions	(197,035)	(191,899)	(189,397)
Net cash (used in) provided by financing activities	$ (269,341)	$ 226,678	$ (198,790)
Net increase (decrease) in cash and cash equivalents	$ 40,826	$ 48,127	$ (66,105)

Cash and cash equivalents, beginning of period	60,397	12,270	78,375
Cash and cash equivalents, end of period	$ 101,223	$ 60,397	$ 12,270

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

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, together with its subsidiaries (collectively, the "Company"), is a fully-integrated, self-administered, self-managed real estate investment trust ("REIT") providing leasing, management, acquisition, development, construction and tenant-related services for its properties. As of December 31, 2006, the Company owned or had interests in 300 properties plus developable land (collectively, the "Properties"). The Properties aggregate approximately 34.3 million square feet, which are comprised of 289 buildings, primarily office and office/flex buildings totaling approximately 33.9 million square feet (which include 44 buildings, primarily office buildings aggregating approximately 5.4 million square feet owned by unconsolidated joint ventures in which the Company has investment interests), six industrial/warehouse buildings totaling approximately 387,400 square feet, two retail properties totaling approximately 17,300 square feet, one hotel (which is owned by an unconsolidated joint venture in which the Company has an investment interest) and two parcels of land leased to others. The Properties are located in seven states, primarily in the Northeast, plus the District of Columbia.

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 Mack-Cali Realty, L.P. (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, Net for the Company's treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles ("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. Actual results could differ from those estimates.

Certain reclassifications have been made to prior period amounts in order to conform with current period presentation.

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. 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. Included in total rental property is construction and development in-progress of $116,151,000 and $118,815,000 (including land of $63,136,000 and $58,883,000) as of December 31, 2006 and 2005, 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 completion of tenant 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 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, 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, generally consisting of the fair value of (i) above and below market leases, (ii) in-place leases and (iii) tenant relationships. The Company allocates the purchase price to the assets acquired and liabilities assumed based on their relative fair values. 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 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 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 term 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 value of in-place leases are amortized to expense over the remaining initial terms of the respective leases. The value of tenant relationship intangibles are amortized to expense over the anticipated life of the relationships.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's real estate properties held for use may be impaired. 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 is less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions that 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. Management does not believe that the value of any of the Company's rental properties is impaired.

Rental Property 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. If, in management's opinion, the net sales price of the assets which have been identified as held for sale is less than the net book value of the assets, a valuation allowance is established. Properties identified as held for sale and/or sold are presented in discontinued operations 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 a property previously classified as held for sale, the property is reclassified as held and used. A property that is reclassified is measured and recorded individually at the lower of (a) its carrying amount before the property was classified as held for sale, adjusted for any depreciation (amortization) expense that would have been recognized had the property 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, Net

The Company accounts for its investments in unconsolidated joint ventures for which Financial Accounting Standards Board ("FASB") Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities ("FIN 46") does not apply under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost, as Investments in Unconsolidated Joint Ventures, and subsequently adjusted for equity in earnings and cash contributions and distributions.

FIN 46 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 VIE (the "primary beneficiary"). Generally, FIN 46 applies when either (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest, (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 the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest.

The Company has evaluated its joint ventures with regards to FIN 46. The adoption and application of FIN 46 and FIN 46R has not had a material impact on the Company's consolidated financial statements.

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 amount of the investment over the value of the investment. Management does not believe that the value of any of the Company's investments in unconsolidated joint ventures is impaired. See Note 4: Investments in Unconsolidated Joint Ventures.

Cash and Cash Equivalents

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

Marketable Securities

The Company classifies its marketable securities among three categories: Held-to-maturity, trading and available-for-sale. Unrealized holding gains and losses relating to available-for-sale securities are excluded from earnings and reported as other comprehensive income (loss) in stockholders' equity until realized. A decline in the market value of any marketable security below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. Any impairment would be charged to earnings and a new cost basis for the security established.

The Company's marketable securities at December 31, 2005 carried a value of $50.8 million and consisted of 1,468,300 shares of common stock in CarrAmerica Realty Corporation, which were all acquired in 2005. The Company's marketable securities at December 31, 2005 were all classified as available-for-sale and were carried at fair value based on quoted market prices. The Company recorded an unrealized holding loss of $790,000 as other comprehensive loss in 2005. From January 1, 2006 through January 25, 2006, the Company purchased an additional 336,500 shares of common stock in CarrAmerica for a total purchase price of $11.9 million.

The Company received dividend income of approximately $902,000 from its holdings in CarrAmerica stock during the three months ended March 31, 2006, which is included in interest and other investment income. During the three months ended March 31, 2006, the Company sold all of its 1,804,800 shares of CarrAmerica common stock realizing a gain of approximately $15.1 million.

Deferred Financing Costs

Costs incurred in obtaining financing are capitalized and amortized on a straight-line basis, which approximates the effective interest method, over the term of the related indebtedness. Amortization of such costs is included in interest expense and was $3,157,000, $3,271,000 and $4,163,000 for the years ended December 31, 2006, 2005 and 2004, respectively.

Deferred Leasing Costs

Costs incurred in connection with leases are 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 are charged to amortization expense upon early termination of the lease. Certain employees of the Company are compensated for providing leasing services to the Properties. The portion of such compensation, which is capitalized and amortized, approximated $3,749,000, $3,855,000 and $3,907,000 for the years ended December 31, 2006, 2005 and 2004, respectively.

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

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the 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 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 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 base rental revenue over the remaining term 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. Escalations and recoveries from tenants are 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 15: Tenant Leases. Construction services revenue includes fees earned and reimbursements received by the Company for providing construction management and general contractor services to clients. Construction services revenue is recognized on the percentage of completion method. Using this method, profits are recorded on the basis of estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon estimates of the percentage of completion of the construction contract. This revenue recognition method involves inherent risks relating to profit and cost estimates. Real estate services revenue includes property management, facilities management, leasing commission fees and other services, and payroll and related costs reimbursed from clients. Other income includes income from parking spaces leased to tenants, income from tenants for additional services arranged for by the Company and income from tenants for early lease terminations.

Allowance for Doubtful Accounts Management periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are impaired based on factors affecting the collectibility of those balances. Management's estimate of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income.

Income and Other Taxes The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, the Company generally will not be subject to corporate federal income tax (including alternative minimum tax) on net income that it currently distributes to its shareholders, provided that the Company satisfies certain organizational and operational requirements including the requirement to distribute at least 90 percent of its REIT taxable income to its shareholders. The Company has elected to treat certain of its corporate subsidiaries as taxable REIT subsidiaries (each a "TRS"). In general, a TRS of the Company 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. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates. The Company is subject to certain state and local taxes.

Earnings Per Share The Company presents both basic and diluted earnings per share ("EPS"). Basic EPS excludes dilution and is computed by dividing net income available to common shareholders by the weighted average number of shares outstanding for the period. Diluted EPS 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 amount.

Dividends and Distributions Payable The dividends and distributions payable at December 31, 2006 represents dividends payable to preferred shareholders (10,000 shares) and common shareholders (62,925,271 shares), and distributions payable to minority interest common unitholders of the Operating Partnership

(15,342,283 common units) for all such holders of record as of January 4, 2007 with respect to the fourth quarter 2006. The fourth quarter 2006 preferred stock dividends of $50.00 per share, common stock dividends and common unit distributions of $0.64 per common share and unit were approved by the Board of Directors on December 5, 2006. The common stock dividends and common unit distributions payable were paid on January 12, 2007. The preferred stock dividends payable were paid on January 16, 2007.

The dividends and distributions payable at December 31, 2005 represents dividends payable to preferred shareholders (10,000 shares) and common shareholders (62,028,306 shares), and distributions payable to minority interest common unitholders of the Operating Partnership (13,650,439 common units) for all such holders of record as of January 5, 2006 with respect to the fourth quarter 2005. The fourth quarter 2005 preferred stock dividends of $50.00 per share, common stock dividends and common unit distributions of $0.63 per common share and unit were approved by the Board of Directors on December 6, 2005. The common stock dividends and common unit distributions payable were paid on January 13, 2006. The preferred stock dividends payable were paid on January 17, 2006.

The Company has determined that the $2.53 dividend per common share paid during the year ended December 31, 2006 represented approximately 81 percent ordinary income and approximately 19 percent capital gain to its stockholders; the $2.52 dividend per common share paid during the year ended December 31, 2005 represented 100 percent ordinary income to its stockholders; and the $2.52 dividend per common share paid during the year ended December 31, 2004 represented approximately 91 percent ordinary income and approximately 9 percent capital gain to its stockholders.

Costs Incurred For Preferred Stock Issuances

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

Stock Compensation

The Company accounts for stock options and restricted stock awards granted prior to 2002 using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB No. 25"). Under APB No. 25, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted closing market price of the Company's stock on the business day preceding the grant date. Accordingly, no compensation cost has been recognized under the Company's stock option plans for the granting of stock options made prior to 2002. Restricted stock awards granted prior to 2002 are valued at the vesting dates of such awards with compensation cost for such awards recognized ratably over the vesting period.

In 2002, the Company adopted the provisions of FASB No. 123, and in 2006, the Company adopted the provisions of FASB No. 123(R), which did not have a material effect on the Company's financial position and results of operations. These provisions require that the estimated fair value of restricted stock ("Restricted Stock Awards") and stock options at the grant date be amortized ratably into expense over the appropriate vesting period. For the years ended December 31, 2006, 2005 and 2004, the Company recorded restricted stock and stock options expense of $6,360,000, $5,109,000 and $5,432,000, respectively. FASB No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, was issued in December 2002 and amends FASB No. 123, Accounting for Stock Based Compensation. FASB No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock based compensation. In addition, this Statement amends the disclosure requirements of FASB No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. FASB No. 148 disclosure requirements are presented below:

The following table illustrates the effect on net income and earnings per share if the fair value based method had been applied to all outstanding and unvested stock awards in each period: *(dollars in thousands)*

	Year Ended December 31,	
	2005	2004
Net income, as reported	$ 95,488	$ 102,453
Add: Stock-based compensation expense included in reported net income (net of minority interest)	4,260	4,813
Deduct: Total stock-based compensation expense determined under fair value based method for all awards	(5,391)	(6,308)
Add: Minority interest on stock-based compensation expense under fair value based method	896	719
Pro forma net income	95,253	101,677
Deduct: Preferred stock dividends	(2,000)	(2,000)
Pro forma net income available to common shareholders - basic	$ 93,253	$ 99,677
Earnings Per Share:		
Basic - as reported	$ 1.52	$ 1.66
Basic - pro forma	$ 1.52	$ 1.65
Diluted - as reported	$ 1.51	$ 1.65
Diluted - pro forma	$ 1.51	$ 1.64

Other Comprehensive Income Other comprehensive income (loss) includes items that are recorded in equity, such as unrealized holding gains or losses on marketable securities available for sale.

3. REAL ESTATE TRANSACTIONS

Gale/Green Transactions

On May 9, 2006, the Company completed the acquisitions of: (i) The Gale Company and certain of its related businesses, which engage in construction, property management, facilities management, and leasing services (collectively, the "Gale Company"); (ii) three office properties; and (iii) indirect interests in a portfolio of office properties, located primarily in New Jersey, which were owned indirectly by The Gale Company and its affiliates ("Gale") and affiliates of SL Green Realty Corp. ("SL Green"). The agreements ("Gale/Green Agreements") to complete the aforementioned acquisitions (collectively, the "Gale/Green Transactions") required that the Company complete all of the acquisitions. Simultaneous with the completion of the Gale/Green Transactions, The Gale Company's President, Mark Yeager, was named an executive vice president of the Company.

Under the Gale/Green Agreements, the Company acquired 100 percent of the ownership interests in three office properties located in New Jersey, aggregating 518,257 square feet (the "Wholly-Owned Properties").

Also, as part of the Gale/Green Agreements, the Company entered into a joint venture with an entity controlled by SL Green (in which Stanley C. Gale has an interest), known as Mack-Green-Gale LLC ("Mack-Green"), to hold an approximate 96 percent interest and act as general partner of Gale SLG NJ Operating Partnership, L.P. (the "OP LP"). The OP LP owns 100 percent of entities which own 25 office properties (collectively, the"OP LP Properties") which aggregate 3.5 million square feet (consisting of 17 office properties aggregating 2.3 million square feet located in New Jersey and eight properties aggregating 1.2 million square feet located in Troy, Michigan), as well as a minor, non-controlling interest in four office properties aggregating 419,000 square feet located in Naperville, Illinois.

Mr. Gale has agreed to pay Mark Yeager, an executive officer of the Company, 49 percent of any payments he receives on account of Mr. Gale's interest with SL Green in Mack-Green.

The Gale Company, the Wholly-Owned Properties, and the interest in Mack-Green were acquired by the Company for a total initial acquisition cost of approximately $245 million consisting of: (i) the issuance by the Company of 224,719 common units of the Operating Partnership; (ii) the payment of a total of approximately $194 million in cash, which was primarily funded through borrowing under the Company's revolving credit facility; and (iii) the assumption of $39.9 million in existing mortgage indebtedness on two of the Wholly-Owned Properties. Mr. Gale has agreed to transfer to Mark Yeager 33,700 of his common units of the Operating Partnership on April 30, 2009, provided that Mr. Yeager's employment with the Company has not been terminated involuntarily without cause ("Employment Continuation") prior to such date. Additionally, the agreement to acquire the Gale Company ("Gale Agreement") contains earn-out provisions providing for the payment of contingent purchase consideration of up to $18 million in cash based upon the achievement of Gross Income and NOI (as such terms are defined in the Gale Agreement) targets and other events for The Gale Company for the three years following the closing date.

Mr. Gale has agreed to pay to Mr. Yeager 49 percent of all amounts he receives pursuant to the Gale Agreement earn-out provisions, subject to certain conditions including Mr. Yeager's Employment Continuation.

The Company has not yet obtained all the information necessary to finalize its estimates to complete the purchase price allocations related to the Gale/Green Transactions. The purchase price allocations will be finalized once the information identified by the Company has been received, which should not be longer than one year from the date of acquisition.

In addition, the Gale Agreement provides for the Company to acquire certain other ownership interests in up to 11 real estate projects (the "Non-Portfolio Properties"), subject to obtaining certain third party consents and the satisfaction of various project-related and/or other conditions. Each of the Company's acquired interests in the Non-Portfolio Properties will provide for the initial distributions of net cash flow solely to the Company, and thereafter an affiliate of Mr. Gale ("Gale Affiliate") has participation rights ("Gale 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 internal rate of return ("IRR") of 10 percent per annum, accruing on the date or dates of the Company's investments.

Mr. Gale has agreed to pay to Mr. Yeager 49 percent of any payments he receives with respect to the Gale Participation Rights, subject to adjustments for payments Mr. Yeager receives from his direct interests in such rights and subject to, in certain cases, Mr. Yeager's Employment Continuation. Mr. Gale has also agreed to pay to Mr. Yeager 49 percent of the distributions he receives with respect to Mr. Gale's interest in certain land located in Florham Park, New Jersey, which is one of the Non-Portfolio Properties not yet acquired by the Company. Such distribution may include the amounts Mr. Gale receives from the conveyance of his interest in the Florham Park land to the Company.

With respect to the arrangements between Mr. Gale and Mr. Yeager regarding the Gale Agreement earn-out provisions and the Florham Park land, they have agreed to consider offering payments to certain persons that have been employed by certain subsidiaries of The Gale Company, which may include current employees of the Company.

Through December 31, 2006, the Company has completed acquisitions of eight of the interests in the Non-Portfolio Properties, which included the acquisitions of interests in: a 527,015 square foot, mixed-use office/retail complex; a 416,429 square-foot multi-tenanted office property; a 139,750 square-foot fully-leased office property; an office property in development; two vacant land parcels (one of which Mr. Yeager has a 16.49 percent interest in the Participation Rights) and two pre-developed projects. The aggregate cost of the completed acquisitions was approximately $25.6 million.

Pursuant to Mr. Gale's agreements with Mr. Yeager, as described herein, Mr. Yeager received approximately $5.6 million during the year ended December 31, 2006.

In connection with the Company's acquisition of the Gale Company, Mr. Gale and certain other affiliates of Gale are restricted from competing with the Company or hiring the Company's employees for a period of four years expiring on May 9, 2010.

Property Acquisitions
The Company acquired the following office properties during the year ended December 31, 2006: *(dollars in thousands)*

Acquisition Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Acquisition Cost
02/28/06	Capital Office Park (a)	Greenbelt, Maryland	7	842,258	$166,011
05/09/06	35 Waterview Boulevard (b) (c)	Parsippany, New Jersey	1	172,498	33,586
05/09/06	105 Challenger Road (b) (d)	Ridgefield Park, New Jersey	1	150,050	34,960
05/09/06	343 Thornall Street (b) (e)	Edison, New Jersey	1	195,709	46,193
07/31/06	395 W. Passaic Street (f)	Rochelle Park, New Jersey	1	100,589	22,219
Total Property Acquisitions:			11	1,461,104	$302,969

(a) This transaction was funded primarily through the assumption of $63.2 million of mortgage debt and the issuance of 1.9 million common operating partnership units valued at $87.2 million.

(b) The property was acquired as part of the Gale/Green Transactions.

(c) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $20.4 million of mortgage debt.

(d) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $19.5 million of mortgage debt.

(e) Transaction was funded primarily through borrowing on the Company's revolving credit facility.

(f) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of $13.1 million of mortgage debt.

Property Sales
The Company sold the following office properties during the year ended December 31, 2006: *(dollars in thousands)*

Sale Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Net Sales Proceeds	Net Book Value	Realized Gain/ (Loss)
06/28/06	Westage Business Center	Fishkill, New York	1	118,727	$ 14,765	$ 10,872	$ 3,893
06/30/06	1510 Lancer Drive	Moorestown, New Jersey	1	88,000	4,146	3,134	1,012
11/10/06	Colorado portfolio	Various cities, Colorado	19	1,431,610	193,404	165,072	28,332
12/21/06	California portfolio	San Francisco, California	2	450,891	124,182	97,814	26,368
Total Sales:			23	2,089,228	$336,497	$276,892	$59,605

On November 7, 2006, the Company sold 10.1 acres of developable land adjacent to its Horizon Center properties in Hamilton Township, New Jersey for net sales proceeds of approximately $1.5 million, realizing a gain of approximately $1.1 million.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

The debt of the Company's unconsolidated joint ventures aggregating $571.7 million as of December 31, 2006 is non-recourse to the Company, except for customary exceptions pertaining to such matters as intentional misuse of funds, environmental conditions and material misrepresentations, and except as otherwise indicated below.

MEADOWLANDS XANADU
On November 25, 2003, the Company and affiliates of The Mills Corporation ("Mills") entered into a joint venture agreement ("Meadowlands Xanadu Venture Agreement") to form Meadowlands Mills/Mack-Cali Limited Partnership ("Meadowlands Venture") for the purpose of developing a $1.3 billion family entertainment, recreation and retail complex with an office and hotel component to be built at the Meadowlands sports complex in East Rutherford, New Jersey ("Meadowlands Xanadu"). The First Amendment to the Meadowlands Xanadu Venture Agreement was entered into as of June 30, 2005. Meadowlands Xanadu's approximately 4.76 million-square-foot complex is expected to feature a family entertainment, recreation and retail destination comprising five themed zones: sports; entertainment; children's education; fashion; and food and home, in addition to four office buildings, aggregating approximately 1.8 million square feet, and a 520-room hotel.

On December 3, 2003, the Meadowlands Venture entered into a redevelopment agreement (the "Redevelopment Agreement") with the New Jersey Sports and Exposition Authority ("NJSEA") for the redevelopment of the area surrounding the Continental Airlines Arena in East Rutherford, New Jersey and the construction of the Meadowlands Xanadu project. The Redevelopment Agreement provides for a 75-year ground lease and requires the Meadowlands Venture to pay the NJSEA a $160 million development rights fee and fixed rent over the term. Fixed rent will be in the amount of $1,000 per year for the first 15 years, increasing to $7.5 million from the 16th to the 18th years, increasing to $8.4 million in the 19th year, increasing to $8.7 million in the 20th year, increasing to $9.0 million in the 21st year, then to $9.2 million in the 23rd to 26th years, with additional increases over the remainder of the term, as set forth in the ground lease. The ground lease also allows for the potential for participation rent payments by the Meadowlands Venture, as described in the ground lease agreement. The First Amendment to the Redevelopment Agreement and the ground lease, itself, were signed on October 5, 2004. The Meadowlands Venture received all necessary permits and approvals from the NJSEA and U.S. Army Corps of Engineers in March 2005 and commenced construction in the same month. As a condition to fill wetlands pursuant to the permit issued by the U.S. Army Corps of Engineers and pursuant to the Redevelopment Agreement, as amended, Mills conveyed certain vacant land, known as the Empire Tract, to a conservancy trust. On June 30, 2005, the $160 million development rights fee was deposited into an escrow account by the Meadowlands Venture in accordance with the terms of the First Amendment to the Redevelopment Agreement. On such date, the following amounts were paid from escrow: (i) approximately $37.2 million to defease certain debt obligations of the NJSEA; and (ii) $26.8 million to the NJSEA, which, in turn, paid such amount to the Meadowlands Venture for the Empire Tract. Subsequently, the remainder of the monies were released from the escrow account to the NJSEA.

The Company and Mills owned a 20 percent and 80 percent interest, respectively, in the Meadowlands Venture. These interests were subject to certain participation rights by The New York Giants, which were subsequently terminated in April 2004. The Meadowlands Xanadu Venture Agreement required the Company to make an equity contribution up to a maximum of $32.5 million, which it fulfilled in April 2005. Pursuant to the Meadowlands Xanadu Venture Agreement, Mills received subordinated capital credit in the venture of approximately $118.0 million, which represented certain costs incurred by Mills in connection with the Empire Tract prior to the creation of the Meadowlands Venture. However, under the First Amendment to the Meadowlands Xanadu Venture Agreement, the Company and Mills agreed that due to the expected receipt by the Meadowlands Venture of certain other sums and certain development costs savings in connection with Meadowlands Xanadu, Mills' subordinated capital credit in the venture for the Empire Tract should be reduced to $60.0 million as of the date of the First Amendment to the Meadowlands Xanadu Venture Agreement. The Meadowlands Xanadu Venture Agreement required Mills to contribute the balance of the capital required to complete the entertainment phase, subject to certain limitations. The Company was to receive a 9 percent preferred return on its equity investment, only after Mills received a 9 percent preferred return on its equity investment. Residual returns, subject to participation by other parties, were to be in proportion to each partner's respective percentage interest.

Mills was to develop, lease and operate the entertainment phase of the Meadowlands Xanadu project. The Meadowlands Venture has formed and owns, directly and indirectly, all of the partnership interests in and to the component ventures which were formed for the future development of the office and hotel phases, which the Company may develop, lease and operate. Upon the Company's exercise of its rights under the Meadowlands Xanadu Venture Agreement to develop the office and hotel phases, the Meadowlands Venture was to convey ownership of the component ventures to the Company and Mills or its affiliate, and the Company or its affiliate was to own an 80 percent interest and Mills or its affiliate was to own a 20 percent interest in such component ventures. However, under the First Amendment to the Meadowlands Xanadu Venture Agreement, if the Meadowlands Venture developed a hotel that had video lottery terminals (or "slots"), or any other legalized form of gaming on or in its premises, then the Company or its affiliate would own a 50 percent interest in such component venture and Mills or its affiliate would own a 50 percent interest. The Meadowlands Xanadu Venture Agreement required that the Company exercise its rights with respect to the first office and hotel phase no later than four years after the grand opening of the entertainment phase, and required that the Company exercise all of its rights with respect to the office and hotel phases no later than 10 years from such date, but did not require that any or all components be developed. However, under the Meadowlands Xanadu Venture Agreement, Mills had the right to accelerate such exercise schedule, subject to certain conditions. Should the Company fail to meet the time schedule described above for the exercise of its rights with respect to the office and hotel phases, the Company would forfeit its rights to control future development. If this occurs, Mills will have the right to develop the additional phases, subject to the Company's right to participate, or to cause the Meadowlands Venture to sell such components to a third party, subject to a sales price limitation of 95 percent of the value that would have been required to form such component ventures.

Commencing three years after the grand opening of the entertainment phase of the Meadowlands Xanadu project, either Mills or the Company could sell its partnership interest to a third party subject to the following provisions:

- Mills had certain “drag-along” rights and the Company had certain “tag-along” rights in connection with such sale of interest to a third party; and
- Mills had a right of first refusal with respect of a sale by the Company of its partnership interests.

In addition, commencing on the sixth anniversary of the opening, the Company could cause Mills to purchase, and Mills may cause the Company to sell to Mills, all of the Company’s partnership interests at a price based on the then fair market value of the project. Notwithstanding the exercise by Mills or the Company of any of the foregoing rights with respect to the sale of the Company’s partnership interest to Mills or a third party, the Company would retain its right to component ventures for the future development of the office and hotel phases.

On August 21, 2006, The Mills Corporation (“TMC”) announced that it had signed a non-binding letter of intent with Colony Capital Acquisitions, LLC (“Colony”) and Kan Am USA Management XXII Limited Partnership (“Kan Am”) under which Colony would arrange for construction financing for Meadowlands Xanadu and make a significant equity infusion into the Meadowlands Venture, and TMC would not have any financial obligations post closing (“Colony Transaction”). Kan Am has been a partner with Mills in the Meadowlands Venture.

On November 22, 2006, the Company entered into and consummated a Redemption Agreement (the “Redemption Agreement”) with the Meadowlands Venture, Meadowlands Developer Holding Corp., a limited partner in the Meadowlands Venture, and the Meadowlands Limited Partnership (f/k/a Meadowlands/Mills Limited Partnership, and hereafter “MLP”), a general partner and a limited partner in the Meadowlands Venture. Immediately prior to entering into the Redemption Agreement, the investors in MLP undertook a restructuring of MLP whereby Colony became an indirect owner of MLP.

In connection with the Colony Transaction and pursuant to the Redemption Agreement, the Meadowlands Venture redeemed (the “Redemption”) the Company’s entire interest in the Meadowlands Venture and its right to participate in the development of the ERC Component in exchange for (i) $22.5 million in cash and (ii) a non-economic partner interest in each of the office and hotel components of Meadowlands Xanadu. In connection with the Redemption, the Operating Partnership also received a non-interest bearing promissory note for an additional $2.5 million, which note is payable in full by MLP only at such time as the Operating Partnership exercises one of its options to develop the first of the office and hotel components of Meadowlands Xanadu. The Company’s remaining investment of approximately $11.9 million is included in deferred charges and other assets, net, as of December 31, 2006.

Concurrent with the execution of the Redemption Agreement, the Company also entered into the Mack-Cali Rights, Obligations and Option Agreement (the “Rights Agreement”) by and among the Meadowlands Venture, MLP, Meadowlands Mack-Cali GP, L.L.C., Mack-Cali, Baseball Meadowlands Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Office Meadowlands Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Mills/Mack-Cali Limited Partnership. Pursuant to the Rights Agreement, the Operating Partnership retained certain rights and obligations it held under the Meadowlands Xanadu Venture Agreement with respect to the development of the office and hotel components of Meadowlands Xanadu, including an option to develop any of the office or hotel components of Meadowlands Xanadu (each, a “Take Down Option”). Upon the exercise of an initial Take Down Option, the Operating Partnership will receive economic interests in each of the office or hotel component partnerships as both a general partner and a limited partner in the applicable office or hotel component, and following receipt of $2.5 million in full payment of the note from MLP, the Operating Partnership’s ownership interest in each of the office or hotel component partnerships will be reduced from 80 percent (as provided in the Meadowlands Xanadu Venture Agreement) to 75 percent.

In October 2006, Mills, the then manager of the Meadowlands Venture, provided the Company information regarding the restatements of financial information it had previously presented to the Company for the period from November 25, 2003 (the inception of the Meadowlands Venture) through December 31, 2005. Included in the Company’s equity in loss of unconsolidated joint ventures from the Meadowlands Venture of $1.8 million for the three and nine months ended September 30, 2006 is $1.4 million related to the Company’s allocated share of the loss arising from the restatement for the period referenced above.

On February 12, 2003, the NJSEA selected The Mills Corporation and the Company to redevelop the Continental Airlines Arena site ("Arena Site") for mixed uses, including retail. In March 2003, Hartz Mountain Industries, Inc., ("Hartz"), filed a lawsuit in the Superior Court of New Jersey, Law Division, for Bergen County, seeking to enjoin NJSEA from entering into a contract with the Meadowlands Venture for the redevelopment of the Continental Airlines Arena site. In May 2003, the court denied Hartz's request for an injunction and dismissed its suit for failure to exhaust administrative remedies. In June 2003, the NJSEA held hearings on Hartz's protest, and on a parallel protest filed by another rejected developer, Westfield, Inc. ("Westfield"). On September 10, 2003, the NJSEA ruled against Hartz's and Westfield's protests. Hartz and Westfield, as well as Elliot Braha and three other taxpayers (collectively "Braha"), thereafter filed appeals from the NJSEA's final decision. By decision dated May 14, 2004, the Appellate Division of the Superior Court of New Jersey rejected the appellants' contention that the NJSEA lacks statutory authority to allow retail development of its property. The Appellate Division also remanded Hart's claim under the Open Public Records Acts, seeking disclosure of additional documents from NJSEA, to the Law Division for further proceedings. The Supreme Court of New Jersey declined to review the Appellate Division's decision. On August 19, 2004, the Law Division issued a decision resolving Hartz's Open Public Records Act claim and ordered NJSEA to disclose some, but not all, of the documents Hartz was seeking. The Appellate Division, in a decision rendered on November 24, 2004, upheld the findings of the Law Division in the remand proceeding. The Supreme Court of New Jersey declined to review the Appellate Division's decision. At Hartz's request, the NJSEA thereafter held further hearings on December 15 and 16, 2004, to review certain additional facts in support of Hartz's and Westfield's bid protest. Braha, as a taxpayer, did not have standing to participate in the supplemental protest hearing. On March 4 , 2005, the Hearing Officer rendered his Supplemental Report and Recommendation to the NJSEA, finding no merit in the protests presented by Hartz and Westfield. The NJSEA accepted the Hearing Officer's Supplemental Report and Recommendation on March 30, 2005 and Hartz and Braha have appealed that decision to the Appellate Division.

In January 2004, Hartz and Westfield also appealed to the Appellate Division of the Superior Court of New Jersey from the NJSEA's December 2003 approval and execution of the Redevelopment Agreement with the Meadowlands Venture.

In November 2004, Hartz and Westfield filed additional appeals in the Appellate Division challenging NJSEA's resolution authorizing the execution of the First Amendment to the Redevelopment Agreement with Meadowlands Venture and the ground lease with the Meadowlands Venture.

All of the above appeals were consolidated by the Appellate Division. On August 17, 2006, the Appellate Division issued an opinion affirming NJSEA's selection of the Meadowlands Venture and rejecting the appellants' arguments in all respects. On August 28, 2006, Hartz made a motion before the Appellate Division for reconsideration of this decision and for supplementation of the record. That motion was denied, and neither Hartz nor Braha has sought review in the New Jersey Supreme Court. These consolidated appeals are now resolved.

On September 30, 2004, the Borough of Carlstadt filed an action in the Superior Court of New Jersey Law Division, challenging Meadowlands Xanadu, which asserted claims that are substantially the same as claims asserted by Hartz and Braha in the above appeals. By Order dated November 19, 2004, the Law Division transferred that matter to the Superior Court of New Jersey, Appellate Division. This matter was voluntarily dismissed by Carlstadt in accordance with a March 22, 2006, Settlement Agreement and Release between Carlstadt and the Meadowlands Venture.

Several appeals filed by Hartz, the Sierra Club and others, including certain environmental groups, that challenge certain approvals received by the Meadowlands Venture from the NJSEA, the New Jersey Meadowlands Commission ("NJMC") and the New Jersey Department of Environmental Protection ("NJDEP") remain pending before the Appellate Division. Some of these appeals challenge NJDEP's issuance of a stream encroachment permit, waterfront development permit, and coastal zone consistency determination for Meadowlands Xanadu. Other of these appeals are from NJDEP's and NJMC's issuance of reports in connection with a consultation process the NJSEA was statutorily required to undertake in connection with any NJSEA-development project.

A Hartz affiliate and a trade association have filed an appeal from an advisory opinion favorable to the Meadowlands Venture issued by the Director of the Division of Alcoholic Beverage Control concerning the availability of special concessionaire permits. That appeal is also pending in the Appellate Division of the Superior Court of New Jersey.

Three separate lawsuits have been filed in the United States District Court for the District of New Jersey, challenging a permit issued by the U.S. Army Corps of Engineers ("USACE") in connection with the project. The first suit was filed on March 30, 2005, by the Sierra Club, the New Jersey Public Interest Research Group, Citizen Lobby, Inc. and the New Jersey Environmental Federation. Additional suits were filed on May 16 and May 31, 2005, respectively, by Hartz (together with one of its officers as an individually-named plaintiff) and the Borough of Carlstadt. The Sierra Club also filed a motion for a

preliminary injunction to stop certain construction activities on the project, which the Court denied on July 6, 2005. On October 26, 2005, the court granted the motions of the Meadowlands Venture and the USACE to dismiss the Hartz complaint for lack of standing. The deadline for appealing that decision has passed, so the Hartz action is ended. On October 31, 2005, the USACE filed a motion to dismiss the complaint filed by the Borough of Carlstadt for lack of standing. On February 7, 2006, the Court granted the motion and dismissed the Borough of Carlstadt's complaint in its entirety. On March 9, 2006, Carlstadt filed a notice of appeal of this decision to the United States Court of Appeals for the Third Circuit. This appeal has been dismissed pursuant to the Settlement Agreement and Release executed by Carlstadt and the Meadowlands Venture.

On April 5, 2005, the New York Football Giants ("Giants") filed an emergent application with the Supreme Court of New Jersey, Chancery Division, seeking an injunction stopping all work on the Meadowlands Xanadu project as being in violation of its existing lease with the NJSEA. After hearing oral argument on the application on August 5, 2005, the court denied the Giants' motion for preliminary injunctive relief. On June 22, 2006, the court entered a Stipulation and Consent Order that dismissed without prejudice the parties' respective claims.

The New Jersey Builders' Association ("NJBA") has commenced an action, which is pending in the Appellate Division, alleging that the NJSEA has failed to meet a purported obligation to provide affordable housing at the Meadowlands Complex and seeking, among other relief, an order enjoining the construction of Meadowlands Xanadu. NJBA filed an application for preliminary injunctive relief seeking to enjoin further construction of Meadowlands Xanadu, which the Appellate Division denied on July 28, 2005. The Meadowlands Venture is not a party to that action.

On January 25, 2006, the Bergen Cliff Hawks Baseball Club, LLC (the "Cliff Hawks"), filed a complaint against the Company and Mills, alleging that the Company and Mills breached an agreement to provide the Cliff Hawks with a minor league baseball park as part of the Xanadu Project. This matter is pending.

The Company believes that the Meadowlands Venture's proposal and the planned project comply with applicable laws, and the Meadowlands Venture intends to continue its vigorous defense of its rights under the Redevelopment Agreement and Ground Lease. Although there can be no assurance, the Company does not believe that the pending lawsuits will have any material affect on its ability to develop the Meadowlands Xanadu project.

G&G MARTCO (Convention Plaza)

The Company held a 50 percent interest in G&G Martco, which owns Convention Plaza, a 305,618 square foot office building, located in San Francisco, California. On November 6, 2006, the Company sold substantially all of its interest in the venture to an affiliate of its joint venture partner for approximately $16.3 million, realizing a gain on the sale of approximately $10.8 million. The Company performed management and leasing services for the property owned by the joint venture through the date of sale and recognized $132,000, $161,000 and $143,000 in fees for such services in the years ended December 31, 2006, 2005 and 2004, respectively.

PLAZA VIII AND IX ASSOCIATES, L.L.C./AMERICAN FINANCIAL EXCHANGE L.L.C.

On May 20, 1998, the Company entered into a joint venture with Columbia Development Company, L.L.C. ("Columbia") to form American Financial Exchange L.L.C. ("AFE"). The venture was formed to acquire land for future development, located on the Hudson River waterfront in Jersey City, New Jersey, adjacent to the Company's Harborside Financial Center office complex. Among other things, the partnership agreement provides for a preferred return on the Company's invested capital in the venture, in addition to the Company's proportionate share of the venture's profit, as defined in the agreement.

AFE distributed its interests in Plaza VIII and IX Associates, L.L.C., which owned the undeveloped land currently used as a parking facility, to its then partners, the Company and Columbia. The Company and Columbia subsequently entered into a new joint venture to own and manage the undeveloped land and related parking operations through Plaza VIII and IX Associates, L.L.C. The Company and Columbia each hold a 50 percent interest in the new venture.

RAMLAND REALTY ASSOCIATES L.L.C. (One Ramland Road)

On August 20, 1998, the Company entered into a joint venture with S.B. New York Realty Corp. to form Ramland Realty Associates L.L.C. The venture was formed to own, manage and operate One Ramland Road, a 232,000 square foot office/flex building and adjacent developable land, located in Orangeburg, New York. In August 1999, the joint venture completed redevelopment of the property and placed the office/flex building in service. The Company holds a 50 percent interest in the joint venture. The venture has a mortgage loan with a $14.9 million balance at December 31, 2006 secured by

its office/flex property. The mortgage bears interest at a rate of LIBOR plus 175 basis points and was scheduled to mature in January 2007, with one two-year extension option, subject to certain conditions. In November 2006, the venture exercised its option to extend the term of the loan until January 2009.

The Company performs management, leasing and other services for the property owned by the joint venture and recognized $100,000, $93,000 and $165,000 in fees for such services in the years ended December 31, 2006, 2005 and 2004, respectively.

ASHFORD LOOP ASSOCIATES L.P. (1001 South Dairy Ashford/2100 West Loop South)

On September 18, 1998, the Company entered into a joint venture with Prudential to form Ashford Loop Associates L.P. The venture was formed to own, manage and operate 1001 South Dairy Ashford, a 130,000 square foot office building acquired on September 18, 1998, and 2100 West Loop South, a 168,000 square foot office building acquired on November 25, 1998, both located in Houston, Texas. The Company held a 20 percent interest in the joint venture. On February 25, 2005, the Company sold its interest in the venture to Prudential for $2.7 million.

SOUTH PIER AT HARBORSIDE - HOTEL DEVELOPMENT

On November 17, 1999, the Company entered into a joint venture with Hyatt Corporation ("Hyatt") to develop a 350-room hotel on the South Pier at Harborside Financial Center, Jersey City, New Jersey, which was completed and commenced initial operations in July 2002. The Company owns a 50 percent interest in the venture.

On October 12, 2006, the venture obtained a $70.0 million mortgage loan collateralized by the hotel property using the proceeds principally to retire $38.9 million of floating-rate debt and to make distributions to partners. The new loan carries an interest rate of 6.15 percent and matures in November 2016. The venture has a loan with a balance as of December 31, 2006 of $7.3 million with the City of Jersey City, provided by the U.S. Department of Housing and Urban Development. The loan currently bears interest at fixed rates ranging from 6.09 percent to 6.62 percent and matures in August 2020. The Company has posted a $7.3 million letter of credit in support of this loan, $3.6 million of which is indemnified by Hyatt.

RED BANK CORPORATE PLAZA L.L.C./RED BANK CORPORATE PLAZA II, L.L.C.

On March 23, 2006, the Company entered into a joint venture with the PRC Group ("PRC") to form Red Bank Corporate Plaza L.L.C. The venture was formed to develop Red Bank Corporate Plaza, a 92,878 square foot office building located in Red Bank, New Jersey, which has been fully pre-leased to Hovnanian Enterprises, Inc. for a 10-year term. The Company holds a 50 percent interest in the venture. PRC contributed the vacant land for the development of the office building as its initial capital in the venture. The Company funded the costs of development up to the value of the land contributed by PRC of $3.5 million as its initial capital. PRC and the Company each funded development costs of the venture of $1.1 million in excess of their initial capital contributed.

On October 20, 2006, the venture entered into a $22.0 million construction loan with a commercial bank collateralized by the land and development project. The loan (with a balance as of December 31, 2006 of $8.7 million), carries an interest rate of LIBOR plus 130 basis points and matures in April 2008. The loan currently has three one-year extension options subject to certain conditions, each of which requires payment of a fee.

On July 20, 2006, the Company entered into a second joint venture agreement with PRC to form Red Bank Corporate Plaza II L.L.C. The venture was formed to hold land on which it plans to develop Red Bank Corporate Plaza II, an 18,561 square foot office building located in Red Bank, New Jersey. The Company holds a 50 percent interest in the venture. The terms of the venture are similar to Red Bank Corporate Plaza L.L.C. PRC contributed the vacant land as its initial capital in the venture.

MACK-GREEN-GALE LLC

On May 9, 2006, as part of the Gale/Green Transactions, the Company entered into a joint venture, Mack-Green-Gale LLC ("Mack-Green"), with SL Green, pursuant to which Mack-Green holds a 96 percent interest and acts as general partner of Gale SLG NJ Operating Partnership, L.P. (the "OP LP"). The Company's acquisition cost for its interest in Mack-Green was approximately $125 million, which was funded primarily through borrowing under the Company's revolving credit facility. The OP LP owns 100 percent of entities which own 25 office properties (the "OP LP Properties") which aggregate 3.5 million square feet (consisting of 17 office properties aggregating 2.3 million square feet located in New Jersey and eight properties aggregating 1.2 million square feet located in Troy, Michigan), as well as a minor, non-controlling interest in four office properties aggregating 419,000 square feet located in Naperville, Illinois.

As defined in the Mack-Green operating agreement, the Company shares decision-making equally with SL Green regarding: (i) all major decisions involving the operations of Mack-Green; and (ii) overall general partner responsibilities in operating the OP LP.

The Mack-Green operating agreement generally provides for profits and losses to be allocated as follows:

(i) 99 percent of Mack-Green's share of the profits and losses from 10 specific OP LP Properties allocable to the Company and one percent allocable to SL Green;
(ii) one percent of Mack-Green's share of the profits and losses from eight specific OP LP Properties and its minor interest in four office properties allocable to the Company and 99 percent allocable to SL Green; and
(iii) 50 percent of all other profits and losses allocable to the Company and 50 percent allocable to SL Green.

Substantially all of the OP LP Properties are encumbered by mortgage loans with an aggregate outstanding principal balance of $358.1 million. $189.8 million of the mortgage loans bear interest at a weighted average fixed interest rate of 6.32 percent per annum and mature at various times through May 2016. $168.3 million of the mortgage loans bear interest at a floating rate ranging from LIBOR plus 185 basis points to LIBOR plus 275 basis points per annum and mature at various times through August 2008. Included in the floating rate mortgage loans are $90.3 million provided by an affiliate of SL Green.

On August 9, 2006, $69.7 million of mortgage loans were refinanced. The new loan has a maximum principal amount of $90.0 million with $78.0 million drawn at December 31, 2006. The loan provides the ability to draw funds for qualified leasing and capital improvement costs. The loan bears interest at a rate of LIBOR plus 185 basis points and matures on August 8, 2008 with a two-year extension option.

The Company performs management, leasing, and construction services for the properties owned by the joint venture and recognized $2.3 million in income (net of $2.2 million in direct costs) for such services in the year ended December 31, 2006.

GE/GALE FUNDING LLC (PFV)
On May 9, 2006, as part of the Gale/Green Transactions, the Company acquired from a Gale Affiliate for $1.8 million a 50 percent controlling interest in GMW Village Associates, LLC ("GMW Village"). GMW Village holds a 20 percent interest in GE/Gale Funding LLC ("GE Gale"). GE Gale owns a 100 percent interest in the entity owning Princeton Forrestal Village, a mixed-use, office/retail complex aggregating 527,015 square feet and located in Plainsboro, New Jersey ("Princeton Forrestal Village" or "PFV").

In addition to the cash consideration paid to acquire the interest, the Company provided a Gale Affiliate with the Gale Participation Rights.

The operating agreement of GE Gale, which is owned 80 percent by GEBAM, Inc., provides for, among other things, distributions of net cash flow, initially, in proportion to each member's interest and subject to adjustment upon achievement of certain financial goals, as defined in the operating agreement.

GE Gale has a mortgage loan in an amount not to exceed $52.8 million, which has a balance at December 31, 2006, of $47.8 million. The loan provides the venture the ability to draw funds for qualified leasing and capital improvement costs. The loan bears interest at a rate of LIBOR plus 275 basis points and matures on January 9, 2009, with an extension option through January 9, 2011.

The Company performs management, leasing, and construction services for PFV and recognized $956,000 in income (net of $7.0 million in direct costs) for such services in the year ended December 31, 2006.

ROUTE 93 MASTER LLC ("Route 93 Participant")/ROUTE 93 BEDFORD MASTER LLC (with the Route 93 Participant, collectively, the "Route 93 Venture")
On June 1, 2006, the Route 93 Venture was formed between the Route 93 Participant, a majority-owned subsidiary of the Company, having a 30 percent interest and the Commingled Pension Trust Fund (Special Situation Property) of JPMorgan Chase Bank having a 70 percent interest, for the purpose of acquiring seven office buildings, aggregating 666,697 square feet, located in the towns of Andover, Bedford and Billerica, Massachusetts. Profits and losses are shared by the partners in proportion to their respective interests until the investment yields an 11 percent IRR, then sharing will shift to 40/60, and when the IRR reaches 15 percent, then sharing will shift to 50/50.

The Route 93 Participant is a joint venture between the Company and a Gale affiliate. Profits and losses are shared by the partners under this venture in proportion to their respective interests until the investment yields an 11 percent IRR, then sharing will shift to 50/50.

The Route 93 Ventures have mortgage loans with an amount not to exceed $58.6 million, with a $39.4 million balance at December 31, 2006 collateralized by its office properties. The loan provides the venture the ability to draw additional monies for qualified leasing and capital improvement costs. The loan bears interest at a rate of LIBOR plus 220 basis points and matures on July 11, 2008, with three one-year extension options.

The Company performs management and construction services for the properties owned by the Route 93 Ventures and recognized $17,800 for such services in the year ended December 31, 2006.

GALE KIMBALL, L.L.C.

On June 15, 2006, the Company entered into a joint venture with a Gale Affiliate to form M-C Kimball, LLC ("M-C Kimball"). M-C Kimball was formed for the sole purpose of acquiring a Gale Affiliate's 33.33 percent membership interest in Gale Kimball, L.L.C. ("Gale Kimball"), an entity holding a 25 percent interest in 100 Kimball Drive LLC ("100 Kimball"), which is developing a 175,000 square foot office property located at 100 Kimball Drive, Parsippany, New Jersey (the "Kimball Property").

The operating agreement of M-C Kimball provides, among other things, for the Gale Participation Rights (of which Mr. Yeager has a direct 26 percent interest).

Gale Kimball is owned 33.33 percent by M-C Kimball and 66.67 percent by the Hampshire Generational Fund, L.L.C. ("Hampshire"). The operating agreement of Gale Kimball provides, among other things, for the distribution of net cash flow, initially, in accordance with its members' respective membership interests and, upon achievement of certain financial conditions, 50 percent to each of the Company and Hampshire.

100 Kimball is owned 25 percent by Gale Kimball and 75 percent by 100 Kimball Drive Realty Member LLC, an affiliate of JP Morgan ("JPM"). The operating agreement of 100 Kimball provides, among other things, for the distributions to be made in the following order:

(i) first, to JPM, such that JPM is provided with an annual 12 percent compound preferred return on Preferred Equity Capital Contributions (as such term is defined in the operating agreement of 100 Kimball and largely comprised of development and construction costs);

(ii) second, to JPM, as return of Preferred Equity Capital Contributions until complete repayment of such Preferred Equity Capital Contributions;

(iii) third, to each of JPM and Gale Kimball in proportion to their respective membership interests until each member is provided, as a result of such distributions, with an annual twelve percent compound return on the Member's Capital Contributions (as defined in the operating agreement of 100 Kimball, and excluding Preferred Equity Capital Contributions, if any); and

(iv) fourth, 50 percent to each of JPM and Gale Kimball.

100 Kimball has a construction loan in an amount not to exceed $29 million, with a balance at December 31, 2006 of $15.3 million. The loan bears interest at a rate of LIBOR plus 195 basis points and matures on December 8, 2008 with a one-year extension option.

The Company performs construction and development services for the property owned by 100 Kimball for which it recognized $271,000 in income (net of $6.6 million in direct costs) in the year ended December 31, 2006.

55 CORPORATE PARTNERS, LLC

On June 9, 2006, the Company entered into a joint venture with a Gale Affiliate to form 55 Corporate Partners, LLC ("55 Corporate"). 55 Corporate was formed for the sole purpose of acquiring from a Gale Affiliate a 50 percent interest in SLG 55 Corporate Drive II, LLC ("SLG 55"), an entity indirectly holding a condominium interest in a vacant land parcel located in Bridgewater, New Jersey, which can accommodate development of an approximately 200,000 square foot office building. Sanofi-Aventis, which occupies neighboring buildings, has an option to cause the venture to construct the building, which it would lease on a long-term basis. Sanofi-Aventis is required to pay a penalty of $7 million, subject to certain conditions, in the event it fails to exercise the option by November 2007. The remaining 50 percent in SLG 55 is owned by SLG Gale 55 Corporate LLC, an affiliate of SL Green Realty Corp ("SLG Gale 55").

The operating agreement of 55 Corporate provides, among other things, for the Gale Participation Rights (of which Mr. Yeager has a direct 26 percent interest). If Mr. Gale receives any commission payments with respect to a Sanofi lease on the development property, Mr. Gale has agreed to pay to Mr. Yeager 26 percent of such payments.

The operating agreement of SLG 55 provides, among other things, for the distribution of the available net cash flow to each of 55 Corporate and SLG Gale 55 in proportion to their respective membership interests in SLG 55 (50 percent each).

12 VREELAND ASSOCIATES, L.L.C.

On September 8, 2006, the Company entered into a joint venture with a Gale Affiliate to form M-C Vreeland, LLC ("M-C Vreeland"). M-C Vreeland was formed for the sole purpose of acquiring a Gale Affiliate's 50 percent membership interest in 12 Vreeland Associates, L.L.C., an entity owning an office property located at 12 Vreeland Road, Florham Park, New Jersey.

The operating agreement of M-C Vreeland provides, among other things, for the Gale Participation Rights (of which Mr. Yeager has a direct 15 percent interest).

The office property at 12 Vreeland is a 139,750 square foot office building that is fully leased to a single tenant through June 15, 2012. The property is subject to a mortgage loan, which matures on July 1, 2012, in the initial amount of $18.1 million bearing interest at 6.9 percent per annum. As of December 31, 2006 the outstanding balance on the mortgage note was $10.3 million.

Under the operating agreement of 12 Vreeland Associates, L.L.C., M-C Vreeland has a 50 percent interest, with S/K Florham Park Associates, L.L.C. (the managing member) and its affiliate holding the other 50 percent.

BOSTON-FILENES

On October 20, 2006, the Company formed a joint venture (the "MC/Gale JV LLC") with Gale International/426 Washington St. LLC ("Gale/426"), which, in turn, entered into a joint venture (the "Vornado JV LLC") with VNO 426 Washington Street JV LLC ("Vornado"), an affiliate of Vornado Realty LP, which was formed to acquire and redevelop the Filenes property located in the Downtown Crossing district of Boston, Massachusetts (the "Filenes Property").

On January 25, 2007, (i) each of M-C/Gale JV LLC, Gale and Washington Street Realty Member LLC ("JPM") formed a joint venture ("JPM JV LLC"), (ii) M-C/Gale JV LLC assigned its entire 50 percent ownership interest in the Vornado JV LLC to JPM JV LLC, (iii) the Limited Liability Company Agreement of Vornado JV LLC was amended to reflect, among other things, the change in the ownership structure described in subsection (ii) above, and (iv) the Limited Liability Company Agreement of MC/Gale JV LLC was amended and restated to reflect, among other things, the change in the ownership structure described in subsection (ii) above. In January 2007, the Company funded an additional $9.6 million in the venture. The Vornado JV LLC acquired the Filenes Property on January 29, 2007, for approximately $100 million.

As a result of the foregoing transactions, as of January 29, 2007, (i) the Filenes Property is owned by Vornado JV LLC, (ii) Vornado JV LLC is owned 50 percent by each of Vornado and JPM JV LLC, (iii) JPM JV LLC is owned 30 percent by M-C/Gale, 70 percent by JPM and managed by Gale/426, which has no ownership interest in JPM JV LLC, and (iv) MC/Gale JV LLC is owned 99.99 percent by the Company and 0.01 percent by Gale/426. Thus, the Company holds approximately a 15 percent indirect ownership interest in the Vornado JV LLC and the Filenes Property.

Distributions are made (i) by Vornado JV LLC in proportion to its members' respective ownership interests, (ii) by JPM JV LLC (a) initially, in proportion to its members' respective ownership interests until JPM's investment yields an 11 percent IRR, (b) thereafter, 60/40 to JPM and MC/Gale JV LLC, respectively, until JPM's investment yields a 15 percent IRR and (c) thereafter, 50/50 to JPM and MC/Gale JV LLC, respectively, and (iii) by MC/Gale JV LLC (w) initially, in proportion to its members' respective ownership interests until each member has received a 10 percent IRR on its investment, (x) thereafter, 65/35 to the Company and Gale/426, respectively, until the Company's investment yields a 15 percent IRR, (y) if by the time the Company receives a 15 percent IRR on its investment, Gale/426 has not done so, 100 percent to Gale/426 until Gale/426's investment yields a 15 percent IRR, and (z) thereafter, 50/50 to each of the Company and Gale/426.

The joint venture's current plans for the development of the Filenes Property include over 1.2 million square feet consisting of office, retail, condominium apartments, hotel and a garage. The project is subject to governmental approvals.

NKFGMS OWNERS, LLC

On December 28, 2006, the Company contributed its facilities management business, which was acquired on May 9, 2006 as part of the Gale/Green Transactions, to a newly-formed joint venture called NKFGMS Owners, LLC. With the contribution, the Company received $600,000 in cash and a 40 percent interest in the joint venture. The Company and a joint venture partner agreed to loan up to $3 million in total to the venture from time to time until December 28, 2009, which shall be funded by each of the Company and the joint venture partner on a pro-rata basis in an amount not to exceed $1.5 million, respectively. The joint venture operating agreement provides for, among other things, profits and losses generally to be allocated in proportion to each member's interest. In connection with the Contribution, the Company recognized a loss of approximately $1.5 million, which is included in gain (loss) on sale of land and other assets for the year ended December 31, 2006.

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of December 31, 2006 and 2005: *(dollars in thousands)*

	December 31, 2006													
	Meadowlands Xanadu	G&G Martco	Plaza VIII & IX Associates	Ramland Realty	Harborside South Pier	Red Bank Corporate Plaza	Mack-Gale-Green	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	Boston-Filenes	NKFGMS Owners LLC	Combined Total
Assets:															
Rental property, net	--	--	$ 11,404	$ 12,029	$ 69,302	$ 12,462	$ 480,905	$ 39,549	$ 54,620	$ 26,601	$ 8,500	$ 8,221	--	$ 239	$ 723,832
Other assets	--	--	1,408	950	11,485	3,309	75,392	25,015	7,189	654	--	909	$ 10,500	2,638	139,449
Total assets	--	--	$ 12,812	$ 12,979	$ 80,787	$ 15,771	$ 556,297	$ 64,564	$ 61,809	$ 27,255	$ 8,500	$ 9,130	$ 10,500	$ 2,877	$ 863,281
Liabilities and partners'/members' capital (deficit):															
Mortgages, loans payable and other obligations	--	--	--	$ 14,936	$ 77,217	$ 8,673	$ 358,063	$ 47,761	$ 39,435	$ 15,350	--	$ 10,253	--	--	$ 571,688
Other liabilities	--	--	$ 532	254	1,045	8	39,525	6,553	836	--	--	--	--	$ 1,329	50,082
Partners'/members' capital (deficit)	--	--	12,280	(2,211)	2,525	7,090	158,709	10,250	21,538	11,905	$ 8,500	(1,123)	$ 10,500	1,548	241,511
Total liabilities and partners'/members' capital (deficit)	--	--	$ 12,812	$ 12,979	$ 80,787	$ 15,771	$ 556,297	$ 64,564	$ 61,809	$ 27,255	$ 8,500	$ 9,130	$ 10,500	$ 2,877	$ 863,281
Company's investment in unconsolidated joint ventures, net	--	--	$ 6,060	--	--	$ 3,647	$ 119,061	$ 2,560	$ 6,669	$ 1,024	$ 8,500	$ 7,130	$ 5,250	$ 400	$ 160,301

	December 31, 2005														
	Meadowlands Xanadu	G&G Martco	Plaza VIII & IX Associates	Ramland Realty	Harborside South Pier	Red Bank Corporate Plaza	Mack-Gale-Green	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	Boston-Filenes	NKFGMS Owners LLC	Combined Total
Assets:															
Rental property, net	$390,488	$ 10,628	$12,024	$ 12,511	$ 74,466	--	--	--	--	--	--	--	--	--	$500,117
Other assets	171,029	6,427	1,661	1,188	11,393	--	--	--	--	--	--	--	--	--	191,698
Total assets	$561,517	$ 17,055	$13,685	$ 13,699	$ 85,859	--	--	--	--	--	--	--	--	--	691,815
Liabilities and partners'/members' capital (deficit):															
Mortgages, loans payable and other obligations	--	$ 46,588	--	$ 14,936	$ 56,970	--	--	--	--	--	--	--	--	--	$118,494
Other liabilities	$ 60,447	876	$ 1,358	220	4,341	--	--	--	--	--	--	--	--	--	67,242
Partners'/members' capital (deficit)	501,070	(30,409)	12,327	(1,457)	24,548	--	--	--	--	--	--	--	--	--	506,079
Total liabilities and partners'/members' capital (deficit)	$561,517	$ 17,055	$13,685	$ 13,699	$ 85,859	--	--	--	--	--	--	--	--	--	$691,815
Company's investment in unconsolidated joint ventures, net	$ 34,640	$ 6,438	$ 6,084	$ --	$ 14,976	--	--	--	--	--	--	--	--	--	$ 62,138

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the years ended December 31, 2006, 2005 and 2004: *(dollars in thousands)*

	Year Ended December 31, 2006														
	Meadowlands Xanadu	HPMC	G&G Martco	Plaza VIII & IX Associates	Ramland Realty	Ashford Loop	Harborside South Pier	Red Bank Corporate Plaza	Mack-Green-Gale	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	Combined Total
Total revenues	--	--	$ 5,990	$ 755	$ 2,158	--	$ 39,268	$ 15	$ 44,121	$ 8,904	$ 3,609	$ 4	--	$ 2,102	$106,926
Operating and other expenses	--	--	(2,702)	(186)	(1,497)	--	(23,533)	--	(19,639)	(5,832)	(1,502)	(1)	--	(76)	(54,968)
Depreciation and amortization	--	--	(1,216)	(616)	(836)	--	(5,853)	--	(21,129)	(2,883)	(811)	--	--	(352)	(33,696)
Interest expense	--	--	(2,499)	--	(1,029)	--	(3,962)	--	(17,117)	(3,059)	(1,890)	--	--	(755)	(30,311)
Net income	--	--	$ (427)	$ (47)	$ (1,204)	--	$ 5,920	$ 15	$(13,764)	$ (2,870)	$ (594)	$ 3	--	$ 919	$ (12,049)
Company's equity in earnings (loss) of unconsolidated joint ventures	$(1,876)	--	$ (930)	$ (24)	$ (225)		$ 2,820	--	$ (4,945)	$ (436)	$ (148)	--		$ 208	$ (5,556)

	Year Ended December 31, 2005														
	Meadowlands Xanadu	HPMC	G&G Martco	Plaza VIII & IX Associates	Ramland Realty	Ashford Loop	Harborside South Pier	Red Bank Corporate Plaza	Mack-Green-Gale	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	Combined Total
Total revenues	--	--	$ 6,767	$ 396	$ 2,028	--	$ 35,198	--	--	--	--	--	--	--	$ 44,389
Operating and other expenses	--	--	(3,662)	(169)	(1,407)	--	(22,251)	--	--	--	--	--	--	--	(27,489)
Depreciation and amortization	--	--	(1,205)	(616)	(638)	--	(5,778)	--	--	--	--	--	--	--	(8,237)
Interest expense	--	--	(2,270)	--	(759)	--	(4,176)	--	--	--	--	--	--	--	(7,205)
Net income	--		$ (370)	$ (389)	$ (776)	--	$ 2,993	--	--	--	--	--	--	--	$ 1,458
Company's equity in earnings (loss) of unconsolidated joint ventures	--	--	$(1,219)	$ (196)	--	$ (30)	$ 1,693	--	--	--	--	--	--	--	$ 248

	Year Ended December 31, 2004														
	Meadowlands Xanadu	HPMC	G&G Martco	Plaza VIII & IX Associates	Ramland Realty	Ashford Loop	Harborside South Pier	Red Bank Corporate Plaza	Mack-Green-Gale	Princeton Forrestal Village	Route 93 Portfolio	Gale Kimball	55 Corporate	12 Vreeland	Combined Total
Total revenues	--	$ 10,755	$ 7,113	$ 91	$ 1,958	$ 2,937	$ 30,345	--	--	--	--	--	--	--	$ 53,199
Operating and other expenses	--	(259)	(3,676)	(166)	(1,516)	(3,403)	(19,613)	--	--	--	--	--	--	--	(28,633)
Depreciation and amortization	--	--	(1,002)	(616)	(630)	(25,550)	(5,767)	--	--	--	--	--	--	--	(33,565)
Interest expense	--	--	(1,342)	--	(479)	--	(3,146)	--	--	--	--	--	--	--	(4,967)
Net income	--	$ 10,496	$ 1,093	$ (691)	$ (667)	$(26,016)	$ 1,819	--	--	--	--	--	--	--	$(13,966)
Company's equity in earnings (loss) of unconsolidated joint ventures	--	$ 661	$ 730	$ (346)	$ (600)	$ (5,203)	$ 872	--	--	--	--	--	--	--	$ (3,886)

5. DEFERRED CHARGES AND OTHER ASSETS

	December 31,	
(dollars in thousands)	2006	2005
Deferred leasing costs	$184,175	$182,975
Deferred financing costs	21,252	21,764
	205,427	204,739
Accumulated amortization	(76,407)	(73,410)
Deferred charges, net	129,020	131,329
Notes receivable	11,769	11,919
In-place lease values and related intangible assets, net	58,495	37,028
Prepaid expenses and other assets, net	41,353	17,358
Total deferred charges and other assets, net	$240,637	$197,634

6. RESTRICTED CASH

Restricted cash includes 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)*

	December 31,	
	2006	2005
Security deposits	$ 8,496	$8,398
Escrow and other reserve funds	6,952	823
Total restricted cash	$15,448	$9,221

7. DISCONTINUED OPERATIONS

On March 23, 2006, the Company entered into an agreement to sell its 118,727 square-foot office building located at 300 Westage Business Center Drive in Fishkill, New York. On June 28, 2006, the Company completed the sale of the building, received net sales proceeds of approximately $14.8 million, and recognized a gain of approximately $3.9 million on the sale.

On June 30, 2006, the Company sold 1510 Lancer Drive, an 88,000 square-foot office/flex building located in Moorestown, New Jersey, for $4.2 million, and recognized a gain of approximately $1.0 million on the sale.

On August 9, 2006, the Company entered into an agreement to sell its entire Colorado portfolio, which consists of 19 office buildings totaling approximately 1.4 million square feet, plus 7.1 acres of vacant land and a 1.6 acre site being developed for additional parking at one of the office buildings. On November 10, 2006, the Company completed the sale of the portfolio, received net sales proceeds of approximately $193.4 million, and recognized a gain of approximately $28.3 million on the sale.

On September 25, 2006, the Company entered into an agreement to sell its California portfolio, which consists of two office buildings totaling approximately 450,891 square feet. On December 21, 2006, the Company completed the sale of the portfolio, received net sales proceeds of $124.2 million, and recognized a gain of approximately $26.4 million on the sale.

As the Company sold 111 East Shore Road and 600 Community Drive in North Hempstead, New York; 210 South 16th Street in Omaha, Nebraska; 3600 South Yosemite in Denver, Colorado; 201 Willowbrook Boulevard in Wayne, New Jersey; 1122 Alma Road in Richardson, Texas; and 3 Skyline Drive in Hawthorne, New York during the year ended December 31, 2005; and 3030 L.B.J. Freeway in Dallas, Texas; 84 N.E. Loop 410 in San Antonio, Texas; and 340 Mt. Kemble Avenue in Morris Township, New Jersey during the year ended December 31, 2004; the Company has presented these assets as discontinued operations in the statement of operations for all periods presented.

There are no properties identified as held for sale as of December 31, 2006.

The following tables summarize income from discontinued operations (net of minority interest) and the related realized gains (losses) and unrealized losses on disposition of rental property (net of minority interest), net for the years ended December 31, 2006, 2005 and 2004: *(dollars in thousands)*

	Year Ended December 31,		
	2006	2005	2004
Total revenues	$ 35,348	$ 48,527	$ 65,916
Operating and other expenses	(15,166)	(18,818)	(24,871)
Depreciation and amortization	(7,090)	(12,506)	(15,477)
Interest expense (net of interest income)	102	42	(407)
Minority interest	(2,603)	(2,777)	(2,869)
Income from discontinued operations (net of minority interest)	$ 10,591	$ 14,468	$ 22,292

	Year Ended December 31,		
	2006	2005	2004
Realized gains (losses) on disposition of rental property, net	$ 59,605	$ 7,136	$ 11,130
Unrealized losses on disposition of rental property	--	(1,613)	(11,856)
Minority interest	(11,890)	(1,097)	107
Realized gains (losses) and unrealized losses on disposition of rental property (net of minority interest), net	$ 47,715	$ 4,426	$ (619)

8. SENIOR UNSECURED NOTES

A summary of the Company's senior unsecured notes as of December 31, 2006 and 2005 is as follows: *(dollars in thousands)*

	December 31,		Effective
	2006	2005	Rate (1)
7.250% Senior Unsecured Notes, due March 15, 2009	$ 299,481	$ 299,246	7.49%
5.050% Senior Unsecured Notes, due April 15, 2010	149,819	149,765	5.27%
7.835% Senior Unsecured Notes, due December 15, 2010	15,000	15,000	7.95%
7.750% Senior Unsecured Notes, due February 15, 2011	299,295	299,122	7.93%
5.250% Senior Unsecured Notes, due January 15, 2012	99,015	--	5.46%
6.150% Senior Unsecured Notes, due December 15, 2012	91,981	91,488	6.89%
5.820% Senior Unsecured Notes, due March 15, 2013	25,420	25,309	6.45%
4.600% Senior Unsecured Notes, due June 15, 2013	99,815	99,787	4.74%
5.125% Senior Unsecured Notes, due February 15, 2014	201,708	201,948	5.11%
5.125% Senior Unsecured Notes, due January 15, 2015	149,256	149,164	5.30%
5.800% Senior Unsecured Notes, due January 15, 2016	200,692	99,680	5.81%
Total Senior Unsecured Notes	$ 1,631,482	$ 1,430,509	6.28%

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

On January 24, 2006, the Company issued $100 million face amount of 5.80 percent senior unsecured notes due January 15, 2016 with interest payable semi-annually in arrears, and $100 million face amount of 5.25 percent senior unsecured notes due January 15, 2012 with interest payable semi-annually in arrears. The total proceeds from the issuances, including accrued interest on the 5.80 percent notes, of approximately $200.8 million were used to reduce outstanding borrowings under the Company's unsecured facility.

On November 15, 2005, the Company issued $100 million face amount of 5.80 percent senior unsecured notes due January 15, 2016 with interest payable semi-annually in arrears. The proceeds from the issuance (net of selling commissions and discount) of approximately $99 million were used to reduce outstanding borrowings under the Company's unsecured facility.

On April 15, 2005, the Company issued $150 million face amount of 5.05 percent senior unsecured notes due April 15, 2010 with interest payable semi-annually in arrears. The proceeds from the issuance (net of selling commissions and discount) of approximately $148.8 million were used to reduce outstanding borrowings under the Company's unsecured facility.

On January 25, 2005, the Company issued $150 million face amount of 5.125 percent senior unsecured notes due January 15, 2015 with interest payable semi-annually in arrears. The proceeds from the issuance (including premium and net of selling commissions) of approximately $148.1 million were used primarily to reduce outstanding borrowings under the Company's unsecured facility.

9. UNSECURED REVOLVING CREDIT FACILITY

The Company has an unsecured revolving credit facility with a borrowing capacity of $600 million, (expandable to $800 million). The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) under the unsecured facility is currently LIBOR plus 65 basis points. The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to $300 million at interest rates less than the current LIBOR plus 65 basis point spread. As of December 31, 2006, the Company's outstanding borrowings carried a weighted average interest rate of LIBOR plus 41 basis points. The Company may also elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The unsecured facility, which also requires a 15 basis point facility fee on the current borrowing capacity payable quarterly in arrears, is scheduled to mature in November 2009 and has an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the facility upon exercise.

The interest rate and the facility fee are subject to adjustment, on a sliding scale, based upon the operating partnership's unsecured debt ratings. In the event of a change in the Operating Partnership's unsecured debt rating, the interest and facility fee rates will be adjusted in accordance with the following table:

Operating Partnership's Unsecured Debt Ratings: S&P Moody's/Fitch (a)	**Interest Rate - Applicable Basis Points Above LIBOR**	**Facility Fee Basis Points**
No ratings or less than BBB-/Baa3/BBB-	112.5	25.0
BBB-/Baa3/BBB-	80.0	20.0
BBB/Baa2/BBB (current)	65.0	15.0
BBB+/Baa1/BBB+	55.0	15.0
A-/A3/A- or higher	50.0	15.0

(a) If the Operating Partnership has debt ratings from two rating agencies, one of which is Standard & Poor's Rating Services ("S&P") or Moody's Investors Service ("Moody's"), the rates per the above table shall be based on the lower of such ratings. If the Operating Partnership has debt ratings from three rating agencies, one of which is S&P or Moody's, the rates per the above table shall be based on the lower of the two highest ratings. If the Operating Partnership has debt ratings from only one agency, it will be considered to have no rating or less than BBB-/Baa3/BBB- per the above table.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), 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 facility described below, or (ii) the property dispositions are completed while the Company is under an event of default under the facility, 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, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other common equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined in the facility agreement) for such period, subject to certain other adjustments.

The lending group for the credit facility consists of: JPMorgan Chase Bank, N.A., as administrative agent; Bank of America, N.A., as syndication agent; The Bank of Nova Scotia, New York Agency; Wachovia Bank, National Association; and Wells Fargo Bank, National Association, as documentation agents; SunTrust Bank, as senior managing agent; US Bank National Association; Citicorp North America, Inc.; and PNC Bank National Association, as managing agents; and Bank of China, New York Branch; The Bank of New York; Chevy Chase Bank, F.S.B.; The Royal Bank of Scotland, plc; Mizuho Corporate Bank, Ltd.; UFJ Bank Limited, New York Branch; The Governor and Company of the Bank of Ireland; Bank Hapoalim B.M.; Comerica Bank; Chang Hwa Commercial Bank, Ltd., New York Branch; First Commercial Bank, New York Agency; Chiao Tung Bank Co., Ltd., New York Agency; Deutsche Bank Trust Company Americas; and Hua Nan Commercial Bank, New York Agency.

SUMMARY
As of December 31, 2006 and 2005, the Company had outstanding borrowings of $145 million and $227 million, respectively, under its unsecured revolving credit facility.

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. As of December 31, 2006, 20 of the Company's properties, with a total book value of approximately $600.9 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.

A summary of the Company's mortgages, loans payable and other obligations as of December 31, 2006 and 2005 is as follows: *(dollars in thousands)*

Property Name	Lender	Effective Interest Rate (a)	Principal Balance at December 31, 2006	2005	Maturity
Mack-Cali Airport	Allstate Life Insurance Co.	7.05%	$ 9,422	$ 9,644	04/01/07 (b)
6303 Ivy Lane	State Farm Life Insurance Co.	5.57%	6,020	--	07/01/07 (c)
6404 Ivy Lane	TIAA	5.58%	13,665	--	08/01/08
Assumed obligations	Various	4.90%	38,742	53,241	05/01/09 (d)
Various (e)	Prudential Insurance Co.	4.84%	150,000	150,000	01/15/10
105 Challenger Road	Archon Financial CMBS	6.24%	18,748	--	06/06/10
2200 Renaissance Boulevard	TIAA	5.89%	17,819	18,174	12/01/12
Soundview Plaza	TIAA	6.02%	18,013	18,427	01/01/13
9200 Edmonston Road	Principal Commercial Funding, L.L.C.	5.53%	5,232	--	05/01/13
6305 Ivy Lane	John Hancock Life Insurance Co.	5.53%	7,285	--	01/01/14
395 West Passaic	State Farm Life Insurance Co.	6.00%	12,996	--	05/01/14
6301 Ivy Lane	John Hancock Life Insurance Co.	5.52%	6,821	--	07/01/14
35 Waterview	Wachovia CMBS	6.35%	20,318	--	08/11/14
500 West Putnam Avenue	New York Life Ins. Co.	5.57%	25,000	25,000	01/10/16
23 Main Street	JP Morgan CMBS	5.59%	33,396	33,500	09/01/18
Harborside - Plaza 2 and 3	Northwestern/Principal	--	--	144,642	01/01/06 (f)
Monmouth Executive Center	Lehman Brothers CMBS	--	--	16,044	09/01/06 (g)
Total Mortgages, loans payable and other obligations:			$383,477	$468,672	

(a) Reflects effective rate of debt, including deferred financing costs, comprised of the cost of terminated treasury lock agreements (if any), debt initiation costs and other transaction costs, as applicable.

(b) On February 5, 2007, the Company repaid this mortgage loan at par, using available cash.

(c) On February 15, 2007, the Company repaid this mortgage loan at par, using available cash.

(d) The obligations mature at various times through May 2009.

(e) Mortgage is collateralized by seven properties.

(f) On January 3, 2006, the Company repaid this mortgage loan at par, using borrowings under the Unsecured Facility.

(g) On August 1, 2006, the Company repaid the loan at par, using borrowings under the Company's revolving credit facility.

SCHEDULED PRINCIPAL PAYMENTS

Scheduled principal payments and related weighted average annual interest rates for the Company's senior unsecured notes (see Note 8), unsecured revolving credit facility and mortgages, loans payable and other obligations as of December 31, 2006 are as follows: *(dollars in thousands)*

Period	Scheduled Amortization	Principal Maturities	Total	Weighted Avg. Interest Rate of Future Repayments (a)
2007	$ 19,126	$ 15,152	$ 34,278	5.67%
2008	17,971	12,563	30,534	5.25%
2009	10,100	445,000	455,100	6.89%
2010	2,795	334,500	337,295	5.26%
2011	3,580	300,000	303,580	7.91%
Thereafter	11,685	993,091	1,004,776	5.57%
Sub-total	65,257	2,100,306	2,165,563	6.11%
Adjustment for unamortized debt discount/premium, net, as of December 31, 2006	(5,604)	--	(5,604)	--
Totals/Weighted Average	$ 59,653	$ 2,100,306	$ 2,159,959	6.11%

(a) Actual weighted average LIBOR contract rates relating to the Company's outstanding debt as of December 31, 2005 of 5.35 percent was used in calculating revolving credit facility and other variable rate debt interest rates.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the years ended December 31, 2006, 2005 and 2004 was $132,904,000, $115,359,000 and $110,092,000, respectively. Interest capitalized by the Company for the years ended December 31, 2006, 2005 and 2004 was $6,058,000, $5,518,000 and $3,920,000, respectively.

SUMMARY OF INDEBTEDNESS

As of December 31, 2006, the Company's total indebtedness of $2,159,959,000 (weighted average interest rate of 6.11 percent) was comprised of $145,000,000 of revolving credit facility borrowings (weighted average rate of 5.76 percent) and fixed rate debt and other obligations of $2,014,959,000 (weighted average rate of 6.14 percent).

As of December 31, 2005, the Company's total indebtedness of $2,126,181,000 (weighted average interest rate of 6.15 percent) was comprised of $227,000,000 of revolving credit facility borrowings (weighted average rate of 4.84 percent) and fixed rate debt and other obligations of $1,899,181,000 (weighted average rate of 6.30 percent).

11. MINORITY INTERESTS

OPERATING PARTNERSHIP

Minority interests in the accompanying consolidated financial statements relate to (i) preferred units ("Preferred Units") and common units in the Operating Partnership, held by parties other than the Company, and (ii) interests in consolidated joint ventures for the portion of such properties not owned by the Company.

Preferred Units

The Operating Partnership has one class of outstanding Preferred Units, the Series C Preferred Units, and one class of Preferred Units, the Series B Preferred Units, which were converted to common units on June 13, 2005, each of which are described as follows:

Series C

In connection with the Company's issuance of $25 million of Series C cumulative redeemable perpetual preferred stock, the Company acquired from the Operating Partnership $25 million of Series C Preferred Units (the "Series C Preferred Units"), which have terms essentially identical to the Series C preferred stock. See Note 14: Stockholders' Equity - Preferred Stock.

Series B

The Series B Preferred Units had a stated value of $1,000 per unit and were preferred as to assets over any class of common units or other class of preferred units of the Company, based on circumstances per the applicable unit certificates. The quarterly distribution on each Series B Preferred Unit was an amount equal to the greater of (i) $16.875 (representing 6.75 percent of the Series B Preferred Unit stated value of an annualized basis) or (ii) the quarterly distribution attributable to a Series B Preferred Unit determined as if such unit had been converted into common units, subject to adjustment for customary anti-dilution rights.

On June 13, 2005, the Operating Partnership caused the mandatory conversion (the "Conversion") of all 215,018 outstanding Series B Preferred Units into 6,205,425.72 Common Units. Each Series B Preferred Unit was converted into whole and fractional Common Units equal to (x) the $1,000 stated value, divided by (y) the conversion price of $34.65. A description of the rights, preferences and privileges of the Common Units is set forth below.

Common Units

Certain individuals and entities own common units in the Operating Partnership. A common unit and a share of common stock of the Company 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 units are redeemable by the common unitholders at their option, subject to certain restrictions, on the basis of one common unit for either one share of common stock or cash equal to the fair market value of a share at the time of the redemption. The Company has the option to deliver shares of common stock in exchange for all or any portion of the cash requested. The common unitholders may not put the units for cash to the Company or the Operating Partnership. When a unitholder redeems a common unit, minority interest in the Operating Partnership is reduced and the Company's investment in the Operating Partnership is increased.

Unit Transactions

The following table sets forth the changes in minority interest which relate to the Series B Preferred Units and common units in the Operating Partnership for the years ended December 31, 2006, 2005 and 2004: *(dollars in thousands)*

	Series B Preferred Units	Common Units	Series B Preferred Unitholders	Common Unitholders	Total
Balance at January 1, 2004	215,018	7,795,498	$ 220,547	$ 207,552	$ 428,099
Net income	--	--	15,636	12,901	28,537
Distributions	--	--	(15,636)	(19,501)	(35,137)
Redemption of common units for shares of common stock	--	(179,051)	--	(4,644)	(4,644)
Balance at December 31, 2004	215,018	7,616,447	$ 220,547	$ 196,308	$ 416,855
Net income	--	--	3,909	18,722	22,631
Distributions	--	--	(3,909)	(30,754)	(34,663)
Conversion of Preferred Units into common units	(215,018)	6,205,426	(220,547)	220,547	--
Issuance of common units	--	63,328	--	2,786	2,786
Redemption of common units for shares of common stock	--	(234,762)	--	(6,790)	(6,790)
Balance at December 31, 2005	--	13,650,439	--	$ 400,819	$ 400,819
Net income	--	--	--	35,026	35,026
Distributions	--	--	--	(38,585)	(38,585)
Issuance of common units	--	2,167,053	--	97,517	97,517
Redemption of common units for shares of common stock	--	(475,209)	--	(14,674)	(14,674)
Balance at December 31, 2006	--	15,342,283	--	$ 480,103	$ 480,103

Minority Interest Ownership
As of December 31, 2006 and December 31, 2005, the minority interest common unitholders owned 19.6 percent and 18.0 percent of the Operating Partnership, respectively.

CONSOLIDATED JOINT VENTURES
The Company has ownership interests in certain joint ventures which it consolidates. Various entities and/or individuals hold minority interests in many of these ventures.

12. EMPLOYEE BENEFIT 401(k) PLAN

Employees of the Company, other than those assigned to the Gale Company and affiliated employers, who meet certain minimum age and period of service requirements are eligible to participate in a 401(k) defined contribution plan (the "401(k) Plan"). The 401(k) Plan allows eligible employees to defer from 1 to 30 percent of their annual compensation, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company, at management's discretion, may match employee contributions and/or make discretionary contributions. Total expense recognized by the Company for the 401(k) Plan for each of the three years ended December 31, 2006, 2005 and 2004 was $400,000.

All employees of the Gale Company and other affiliated participating employers, other than certain employees who are represented for collective bargaining purposes by a labor organization, who meet certain minimum age and period of service requirements are eligible to participate in a 401(k) defined contribution plan (the "Gale Plan"). The Gale Plan allows eligible employees to defer from their annual compensation, the maximum amount permitted under federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Gale Company or the participant's employer matches the employee's deferral at the rate of 50 percent on the first six percent of the employee's annual compensation for employees who have at least 1,000 hours of service and are employed on the last day of the plan year. In addition, the Company, at management's discretion, may make discretionary contributions. Participants become 50 percent vested in employer contributions after two years of service and become 100 percent vested after three years of service. Total expense recognized after the completion of the Gale/Green Transactions by the Company for the Gale Plan for the year ended December 31, 2006 was $370,000.

13. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS

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 financial instruments at December 31, 2006 and 2005. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, marketable securities, receivables, accounts payable, and accrued expenses and other liabilities are carried at amounts which reasonably approximate their fair values as of December 31, 2006 and 2005.

The fair value of the fixed-rate mortgage debt and unsecured notes as of December 31, 2006 approximated the book value of approximately $2.0 billion. As of December 31, 2005, the fair value of fixed-rate mortgage debt and unsecured notes was approximately $39.4 million higher than the book value of approximately $1.9 billion. 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.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 2006 and 2005. 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 December 31, 2006 and current estimates of fair value may differ significantly from the amounts presented herein.

14. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

Harborside Financial Center

Pursuant to agreements with the City of Jersey City, New Jersey, the Company is required to make payments in lieu of property taxes ("PILOT") on certain of its properties located in Jersey City, as follows:

The Harborside Plaza 4-A agreement, which commenced in 2000, is for a term of 20 years. The PILOT is equal to two percent of Total Project costs, as defined, and increases by 10 percent in years 7, 10 and 13 and by 50 percent in year 16. Total Project costs, as defined, are $45.5 million. The PILOT totaled $910,000 for each of the years ended December 31, 2006, 2005 and 2004.

The Harborside Plaza 5 agreement, as amended, which commenced in 2002 upon substantial completion of the property, as defined, is for a term of 20 years. The PILOT is equal to two percent of Total Project Costs. Total Project Costs, as defined, are $159.6 million. The PILOT totaled $3.2, $3.2 and $3.2 million for each of the years ended December 31, 2006, 2005 and 2004.

At the conclusion of the above-referenced PILOT 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.

OPERATING LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable operating leases under which the Company is the lessee, as of December 31, 2006, are as follows: *(dollars in thousands)*

Year	Amount
2007	$412
2008	68
2009	16
2010	3
Total	$499

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 December 31, 2006, are as follows: *(dollars in thousands)*

Year	Amount
2007	$ 508
2008	486
2009	501
2010	501
2011	501
2012 through 2084	35,453
Total	$37,950

Ground lease expense incurred by the Company during the years ended December 31, 2006, 2005 and 2004 amounted to $698,000, $606,000 and $583,000, respectively.

OTHER

The Company may not dispose of or distribute certain of its properties, currently comprising 50 properties with an aggregate net book value of approximately $1.3 billion, which were originally contributed by members of either the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes, Robert F. Weinberg director; Martin S. Berger, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, director, and John J. Cali, a former director) or certain other common unitholders without the express written consent of a representative of the Mack Group, the Robert Martin Group, the Cali Group or the specific certain other common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company's Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration 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 appropriate Mack Group, Robert Martin Group, Cali Group members or the specific certain other common unitholders. 88 of our properties, with an aggregate net book value of approximately $809.0 million, have lapsed restrictions and are subject to these conditions.

15. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2026. Substantially all of the 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 operating leases at December 31, 2006 are as follows: *(dollars in thousands)*

Year	Amount
2007	$550,259
2008	510,918
2009	463,182
2010	408,125
2011	340,610
2012 and thereafter	1,016,936
Total	$3,290,030

16. STOCKHOLDERS' EQUITY

To maintain its qualification as a REIT, not more than 50 percent in value of the outstanding shares of the Company may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of any taxable year of the Company, other than its initial taxable year (defined to include certain entities), applying certain constructive ownership rules. To help ensure that the Company will not fail this test, the Company's Articles of Incorporation provide for, 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 Company 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.

COMMON STOCK
On February 7, 2007, the Company completed an underwritten offer and sale of 4,650,000 shares of its common stock and used the net proceeds, which totaled approximately $252 million (after offering costs), primarily to pay down its outstanding borrowings under the Company's revolving credit facility and general corporate purposes.

PREFERRED STOCK
On March 14, 2003, in a publicly registered transaction with a single institutional buyer, the Company completed the sale and issuance of 10,000 shares of eight-percent Series C cumulative redeemable perpetual preferred stock ("Series C Preferred Stock") in the form of 1,000,000 depositary shares ($25 stated value per depositary share). Each depositary share represents 1/100th of a share of Series C Preferred Stock. The Company received net proceeds of approximately $24.8 million from the sale. See Note 11: Minority Interests - Operating Partnership - Preferred Units.

The Series C Preferred Stock has preference rights with respect to liquidation and distributions over the common stock. Holders of the Series C Preferred Stock, except under certain limited conditions, will not be entitled to vote on any matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of the Series C Preferred Stock will have the right to elect two additional members to serve on the Company's Board of Directors until dividends have been paid in full. At December 31, 2006, there were no dividends in arrears. The Company may issue unlimited additional preferred stock ranking on a parity with the Series C Preferred Stock but may not issue any preferred stock senior to the Series C Preferred Stock without the consent of two-thirds of its holders. The Series C Preferred Stock is essentially on an equivalent basis in priority with the Preferred Units.

Except under certain conditions relating to the Company's qualification as a REIT, the Series C Preferred Stock is not redeemable prior to March 14, 2008. On and after such date, the Series C Preferred Stock will be redeemable at the option of the Company, in whole or in part, at $25 per depositary share, plus accrued and unpaid dividends.

SHARE REPURCHASE PROGRAM
The Company has authorization to repurchase up to $45.5 million of its outstanding common stock, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN
The Company has a dividend reinvestment and stock purchase plan, which commenced in March 1999.

SHAREHOLDER RIGHTS PLAN
On June 10, 1999, the Board of Directors of the Company authorized a dividend distribution of one preferred share purchase right ("Right") for each outstanding share of common stock which were distributed to all holders of record of the common stock on July 6, 1999. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A junior participating preferred stock, par value $0.01 per share ("Preferred Shares"), at a price of $100.00 per one one-thousandth of a Preferred Share ("Purchase Price"), subject to adjustment as provided in the rights agreement. The Rights expire on July 6, 2009, unless the expiration date is extended or the Right is redeemed or exchanged earlier by the Company.

The Rights are attached to each share of common stock. The Rights are generally exercisable only if a person or group becomes the beneficial owner of 15 percent or more of the outstanding common stock or announces a tender offer for 15 percent or more of the outstanding common stock ("Acquiring Person"). In the event that a person or group becomes an Acquiring Person, each holder of a Right will have the right to receive, upon exercise, common stock having a market value equal to two times the Purchase Price of the Right.

STOCK OPTION PLANS
In May 2004, the Company established the 2004 Incentive Stock Plan under which a total of 2,500,000 shares have been reserved for issuance. No options have been granted through December 31, 2006 under this plan. In September 2000, the Company established the 2000 Employee Stock Option Plan ("2000 Employee Plan") and the Amended and Restated 2000 Director Stock Option Plan ("2000 Director Plan"). In May 2002, shareholders of the Company approved amendments to

both plans to increase the total shares reserved for issuance under both of the 2000 plans from 2,700,000 to 4,350,000 shares of the Company's common stock (from 2,500,000 to 4,000,000 shares under the 2000 Employee Plan and from 200,000 to 350,000 shares under the 2000 Director Plan). In 1994, and as subsequently amended, the Company established the Mack-Cali Employee Stock Option Plan ("Employee Plan") and the Mack-Cali Director Stock Option Plan ("Director Plan") under which a total of 5,380,188 shares (subject to adjustment) of the Company's common stock had been reserved for issuance (4,980,188 shares under the Employee Plan and 400,000 shares under the Director Plan). As the Employee Plan and Director Plan expired in 2004, stock options may no longer be issued under those plans. Stock options granted under the Employee Plan in 1994 and 1995 became exercisable over a three-year period. Stock options granted under the 2000 Employee Plan and those options granted subsequent to 1995 under the Employee Plan become exercisable over a five-year period. All stock options granted under both the 2000 Director Plan and Director Plan become exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years. As of December 31, 2006 and December 31, 2005, the stock options outstanding had a weighted average remaining contractual life of approximately 4.7 and 5.7 years, respectively. Stock options exercisable at December 31, 2006 and December 31, 2005 had a weighted average remaining contractual life of approximately 4.5 and 5.2 years, respectively.

Information regarding the Company's stock option plans is summarized below:

	Shares Under Options	Weighted Average Exercise Price	Aggregate Intrinsic Value $(000's)
Outstanding at January 1, 2004	2,990,135	$30.56	
Granted	10,000	$38.07	
Exercised	(1,250,864)	$32.40	
Lapsed or canceled	(45,640)	$28.49	
Outstanding at December 31, 2004	1,703,631	$29.31	
Granted	5,000	$45.47	
Exercised	(574,506)	$28.92	
Lapsed or canceled	(50,540)	$28.60	
Outstanding at December 31, 2005	1,083,585	$29.63	
Exercised	(352,699)	$29.65	
Lapsed or canceled	(40,580)	$28.53	
Outstanding at December 31, 2006 ($24.63 - $45.47)	690,306	$29.68	$14,717
Options exercisable at December 31, 2005	782,905	$29.96	$10,366
Options exercisable at December 31, 2006	571,026	$29.94	$12,017
Available for grant at December 31, 2005	4,590,098		
Available for grant at December 31, 2006	4,547,214	--	--

The weighted average fair value of options granted during 2005 and 2004 was $3.62 and $3.28 per option. The fair value of each significant 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 in 2005 and 2004:

	2005	2004
Expected life (in years)	6	6
Risk-free interest rate	3.97%	3.74%
Volatility	15.00%	19.50%
Dividend yield	5.54%	6.65%

No stock options were granted during the year ended December 31, 2006.

Cash received from options exercised under all stock option plans was $10.5 million, $16.6 million and $40.5 million for the years ended December 31, 2006, 2005 and 2004, respectively. The total intrinsic value of options exercised during the years ended December 31, 2006, 2005 and 2004 was $6.2 million, $9.1 million and $12.3 million, respectively. The Company has a policy of issuing new shares to satisfy stock option exercises.

The Company recognized stock options expense of $465,000, $448,000 and $415,000 for the years ended December 31, 2006, 2005 and 2004, respectively. Included in stock options expense for the year ended December 31, 2006 was a stock option charge of $323,000, which resulted from the accelerated vesting of 16,840 unvested options during the year ended December 31, 2006. As of December 31, 2006, the Company had 4.4 million of total unrecognized compensation cost related to unvested stock compensation granted under the Company's stock compensation plans. That cost is expected to be recognized over a weighted average period of 1.8 years.

STOCK COMPENSATION

The Company has granted stock awards ("Restricted Stock Awards") to officers, certain other employees, and non-employee members of the Board of Directors of the Company, which allow the holders to each receive a certain amount of shares of the Company's common stock generally over a one to five-year vesting period and generally based on time and service, of which 216,620 shares were outstanding at December 31, 2006. Of the outstanding Restricted Stock Awards granted to executive officers and senior management, 93,746 are contingent upon the Company meeting certain performance and/or stock price appreciation objectives. All Restricted Stock Awards provided to the officers and certain other employees were granted under the 2000 Employee Plan and the Employee Plan. Restricted Stock Awards granted to directors were granted under the 2000 Director Plan.

Information regarding the Restricted Stock Awards is summarized below:

	Shares	Weighted-Average Grant - Date Fair Value
Outstanding at January 1, 2004	280,869	$ 32.51
Granted (a)	47,056	$ 40.51
Vested	(109,938)	$ 35.17
Forfeited	(19,284)	$ 29.84
Outstanding at December 31, 2004	198,703	$ 33.19
Granted (b)	165,660	$ 43.41
Vested	(109,419)	$ 40.36
Forfeited	(8,000)	$ 43.85
Outstanding at December 31, 2005	246,944	$ 37.17
Granted (c)	81,034	$ 52.94
Vested	(102,808)	$ 43.72
Forfeited	(8,550)	$ 43.59
Outstanding at December 31, 2006	216,620	$ 39.78

(a) Included in the 47,056 Restricted Stock Awards granted in 2004 were 34,056 awards granted to the Company's four executive officers, Mitchell E. Hersh, Barry Lefkowitz, Roger W. Thomas and Michael Grossman.

(b) Included in the 165,660 Restricted Stock Awards granted in 2005 were 37,960 awards granted to the Company's four executive officers, Mitchell E. Hersh, Barry Lefkowitz, Roger W. Thomas and Michael Grossman.

(c) Included in the 81,034 Restricted Stock Awards granted in 2006 were 67,834 awards granted to the Company's five executive officers, Mitchell E. Hersh, Barry Lefkowitz, Roger W. Thomas, Michael Grossman and Mark Yeager.

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

The 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. 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 years ended December 31, 2006, 2005 and 2004, 6,266, 6,655 and 6,230 deferred stock units were earned, respectively. As of December 31, 2006 and 2005, there were 37,263 and 30,903 director stock units outstanding, respectively.

EARNINGS PER SHARE

Basic EPS excludes dilution and is computed by dividing net income available to common shareholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

The following information presents the Company's results for the years ended December 31, 2006, 2005 and 2004 in accordance with FASB No. 128: *(dollars in thousands)*

	Year Ended December 31,		
Computation of Basic EPS	2006	2005	2004
Income from continuing operations	$ 86,360	$ 76,594	$ 80,780
Deduct: Preferred stock dividends	(2,000)	(2,000)	(2,000)
Income from continuing operations available to common shareholders	84,360	74,594	78,780
Income from discontinued operations	58,306	18,894	21,673
Net income available to common shareholders	$ 142,666	$ 93,488	$ 100,453
Weighted average common shares	62,237	61,477	60,351
Basic EPS:			
Income from continuing operations	$ 1.35	$ 1.21	$ 1.30
Income from discontinued operations	0.94	0.31	0.36
Net income available to common shareholders	$ 2.29	$ 1.52	$ 1.66

	Year Ended December 31,		
Computation of Diluted EPS	2006	2005	2004
Income from continuing operations available to common shareholders	$ 84,360	$ 74,594	$ 78,780
Add: Income from continuing operations attributable to Operating Partnership - common units	20,533	14,851	10,139
Income from continuing operations for diluted earnings per share	104,893	89,445	88,919
Income from discontinued operations for diluted earnings per share	72,799	22,765	24,435
Net income available to common shareholders	$ 177,692	$ 112,210	$ 113,354
Weighted average common shares	77,901	74,189	68,743
Diluted EPS:			
Income from continuing operations	$ 1.35	$ 1.20	$ 1.29
Income from discontinued operations	0.93	0.31	0.36
Net income available to common shareholders	$ 2.28	$ 1.51	$ 1.65

The following schedule reconciles the shares used in the basic EPS calculation to the shares used in the diluted EPS calculation:

	Year Ended December 31,		
	2006	2005	2004
Basic EPS shares	62,237	61,477	60,351
Add: Operating Partnership - common units	15,286	12,252	7,759
Stock options	310	401	569
Restricted Stock Awards	68	59	58
Stock Warrants	--	--	6
Diluted EPS Shares	77,901	74,189	68,743

Not included in the computations of diluted EPS were 0, 1,507, and 0 stock options as such securities were anti-dilutive during the years ended December 31, 2006, 2005 and 2004, respectively. Also excluded from diluted EPS computations were 1,530,105 and 6,205,426 Series B Preferred Units, on an as converted basis into common units, as such securities were anti-dilutive during the years ended December 31, 2005 and 2004, respectively. Unvested restricted stock outstanding as of December 31, 2006, 2005 and 2004 were 216,620, 246,944 and 198,703, respectively.

17. SEGMENT REPORTING

The Company operates in two business segments: (i) real estate and (ii) construction services. The Company provides leasing, property and facilities management, acquisition, development, construction and tenant-related services for its portfolio. In May 2006, in conjunction with the Company's acquisition of the Gale Company and related businesses, the Company acquired a business specializing solely in construction and related services whose operations comprise the Company's construction services segment. Included in the Company's revenues for the year end December 31, 2006 was $4,806,000 derived from foreign countries. The Company had no long lived assets in foreign locations as of December 31, 2006 and December 31, 2005. 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 in the real estate segment and net operating income from its construction services segment.

Selected results of operations for the years ended December 31, 2006, 2005 and 2004 and selected asset information as of December 31, 2006 and 2005 regarding the Company's operating segments are as follows: *(dollars in thousands)*

	Real Estate	Construction Services	Corporate & Other (d)	Total Company	
Total revenues:					
2006	$ 676,593	$ 56,582	$ 7,134	$ 740,309	
2005	597,381	--	2,750	600,131	
2004	533,358	--	3,881	537,239	
Total operating and interest expenses (a):					
2006	$ 260,736	$ 55,871	$ 176,087	$ 492,694	(e)
2005	210,445	--	150,950	361,395	(f)
2004	168,433	--	141,987	310,420	(g)
Equity in earnings of unconsolidated joint ventures:					
2006	$ (5,556)	$ --	$ --	$ (5,556)	
2005	248	--	--	248	
2004	(3,886)	--	--	(3,886)	
Net operating income (b):					
2006	$ 410,301	$ 711	$ (168,953)	$ 242,059	(e)
2005	387,184	--	(148,200)	238,984	(f)
2004	361,039	--	(138,106)	222,933	(g)
Total assets:					
2006	$ 4,281,222	$ 28,353	$ 113,314	$ 4,422,889	
2005	4,097,098	--	150,404	4,247,502	
Total long-lived assets (c):					
2006	$ 4,036,393	$ --	$ 1,550	$ 4,037,943	
2005	3,921,536	--	2,066	3,923,602	

(a) Total operating and interest expenses represent the sum of: real estate taxes; utilities; operating services; direct construction costs; real estate services salaries, wages and other costs; general and administrative and interest expense (net of interest income). All interest expense, net of interest 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 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 investments in unconsolidated joint ventures.

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

(e) Excludes $160,859 of depreciation and amortization.

(f) Excludes $143,593 of depreciation and amortization.

(g) Excludes $117,097 of depreciation and amortization.

18. RELATED PARTY TRANSACTIONS

William L. Mack, Chairman of the Board of Directors of the Company ("W. Mack"), David S. Mack, a director of the Company, and Earle I. Mack, a former director of the Company ("E. Mack"), are the executive officers, directors and stockholders of a corporation that leases approximately 7,801 square feet at one of the Company's office properties, which is scheduled to expire in November 2008. The Company has recognized $228,000, $242,000 and $227,000 in revenue under this lease for the years ended December 31, 2006, 2005 and 2004, respectively, and had no accounts receivable from the corporation as of December 31, 2006 and 2005.

The Company has conducted business with certain entities ("RMC Entity" or "RMC Entities"), whose principals include Timothy M. Jones, Robert F. Weinberg and Martin S. Berger, each of whom are affiliated with the Company as the former president of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively. In connection with the Company's acquisition of 65 Class A properties from The Robert Martin Company ("Robert Martin") on January 31, 1997, as subsequently modified, the Company granted Robert Martin the right to designate one seat on the Company's Board of Directors ("RM Board Seat"), which right has since expired. The RM Board Seat had historically been shared between Robert F. Weinberg and Martin S. Berger, each of whom had agreed that, for so long as either of them serves on the Board of Directors, that such board seat would be rotated among Mr. Berger and Mr. Weinberg annually at the time of each annual meeting of stockholders. At the Company's 2003 annual meeting of stockholders, Mr. Berger was elected to the Board of Directors and he continued to share his board seat with Mr. Weinberg. At the Company's 2006 annual meeting of stockholders, Mr. Weinberg was elected to the Board of Directors and he intends to continue sharing his board seat with Mr. Berger. The business that the Company has conducted with RMC Entities was as follows:

(1) The Company provides management, leasing and construction-related services to properties in which RMC Entities have an ownership interest. The Company recognized approximately $2 million, $1.1 million and $2 million in revenue from RMC Entities for the years ended December 31, 2006, 2005 and 2004, respectively. As of December 31, 2006 and 2005, respectively, the Company had $131,000 and zero accounts receivable from RMC Entities.
(2) An RMC Entity leased space at one of the Company's office properties for approximately 3,330 square feet, which, after a three-year renewal and expansion signed with the Company in 2005, now leases 4,860 square feet which is scheduled to expire in October 2008. The Company has recognized $119,000, $89,000 and $91,000, in revenue under this lease for the years ended December 31, 2006, 2005 and 2004, respectively, and had zero accounts receivable due from the RMC Entity, as of December 31, 2006 and 2005, respectively.

Mr. Berger holds a 24 percent interest, acts as chairman and chief executive officer, Mr. Weinberg also holds a 24 percent interest and is a director, and W. Mack holds a nine percent interest and is a director of City and Suburban Federal Savings Bank and/or one of its affiliates, which leases a total of 15,879 square feet of space at two of the Company's office properties, comprised of 3,037 square feet scheduled to expire in June 2008 and 12,842 square feet scheduled to expire in April 2013. As of February 13, 2004, City & Suburban assigned its lease with respect to 3,037 square feet of office space to an unaffiliated third party and has no continuing obligations under such lease. The Company recognized $404,000, $396,000 and $398,000 in revenue under the leases for the years ended December 31, 2006, 2005 and 2004, respectively, and had no accounts receivable from the company as of December 31, 2006 and 2005.

The son of Mr. Berger, a former officer of the Company, served as an officer and had a financial interest which was sold in 2004 in a company which provides cleaning and other related services to certain of the Company's properties. The Company has incurred costs from this company of approximately $5.9 million and $6.2 million for the years ended December 31, 2004 and 2003, respectively. As of December 31, 2004, the Company had no accounts payable to this company.

Pursuant to an agreement between the Company and certain members and associates of the Cali family executed June 27, 2000, John J. Cali served as the Chairman Emeritus and a Board member of the Company, and as a consultant to the Company and was paid an annual salary of $150,000 from June 27, 2000 through June 27, 2003. Additionally, the Company provided office space and administrative support to John J. Cali, Angelo Cali, his brother, and Ed Leshowitz, his business partner (the "Cali Group"). Such services were in effect from June 27, 2000 through June 27, 2004. From June 27, 2004 through June 26, 2005, the Company agreed to provide office space at no cost to the Cali Group, as well as provide administrative support and related services for which it was reimbursed $184,000 and $115,000 from the Cali Group for the years ended December 31, 2006 and 2005, respectively. On June 27, 2005, an affiliate of the Cali Group entered into a three-year lease for 1,825 square feet of space at one of the Company's office properties, which is scheduled to expire in June 2008. On September 18, 2006, an affiliate of the Cali Group entered into another lease agreement for 806 additional square feet, in the same building, commencing on December 29, 2006, which is scheduled to expire at the end of 2011.

Furthermore, it extended the term of its current lease to expire on that date as well. The Company recognized approximately $47,000 and $24,000 in total revenue under this lease for the year ended December 31, 2006 and 2005, respectively, and had no accounts receivable from the affiliate as of December 31, 2006 and 2005.

19. IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS

FASB INTERPRETATION No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109*
FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company does not expect that the implementation of FIN 48 will have a material effect on the Company's consolidated financial position or results of operations.

FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) STATEMENT NO. 157 ("FASB No. 157"), *Fair Value Measurements*
FASB No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. FASB No. 157 applies under other accounting pronouncements that require or permit fair value measurements, FASB having previously concluded in those accounting pronouncements that fair value is their relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this statement will change current practice. This statement is effective for financial statements for fiscal years beginning after November 15, 2007. The Company does not expect that the implementation of FASB No. 157 will have a material effect on the Company's consolidated financial position or results of operations.

STAFF ACCOUNTING BULLETIN NO. 108 ("SAB No. 108")
The interpretations in SAB 108 express the staff's views regarding the process of quantifying financial statement misstatements. The SEC staff is aware of diversity in practice. For example, certain registrants do not consider the effects of prior year errors on current year financial statements, thereby allowing improper assets or liabilities to remain unadjusted. While these errors may not be material if considered only in relation to the balance sheet, correcting the errors could be material to the current year income statement. Certain registrants have proposed to the staff that allowing these errors to remain on the balance sheet as assets or liabilities in perpetuity is an appropriate application of generally accepted accounting principles. The staff believes that approach is not in the best interest of the users of financial statements. The interpretations in this SAB 108 are being issued to address diversity in practice in quantifying financial statement misstatements and the potential under current practice for the build up of improper amounts on the balance sheet. There have been two widely-recognized methods for quantifying the effects of financial statement errors: the "roll-over" method and the "iron curtain" method. The roll-over method focuses primarily on the impact of a misstatement on the income statement--including the reversing effect of prior year misstatements--but its use can lead to the accumulation of misstatements in the balance sheet. The iron-curtain method, on the other hand, focuses primarily on the effect of correcting the period-end balance sheet with less emphasis on the reversing effects of prior year errors on the income statement. In SAB 108, the SEC staff establishes an approach that requires quantification of financial statement errors based on the effects of the error on each of the company's financial statements and the related financial statement disclosures. This model is commonly referred to as a "dual approach" because it essentially requires quantification of errors under both the iron-curtain and the roll-over methods. SAB 108 is effective for financial statements for fiscal years ending after November 15, 2006. SAB 108 did not have a material effect on the Company's consolidated financial position or results of operations.

20. CONDENSED QUARTERLY FINANCIAL INFORMATION *(unaudited)*

The following summarizes the condensed quarterly financial information for the Company: *(dollars in thousands)*

Quarter Ended 2006:	December 31	September 30	June 30	March 31
Total revenues	$ 198,172	$ 203,217	$ 184,953	$ 153,967
Operating and other expenses	60,093	65,057	56,833	56,129
Direct construction costs	18,454	22,568	12,580	--
Real estate services, salaries, wages and other costs	7,780	6,686	4,134	--
General and administrative	16,280	12,173	11,849	8,775
Depreciation and amortization	43,879	40,132	39,918	36,930
Total expenses	146,486	146,616	125,314	101,834
Operating Income	51,686	56,601	59,639	52,133
Interest expense	(35,737)	(35,815)	(33,382)	(31,423)
Interest and other investment income	696	513	399	1,446
Equity in earnings (loss) of unconsolidated joint ventures	(200)	(4,757)	(846)	247
Minority interest in consolidated joint ventures	75	113	30	--
Gain on sale of investment in marketable securities	--	--	--	15,060
Gain on sale of investment in unconsolidated joint ventures	10,831	--	--	--
Gain/(loss) on sale of land and other assets	(416)	--	--	--
Total other (expense) income	(24,751)	(39,946)	(33,799)	(14,670)
Income from continuing operations before minority interest in Operating Partnership	26,935	16,655	25,840	37,463
Minority interest in Operating Partnership	(5,270)	(3,241)	(5,082)	(6,940)
Income from continuing operations	21,665	13,414	20,758	30,523
Discontinued operations (net of minority interest):				
Income from discontinued operations	2,465	3,097	2,455	2,574
Realized gains (losses) and unrealized losses on disposition of rental property, net	43,794	--	3,921	--
Total discontinued operations, net	46,259	3,097	6,376	2,574
Net income	67,924	16,511	27,134	33,097
Preferred stock dividends	(500)	(500)	(500)	(500)
Net income available to common shareholders	$ 67,424	$ 16,011	$ 26,634	$ 32,597
Basic earnings per common share:				
Income from continuing operations	$ 0.34	$ 0.21	$ 0.33	$ 0.48
Discontinued operations	0.74	0.05	0.10	0.04
Net income available to common shareholders	$ 1.08	$ 0.26	$ 0.43	$ 0.52
Diluted earnings per common share:				
Income from continuing operations	$ 0.34	$ 0.21	$ 0.33	$ 0.48
Discontinued operations	0.73	0.05	0.10	0.04
Net income available to common shareholders	$ 1.07	$ 0.26	$ 0.43	$ 0.52
Dividends declared per common share	$ 0.64	$ 0.64	$ 0.63	$ 0.63

Quarter Ended 2005:	December 31	September 30	June 30	March 31
Total revenues	$ 153,059	$ 154,193	$ 150,096	$ 142,783
Operating and other expenses	55,132	55,421	51,409	48,511
Direct construction costs	--	--	--	--
Real estate services, salaries, wages and other costs	--	--	--	--
General and administrative	8,991	7,952	8,187	7,311
Depreciation and amortization	37,527	37,838	35,186	33,042
Total expenses	101,650	101,211	94,782	88,864
Operating Income	51,409	52,982	55,314	53,919
Interest expense	(30,418)	(30,158)	(30,363)	(28,398)
Interest and other investment income	364	308	120	64
Equity in earnings (loss) of unconsolidated joint ventures	(304)	322	542	(312)
Minority interest in consolidated joint ventures	--	--	--	(74)
Gain on sale of investment in marketable securities	--	--	--	--
Gain on sale of investment in unconsolidated joint ventures				35
Total other (expense) income	(30,358)	(29,528)	(29,701)	(28,685)
Income from continuing operations before minority interest in Operating Partnership	21,051	23,454	25,613	25,234
Minority interest in Operating Partnership	(3,732)	(4,189)	(4,622)	(6,215)
Income from continuing operations	17,319	19,265	20,991	19,019
Discontinued operations (net of minority interest):				
Income from discontinued operations	2,129	1,839	5,778	4,722
Realized gains (losses) and unrealized losses on disposition of rental property, net	(4,547)	--	9,771	(798)
Total discontinued operations, net	(2,418)	1,839	15,549	3,924
Net income	14,901	21,104	36,540	22,943
Preferred stock dividends	(500)	(500)	(500)	(500)
Net income available to common shareholders	$ 14,401	$ 20,604	$ 36,040	$ 22,443
Basic earnings per common share:				
Income from continuing operations	$ 0.27	$ 0.30	$ 0.33	$ 0.30
Discontinued operations	(0.04)	0.03	0.26	0.07
Net income available to common shareholders	$ 0.23	$ 0.33	$ 0.59	$ 0.37
Diluted earnings per common share:				
Income from continuing operations	$ 0.27	$ 0.30	$ 0.33	$ 0.30
Discontinued operations	(0.04)	0.03	0.25	0.06
Net income available to common shareholders	$ 0.23	$ 0.33	$ 0.58	$ 0.36
Dividends declared per common share	$ 0.63	$ 0.63	$ 0.63	$ 0.63

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Property Location (b)	Year Built	Acquired	Related Encumbrances	Initial Costs: Land	Initial Costs: Building and Improvements	Costs Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period (a): Land	Gross Amount at Which Carried at Close of Period (a): Building and Improvements	Gross Amount at Which Carried at Close of Period (a): Total	Accumulated Depreciation (c)
NEW JERSEY										
Atlantic County										
Egg Harbor										
100 Decadon Drive (O)	1987	1995	--	300	3,282	458	300	3,740	4,040	1,220
200 Decadon Drive (O)	1991	1995	--	369	3,241	604	369	3,845	4,214	1,192
Bergen County										
Fair Lawn										
17-17 Rte 208 North (O)	1987	1995	--	3,067	19,415	2,334	3,067	21,749	24,816	7,335
Fort Lee										
One Bridge Plaza (O)	1981	1996	--	2,439	24,462	4,062	2,439	28,524	30,963	7,751
2115 Linwood Avenue (O)	1981	1998	--	474	4,419	4,293	474	8,712	9,186	2,145
Little Ferry										
200 Riser Road (O)	1974	1997	9,422	3,888	15,551	415	3,888	15,966	19,854	3,720
Montvale										
95 Chestnut Ridge Road (O)	1975	1997	--	1,227	4,907	718	1,227	5,625	6,852	1,470
135 Chestnut Ridge Road (O)	1981	1997	--	2,587	10,350	2,370	2,588	12,719	15,307	3,583
Paramus										
15 East Midland Avenue (O)	1988	1997	20,600	10,375	41,497	173	10,374	41,671	52,045	9,396
461 From Road (O)	1988	1997	--	13,194	52,778	243	13,194	53,021	66,215	12,006
650 From Road (O)	1978	1997	25,600	10,487	41,949	6,326	10,487	48,275	58,762	12,091
140 East Ridgewood Avenue (O)	1981	1997	16,100	7,932	31,463	3,784	7,932	35,247	43,179	8,054
6 1 South Paramus Avenue (O)	1985	1997	20,800	9,005	36,018	6,114	9,005	42,132	51,137	9,598
Ridgefield Park										
105 Challenger Road (O)	--	2006	18,748	4,740	29,893	--	4,740	29,893	34,633	706
Rochelle Park										
120 Passaic Street (O)	1972	1997	--	1,354	5,415	102	1,357	5,514	6,871	1,260
365 West Passaic Street (O)	1976	1997	12,250	4,148	16,592	3,030	4,148	19,622	23,770	4,967
395 West Passaic Street (O)	1979	2006	12,996	2,550	17,131	23	2,550	17,154	19,704	289
Upper Saddle River			--							
1 Lake Street (O)	1994	1997	35,550	13,952	55,812	51	13,953	55,862	69,815	12,625
10 Mountainview Road (O)	1986	1998	--	4,240	20,485	2,300	4,240	22,785	27,025	5,070
Woodcliff Lake										
400 Chestnut Ridge Road (O)	1982	1997	--	4,201	16,802	5,080	4,201	21,882	26,083	5,089
470 Chestnut Ridge Road (O)	1987	1997	--	2,346	9,385	939	2,346	10,324	12,670	2,122
530 Chestnut Ridge Road (O)	1986	1997	--	1,860	7,441	3	1,860	7,444	9,304	1,683
300 Tice Boulevard (O)	1991	1996	--	5,424	29,688	3,198	5,424	32,886	38,310	9,029
50 Tice Boulevard (O)	1984	1994	19,100	4,500--		27,333	4,500	27,333	31,833	15,877

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Property Location (b)	Year Built	Acquired	Related Encumbrances	Initial Costs: Land	Initial Costs: Building and Improvements	Costs Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period (a): Land	Gross Amount at Which Carried at Close of Period (a): Building and Improvements	Gross Amount at Which Carried at Close of Period (a): Total	Accumulated Depreciation (c)
Burlington County										
Burlington										
3 Terri Lane (F)	1991	1998	--	652	3,433	1,636	658	5,063	5,721	1,223
5 Terri Lane (F)	1992	1998	--	564	3,792	2,026	569	5,813	6,382	1,750
Moorestown										
2 Commerce Drive (F)	1986	1999	--	723	2,893	389	723	3,282	4,005	540
101 Commerce Drive (F)	1988	1998	--	422	3,528	437	426	3,961	4,387	899
102 Commerce Drive (F)	1987	1999	--	389	1,554	321	389	1,875	2,264	341
201 Commerce Drive (F)	1986	1998	--	254	1,694	482	258	2,172	2,430	568
202 Commerce Drive (F)	1988	1999	--	490	1,963	350	490	2,313	2,803	487
1 Executive Drive (F)	1989	1998	--	226	1,453	418	228	1,869	2,097	494
2 Executive Drive (F)	1988	2000	--	801	3,206	733	801	3,939	4,740	744
101 Executive Drive (F)	1990	1998	--	241	2,262	524	244	2,783	3,027	627
102 Executive Drive (F)	1990	1998	--	353	3,607	217	357	3,820	4,177	919
225 Executive Drive (F)	1990	1998	--	323	2,477	427	326	2,901	3,227	713
97 Foster Road (F)	1982	1998	--	208	1,382	222	211	1,601	1,812	399
1507 Lancer Drive (F)	1995	1998	--	119	1,106	51	120	1,156	1,276	269
840 North Lenola Road (F)	1995	1998	--	329	2,366	527	333	2,889	3,222	767
844 North Lenola Road (F)	1995	1998	--	239	1,714	260	241	1,972	2,213	533
915 North Lenola Road (F)	1998	2000	--	508	2,034	275	508	2,309	2,817	534
1245 North Church Street (F)	1998	2001	--	691	2,810	17	691	2,827	3,518	406
1247 North Church Street (F)	1998	2001	--	805	3,269	203	805	3,472	4,277	494
1256 North Church (F)	1984	1998	--	354	3,098	528	357	3,623	3,980	1,026
224 Strawbridge Drive (O)	1984	1997	--	766	4,335	3,464	767	7,798	8,565	2,693
228 Strawbridge Drive (O)	1984	1997	--	766	4,334	2,208	767	6,541	7,308	1,592
232 Strawbridge Drive (O)	1986	2004	--	1,521	7,076	1,919	1,521	8,995	10,516	423
2 Twosome Drive (F)	2000	2001	--	701	2,807	18	701	2,825	3,526	400
30 Twosome Drive (F)	1997	1998	--	234	1,954	78	236	2,030	2,266	500
31 Twosome Drive (F)	1998	2001	--	815	3,276	102	815	3,378	4,193	502
40 Twosome Drive (F)	1996	1998	--	297	2,393	274	301	2,663	2,964	685
41 Twosome Drive (F)	1998	2001	--	605	2,459	12	605	2,471	3,076	370
50 Twosome Drive (F)	1997	1998	--	301	2,330	89	304	2,416	2,720	616
West Deptford										
1451 Metropolitan Drive (F)	1996	1998	--	203	1,189	30	206	1,216	1,422	296
Essex County										
Millburn										
1 5 0 J.F. Kennedy Parkway (O)	1980	1997	--	12,606	50,425	8,705	12,606	59,130	71,736	14,234

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Property Location (b)	Year Built	Acquired	Related Encumbrances	Initial Costs: Land	Initial Costs: Building and Improvements	Costs Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period (a): Land	Gross Amount at Which Carried at Close of Period (a): Building and Improvements	Gross Amount at Which Carried at Close of Period (a): Total	Accumulated Depreciation (c)
Roseland										
101 Eisenhower Parkway (O)	1980	1994	--	228	--	15,690	228	15,690	15,918	9,574
103 Eisenhower Parkway (O)	1985	1994	--	--	--	14,293	2,300	11,993	14,293	6,882
105 Eisenhower Parkway (O)	2001	2001	--	4,430	42,898	5,729	3,835	49,222	53,057	8,745
Hudson County										
Jersey City										
Harborside Financial Center Plaza 1 (O)	1983	1996	--	3,923	51,013	19,786	3,923	70,799	74,722	13,109
Harborside Financial Center Plaza 2 (O)	1990	1996	--	17,655	101,546	13,990	15,039	118,152	133,191	30,698
Harborside Financial Center Plaza 3 (O)	1990	1996	--	17,655	101,878	13,659	15,040	118,152	133,192	30,698
Harborside Financial Center Plaza 4A (O)	2000	2000	--	1,244	56,144	8,683	1,244	64,827	66,071	11,516
Harborside Financial Center Plaza 5 (O)	2002	2002	--	6,218	170,682	56,321	5,705	227,516	233,221	26,797
101 Hudson Street (O)	1992	2004	--	45,530	271,376	3,285	45,530	274,661	320,191	17,649
Mercer County										
Hamilton Township										
100 Horizon Drive (F)	1989	1995	--	205	1,676	248	294	1,835	2,129	549
200 Horizon Drive (F)	1991	1995	--	205	3,027	335	327	3,240	3,567	961
300 Horizon Drive (F)	1989	1995	--	379	4,355	1,157	502	5,389	5,891	1,725
500 Horizon Drive (F)	1990	1995	--	379	3,395	767	467	4,074	4,541	1,236
600 Horizon Drive (F)	2002	2002	--	--	7,549	651	685	7,515	8,200	767
Princeton										
103 Carnegie Center (O)	1984	1996	--	2,566	7,868	1,710	2,566	9,578	12,144	2,701
100 Overlook Center (O)	1988	1997	--	2,378	21,754	2,163	2,378	23,917	26,295	6,064
5 Vaughn Drive (O)	1987	1995	--	657	9,800	1,681	657	11,481	12,138	3,728
Middlesex County										
East Brunswick										
377 Summerhill Road (O)	1977	1997	--	649	2,594	374	649	2,968	3,617	669
Edison										
343 Thornall Street (O)	1991	2006	--	5,870	38,336	2,272	5,870	40,608	46,478	907
Piscataway										
30 Knightsbridge Road, Building 3 (O)	1977	2004	--	1,030	7,269	312	1,030	7,581	8,611	472
30 Knightsbridge Road, Building 4 (O)	1977	2004	--	1,433	10,121	348	1,433	10,469	11,902	653

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Property Location (b)	Year Built	Acquired	Related Encumbrances	Initial Costs: Land	Initial Costs: Building and Improvements	Costs Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period (a): Land	Gross Amount at Which Carried at Close of Period (a): Building and Improvements	Gross Amount at Which Carried at Close of Period (a): Total	Accumulated Depreciation (c)
30 Knightsbridge Road, Building 5 (O)	1977	2004	--	2,979	21,035	4,776	2,979	25,811	28,790	1,470
30 Knightsbridge Road, Building 6 (O)	1977	2004	--	448	3,161	3,914	448	7,075	7,523	205
Plainsboro										
500 College Road East (O)	1984	1998	--	614	20,626	1,426	614	22,052	22,666	4,795
South Brunswick										
3 Independence Way (O)	1983	1997	--	1,997	11,391	1,177	1,997	12,568	14,565	2,906
Woodbridge										
581 Main Street (O)	1991	1997	--	3,237	12,949	24,225	8,115	32,296	40,411	6,280
Monmouth County										
Middletown										
23 Main Street (O)	1977	2005	33,396	4,336	19,544	8,853	4,336	28,397	32,733	1,502
2 Paragon Way (O)	1989	2005	--	999	4,619	346	999	4,965	5,964	376
3 Paragon Way (O)	1991	2005	--	1,423	6,041	721	1,423	6,762	8,185	307
4 Paragon Way (O)	2002	2005	--	1,961	8,827	12	1,961	8,839	10,800	703
One River Center, Building 1 (O)	1983	2004	--	3,070	17,414	4,659	3,054	22,089	25,143	1,510
One River Center, Building 2 (O)	1983	2004	--	2,468	15,043	663	2,452	15,722	18,174	772
One River Center, Building 3 (O)	1984	2004	--	4,051	24,790	778	4,024	25,595	29,619	1,363
100 Willowbrook Road (O)	1988	2005	--	1,264	5,573	748	1,264	6,321	7,585	329
Neptune										
3600 Route 66 (O)	1989	1995	--	1,098	18,146	1,459	1,098	19,605	20,703	5,211
Wall Township										
1305 Campus Parkway (O)	1988	1995	--	335	2,560	482	335	3,042	3,377	762
1325 Campus Parkway (F)	1988	1995	--	270	2,928	1,203	270	4,131	4,401	1,509
1340 Campus Parkway (F)	1992	1995	--	489	4,621	1,506	489	6,127	6,616	1,587
1345 Campus Parkway (F)	1995	1997	--	1,023	5,703	1,591	1,024	7,293	8,317	2,103
1350 Campus Parkway (O)	1990	1995	--	454	7,134	1,437	454	8,571	9,025	2,301
1433 Highway 34 (F)	1985	1995	--	889	4,321	924	889	5,245	6,134	1,398
1320 Wyckoff Avenue (F)	1986	1995	--	255	1,285	68	255	1,353	1,608	370
1324 Wyckoff Avenue (F)	1987	1995	--	230	1,439	246	230	1,685	1,915	456

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Morris County										
Florham Park										
325 Columbia Parkway (O)	1987	1994	--	1,564	--	14,851	1,564	14,851	16,415	6,898
Morris Plains										
250 Johnson Road (O)	1977	1997	--	2,004	8,016	1,517	2,004	9,533	11,537	2,346
201 Littleton Road (O)	1979	1997	--	2,407	9,627	1,063	2,407	10,690	13,097	2,567
Morris Township										
412 Mt. Kemble Avenue (O)	1985	2004	--	4,360	33,167	803	4,360	33,970	38,330	2,148
Parsippany										
4 Campus Drive (O)	1983	2001	--	5,213	20,984	1,485	5,213	22,469	27,682	3,419
6 Campus Drive (O)	1983	2001	--	4,411	17,796	2,247	4,411	20,043	24,454	3,400
7 Campus Drive (O)	1982	1998	--	1,932	27,788	107	1,932	27,895	29,827	6,196
8 Campus Drive (O)	1987	1998	--	1,865	35,456	3,994	1,865	39,450	41,315	9,333
9 Campus Drive (O)	1983	2001	--	3,277	11,796	17,191	5,842	26,422	32,264	5,654
4 Century Drive (O)	1981	2004	--	1,787	9,575	917	1,787	10,492	12,279	599
5 Century Drive (O)	1981	2004	--	1,762	9,341	331	1,762	9,672	11,434	471
6 Century Drive (O)	1981	2004	--	1,289	6,848	425	1,289	7,273	8,562	352
2 Dryden Way (O)	1990	1998	--	778	420	13	778	433	1,211	105
4 Gatehall Drive (O)	1988	2000	--	8,452	33,929	2,232	8,452	36,161	44,613	6,379
2 Hilton Court (O)	1991	1998	--	1,971	32,007	2,259	1,971	34,266	36,237	8,073
1633 Littleton Road (O)	1978	2002	--	2,283	9,550	163	2,355	9,641	11,996	1,453
600 Parsippany Road (O)	1978	1994	--	1,257	5,594	2,262	1,257	7,856	9,113	2,504
1 Sylvan Way (O)	1989	1998	--	1,689	24,699	394	1,021	25,761	26,782	6,985
5 Sylvan Way (O)	1989	1998	--	1,160	25,214	1,826	1,161	27,039	28,200	6,145
7 Sylvan Way (O)	1987	1998	--	2,084	26,083	2,092	2,084	28,175	30,259	6,612
35 Waterview Boulevard (O)	1990	2006	20,318	4,996	27,218	256	4,996	27,474	32,470	685
5 Wood Hollow Road (O)	1979	2004	--	5,302	26,488	11,710	5,302	38,198	43,500	2,212
Passaic County										
Clifton										
777 Passaic Avenue (O)	1983	1994	--	--	--	7,204	1,100	6,104	7,204	3,405
Totowa										
1 Center Court (F)	1999	1999	--	270	1,824	713	270	2,537	2,807	939
2 Center Court (F)	1998	1998	--	191	--	2,459	191	2,459	2,650	795
11 Commerce Way (F)	1989	1995	--	586	2,986	228	586	3,214	3,800	1,028
20 Commerce Way (F)	1992	1995	--	516	3,108	52	516	3,160	3,676	875
29 Commerce Way (F)	1990	1995	--	586	3,092	950	586	4,042	4,628	1,280
40 Commerce Way (F)	1987	1995	--	516	3,260	356	516	3,616	4,132	1,247
45 Commerce Way (F)	1992	1995	--	536	3,379	461	536	3,840	4,376	1,198
60 Commerce Way (F)	1988	1995	--	526	3,257	422	526	3,679	4,205	1,099

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80 Commerce Way (F)	1996	1996	--	227	--	1,567	227	1,567	1,794	734
100 Commerce Way (F)	1996	1996	--	226	--	1,566	226	1,566	1,792	734
120 Commerce Way (F)	1994	1995	--	228	--	1,299	228	1,299	1,527	372
140 Commerce Way (F)	1994	1995	--	229	--	1,299	229	1,299	1,528	372
999 Riverview Drive (O)	1988	1995	--	476	6,024	2,154	1,102	7,552	8,654	2,148
Somerset County										
Basking Ridge										
106 Allen Road (O)	2000	2000	--	3,853	14,465	3,813	4,093	18,038	22,131	4,467
222 Mt. Airy Road (O)	1986	1996	--	775	3,636	2,147	775	5,783	6,558	1,212
233 Mt. Airy Road (O)	1987	1996	--	1,034	5,033	1,646	1,034	6,679	7,713	2,101
Bridgewater										
721 Route 202/206 (O)	1989	1997	--	6,730	26,919	4,346	6,730	31,265	37,995	6,494
Union County										
Clark										
100 Walnut Avenue (O)	1985	1994	--	--	--	16,932	1,822	15,110	16,932	8,252
Cranford										
6 Commerce Drive (O)	1973	1994	--	250	--	2,791	250	2,791	3,041	1,790
11 Commerce Drive (O)	1981	1994	--	470	--	6,097	470	6,097	6,567	3,485
12 Commerce Drive (O)	1967	1997	--	887	3,549	1,662	887	5,211	6,098	1,479
14 Commerce Drive (O)	1971	2003	--	1,283	6,344	35	1,283	6,379	7,662	519
20 Commerce Drive (O)	1990	1994	--	2,346	--	21,833	2,346	21,833	24,179	9,175
25 Commerce Drive (O)	1971	2002	--	1,520	6,186	265	1,520	6,451	7,971	1,456
65 Jackson Drive (O)	1984	1994	--	541	--	6,169	542	6,168	6,710	3,111
New Providence										
890 Mountain Road (O)	1977	1997	--	2,796	11,185	4,896	3,765	15,112	18,877	3,452
NEW YORK										
Rockland County										
Suffern										
400 Rella Boulevard (O)	1988	1995	--	1,090	13,412	3,601	1,090	17,013	18,103	5,781
Westchester County										
Elmsford										
11 Clearbrook Road (F)	1974	1997	--	149	2,159	392	149	2,551	2,700	632
75 Clearbrook Road (F)	1990	1997	--	2,314	4,716	107	2,314	4,823	7,137	1,179
100 Clearbrook Road (O)	1975	1997	--	220	5,366	902	220	6,268	6,488	1,736
125 Clearbrook Road (F)	2002	2002	--	1,055	3,676	(51)	1,055	3,625	4,680	769
150 Clearbrook Road (F)	1975	1997	--	497	7,030	951	497	7,981	8,478	1,977

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				Land	Building and Improvements		Land	Building and Improvements	Total	
175 Clearbrook Road (F)	1973	1997	--	655	7,473	877	655	8,350	9,005	2,191
200 Clearbrook Road (F)	1974	1997	--	579	6,620	1,066	579	7,686	8,265	2,052
250 Clearbrook Road (F)	1973	1997	--	867	8,647	1,189	867	9,836	10,703	2,622
50 Executive Boulevard (F)	1969	1997	--	237	2,617	97	237	2,714	2,951	678
77 Executive Boulevard (F)	1977	1997	--	34	1,104	129	34	1,233	1,267	334
85 Executive Boulevard (F)	1968	1997	--	155	2,507	536	155	3,043	3,198	673
101 Executive Boulevard (O)	1971	1997	--	267	5,838	873	267	6,711	6,978	1,733
300 Executive Boulevard (F)	1970	1997	--	460	3,609	153	460	3,762	4,222	953
350 Executive Boulevard (F)	1970	1997	--	100	1,793	153	100	1,946	2,046	550
399 Executive Boulevard (F)	1962	1997	--	531	7,191	66	531	7,257	7,788	1,836
400 Executive Boulevard (F)	1970	1997	--	2,202	1,846	427	2,202	2,273	4,475	684
500 Executive Boulevard (F)	1970	1997	--	258	4,183	682	258	4,865	5,123	1,396
525 Executive Boulevard (F)	1972	1997	--	345	5,499	722	345	6,221	6,566	1,625
700 Executive Boulevard (L)	N/A	1997	--	970	--	--	970	--	970	--
3 Odell Plaza (O)	1984	2003	--	1,322	4,777	1,963	1,322	6,740	8,062	779
5 Skyline Drive (F)	1980	2001	--	2,219	8,916	704	2,219	9,620	11,839	1,747
6 Skyline Drive (F)	1980	2001	--	740	2,971	23	739	2,995	3,734	816
555 Taxter Road (O)	1986	2000	--	4,285	17,205	5,451	4,285	22,656	26,941	3,974
565 Taxter Road (O)	1988	2000	--	4,285	17,205	3,464	4,233	20,721	24,954	3,658
570 Taxter Road (O)	1972	1997	--	438	6,078	963	438	7,041	7,479	2,077
1 Warehouse Lane (I)	1957	1997	--	3	268	215	3	483	486	111
2 Warehouse Lane (I)	1957	1997	--	4	672	189	4	861	865	275
3 Warehouse Lane (I)	1957	1997	--	21	1,948	526	21	2,474	2,495	701
4 Warehouse Lane (I)	1957	1997	--	84	13,393	2,837	85	16,229	16,314	4,040
5 Warehouse Lane (I)	1957	1997	--	19	4,804	1,379	19	6,183	6,202	1,636
6 Warehouse Lane (I)	1982	1997	--	10	4,419	322	10	4,741	4,751	1,153
1 Westchester Plaza (F)	1967	1997	--	199	2,023	170	199	2,193	2,392	551
2 Westchester Plaza (F)	1968	1997	--	234	2,726	182	234	2,908	3,142	718
3 Westchester Plaza (F)	1969	1997	--	655	7,936	585	655	8,521	9,176	2,219
4 Westchester Plaza (F)	1969	1997	--	320	3,729	86	320	3,815	4,135	962
5 Westchester Plaza (F)	1969	1997	--	118	1,949	194	118	2,143	2,261	619
6 Westchester Plaza (F)	1968	1997	--	164	1,998	167	164	2,165	2,329	621
7 Westchester Plaza (F)	1972	1997	--	286	4,321	201	286	4,522	4,808	1,114
8 Westchester Plaza (F)	1971	1997	--	447	5,262	859	447	6,121	6,568	1,543
Hawthorne										
200 Saw Mill River Road (F)	1965	1997	--	353	3,353	496	353	3,849	4,202	993
1 Skyline Drive (O)	1980	1997	--	66	1,711	301	66	2,012	2,078	509
2 Skyline Drive (O)	1987	1997	--	109	3,128	471	109	3,599	3,708	1,024
4 Skyline Drive (F)	1987	1997	--	363	7,513	1,686	363	9,199	9,562	2,254
7 Skyline Drive (O)	1987	1998	--	330	13,013	1,407	330	14,420	14,750	3,260

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8 Skyline Drive (F)	1985	1997	--	212	4,410	2,205	212	6,615	6,827	2,575
10 Skyline Drive (F)	1985	1997	--	134	2,799	563	134	3,362	3,496	705
11 Skyline Drive (F)	1989	1997	--	--	4,788	430	--	5,218	5,218	1,420
12 Skyline Drive (F)	1999	1999	--	1,562	3,254	1,597	1,320	5,093	6,413	1,786
14 Skyline Drive (L)	N/A	2002	--	964		16	980		980	--
15 Skyline Drive (F)	1989	1997	--	--	7,449	328	--	7,777	7,777	2,050
16 Skyline Drive (L)	N/A	2002	--	850		31	881		881	--
17 Skyline Drive (O)	1989	1997	--	--	7,269	716	--	7,985	7,985	1,857
19 Skyline Drive (O)	1982	1997	--	2,355	34,254	3,612	2,356	37,865	40,221	11,041
Tarrytown										
200 White Plains Road (O)	1982	1997	--	378	8,367	1,235	378	9,602	9,980	2,516
220 White Plains Road (O)	1984	1997	--	367	8,112	1,062	367	9,174	9,541	2,414
230 White Plains Road (R)	1984	1997	--	124	1,845	107	124	1,952	2,076	457
White Plains										
1 Barker Avenue (O)	1975	1997	--	208	9,629	1,168	207	10,798	11,005	2,813
3 Barker Avenue (O)	1983	1997	--	122	7,864	1,976	122	9,840	9,962	2,787
50 Main Street (O)	1985	1997	--	564	48,105	6,680	564	54,785	55,349	14,412
11 Martine Avenue (O)	1987	1997	--	127	26,833	4,872	127	31,705	31,832	9,291
1 Water Street (O)	1979	1997	--	211	5,382	1,211	211	6,593	6,804	1,736
Yonkers										
100 Corporate Boulevard (F)	1987	1997	--	602	9,910	744	602	10,654	11,256	2,865
200 Corporate Boulevard South (F)	1990	1997	--	502	7,575	445	502	8,020	8,522	1,914
250 Corporate Boulevard South (L)	N/A	2002	--	1,028	--	171	1,139	60	1,199	--
1 Enterprise Boulevard (L)	N/A	1997	--	1,379	--	1	1,380	--	1,380	--
1 Executive Boulevard (O)	1982	1997	--	1,104	11,904	2,355	1,105	14,258	15,363	3,951
2 Executive Plaza (R)	1986	1997	--	89	2,439	3	89	2,442	2,531	605
3 Executive Plaza (O)	1987	1997	--	385	6,256	1,624	385	7,880	8,265	2,423
4 Executive Plaza (F)	1986	1997	--	584	6,134	1,862	584	7,996	8,580	2,061
6 Executive Plaza (F)	1987	1997	--	546	7,246	318	546	7,564	8,110	1,935
1 Odell Plaza (F)	1980	1997	--	1,206	6,815	681	1,206	7,496	8,702	1,988
5 Odell Plaza (F)	1983	1997	--	331	2,988	241	331	3,229	3,560	819
7 Odell Plaza (F)	1984	1997	--	419	4,418	301	419	4,719	5,138	1,190
PENNSYLVANIA										
Chester County										
Berwyn										
1000 Westlakes Drive (O)	1989	1997	--	619	9,016	559	619	9,575	10,194	2,489
1055 Westlakes Drive (O)	1990	1997	--	1,951	19,046	3,579	1,951	22,625	24,576	6,313

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1205 Westlakes Drive (O)	1988	1997	--	1,323	20,098	1,636	1,323	21,734	23,057	5,510
1235 Westlakes Drive (O)	1986	1997	--	1,417	21,215	3,357	1,418	24,571	25,989	5,974
Delaware County										
Lester										
100 Stevens Drive (O)	1986	1996	--	1,349	10,018	2,817	1,349	12,835	14,184	3,666
200 Stevens Drive (O)	1987	1996	--	1,644	20,186	4,668	1,644	24,854	26,498	6,948
300 Stevens Drive (O)	1992	1996	--	491	9,490	1,880	491	11,370	11,861	3,212
Media										
1400 Providence Rd, Center I (O)	1986	1996	--	1,042	9,054	2,209	1,042	11,263	12,305	3,335
1400 Providence Rd, Center II (O)	1990	1996	--	1,543	16,464	2,941	1,544	19,404	20,948	5,704
Montgomery County										
Bala Cynwyd										
150 Monument Road (O)	1981	2004	--	2,845	14,780	2,473	2,845	17,253	20,098	818
Blue Bell										
4 Sentry Parkway (O)	1982	2003	--	1,749	7,721	189	1,749	7,910	9,659	656
16 Sentry Parkway (O)	1988	2002	--	3,377	13,511	1,064	3,377	14,575	17,952	2,458
18 Sentry Parkway (O)	1988	2002	--	3,515	14,062	1,699	3,515	15,761	19,276	2,478
King of Prussia										
2200 Renaissance Blvd (O)	1985	2002	17,819	5,347	21,453	2,242	5,347	23,695	29,042	4,897
Lower Providence										
1000 Madison Avenue (O)	1990	1997	--	1,713	12,559	2,247	1,714	14,805	16,519	3,295
Plymouth Meeting										
1150 Plymouth Meeting Mall (O)	1970	1997	--	125	499	30,808	6,219	25,213	31,432	5,951
Five Sentry Parkway East (O)	1984	1996	--	642	7,992	525	642	8,517	9,159	2,164
Five Sentry Parkway West (O)	1984	1996	--	268	3,334	86	268	3,420	3,688	870
CONNETICUT										
Fairfield County										
Greenwich										
500 West Putnam Avenue (O)	1973	1998	25,000	3,300	16,734	1,755	3,300	18,489	21,789	4,588
Norwalk										
40 Richards Avenue (O)	1985	1998	--	1,087	18,399	3,038	1,087	21,437	22,524	4,876
Shelton										
1000 Bridgeport Avenue (O)	1986	1997	--	773	14,934	2,306	744	17,269	18,013	4,632
Stamford										
1266 East Main Street (O)	1984	2002	18,013	6,638	26,567	2,595	6,638	29,162	35,800	4,537

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419 West Avenue (F)	1986	1997	--	4,538	9,246	1,266	4,538	10,512	15,050	2,784
500 West Avenue (F)	1988	1997	--	415	1,679	194	415	1,873	2,288	519
550 West Avenue (F)	1990	1997	--	1,975	3,856	22	1,975	3,878	5,853	960
600 West Avenue (F)	1999	1999	--	2,305	2,863	833	2,305	3,696	6,001	664
650 West Avenue (F)	1998	1998	--	1,328	--	3,929	1,328	3,929	5,257	1,590
DISTRICT OF COLUMBIA										
Washington,										
1201 Connecticut Avenue, NW (O)	1940	1999	--	14,228	18,571	2,732	14,228	21,303	35,531	4,071
1400 L Street, NW (O)	1987	1998	--	13,054	27,423	6,643	13,054	34,066	47,120	6,196
MARYLAND										
Prince George's County										
Greenbelt										
9200 Edmonston Road (O)	1973/03	2006	5,232	1,547	4,131	--	1,547	4,131	5,678	149
6301 Ivy Lane (O)	1979/95	2006	6,821	5,168	14,706	2	5,168	14,708	19,876	516
6303 Ivy Lane (O)	1980/03	2006	6,020	5,115	13,860	--	5,115	13,860	18,975	471
6305 Ivy Lane (O)	1982/95	2006	7,285	5,615	14,420	158	5,615	14,578	20,193	539
6404 Ivy Lane (O)	1987	2006	13,665	7,578	20,785	71	7,578	20,856	28,434	838
6406 Ivy Lane (O)	1991	2006	--	7,514	21,152	--	7,514	21,152	28,666	641
6411 Ivy Lane (O)	1984/05	2006	--	6,867	17,470	16	6,867	17,486	24,353	625
Lanham										
4200 Parliament Place (O)	1989	1998	--	2,114	13,546	626	1,393	14,893	16,286	3,749
Projects Under Development and Developable Land			--	98,617	25,631	--	98,617	25,631	124,248	
Furniture, Fixtures and Equipment			--	--	--	8,224		8,224	8,224	6,352
TOTALS			344,735	645,278	3,267,589	660,720	659,169	3,914,418	4,573,587	796,793

(a) The aggregate cost for federal income tax purposes at December 31, 2006 was approximately $2.9 billion.

(b) Legend of Property Codes:

(O)=Office Property (R)=Stand-alone Retail Property

(F)=Office/Flex Property (L)=Land Lease

(I)=Industrial/Warehouse Property

(c) Depreciation of the buildings and improvements are calculated over lives ranging from the life of the lease to 40 years.

MACK-CALI REALTY CORPORATION
NOTE TO SCHEDULE III

Changes in rental properties and accumulated depreciation for the periods ended December 31, 2006, 2005 and 2004 are as follows: *(dollars in thousands)*

	2006	2005	2004
Rental Properties			
Balance at beginning of year	$ 4,491,752	$ 4,160,959	$ 3,954,632
Additions	405,883	485,680	340,472
Rental property held for sale - before accumulated depreciation	--	--	(21,929)
Properties sold	(313,345)	(120,755)	(112,179)
Retirements/disposals	(10,703)	(34,132)	(37)
Balance at end of year	$ 4,573,587	$ 4,491,752	$ 4,160,959
Accumulated Depreciation			
Balance at beginning of year	$ 722,980	$ 641,626	$ 546,007
Depreciation expense	131,848	128,814	111,975
Rental property held for sale	--	--	(1,550)
Properties sold	(53,037)	(16,691)	(14,797)
Retirements/disposals	(4,998)	(30,769)	(9)
Balance at end of year	$ 796,793	$ 722,980	$ 641,626

MACK-CALI REALTY CORPORATION

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Mack-Cali Realty Corporation
(Registrant)

Date: February 21, 2007

/s/ Barry Lefkowitz
Barry Lefkowitz
Executive Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Name	**Title**	**Date**
/s/ William L. Mack William L. Mack	Chairman of the Board	February 21, 2007
/s/ Mitchell E. Hersh Mitchell E. Hersh	President and Chief Executive Officer and Director	February 21, 2007
/s/ Barry Lefkowitz Barry Lefkowitz	Executive Vice President and Chief Financial Officer	February 21, 2007
/s/ Alan S. Bernikow Alan S. Bernikow	Director	February 21, 2007
/s/ John R. Cali John R. Cali	Director	February 21, 2007
/s/ Kenneth M. Duberstein Kenneth M. Duberstein	Director	February 21, 2007
/s/ Nathan Gantcher Nathan Gantcher	Director	February 21, 2007

Name	Title	Date
/s/ David S. Mack David S. Mack	Director	February 21, 2007
/s/ Alan G. Philibosian Alan G. Philibosian	Director	February 21, 2007
/s/ Irvin D. Reid Irvin D. Reid	Director	February 21, 2007
/s/ Vincent Tese Vincent Tese	Director	February 21, 2007
/s/ Robert F. Weinberg Robert F. Weinberg	Director	February 21, 2007
/s/ Roy J. Zuckerberg Roy J. Zuckerberg	Director	February 21, 2007

MACK-CALI REALTY CORPORATION

EXHIBIT INDEX

Exhibit Number	Exhibit Title
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 11, 2001 (filed as Exhibit 3.1 to the Company's Form 10-Q dated June 30, 2001 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Amendment No. 1 to the Amended and Restated Bylaws of Mack-Cali Realty Corporation dated March 4, 2003, (filed as Exhibit 3.3 to the Company's Form 10-Q dated March 31, 2003 and incorporated herein by reference).
3.4	Amendment No. 2 to the Mack-Cali Realty Corporation Amended and Restated Bylaws dated May 24, 2006 (filed as Exhibit 3.1 to the Company's Form 8-K dated May 24, 2006 and incorporated herein by reference).
3.5	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).
3.6	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).
3.7	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).
3.8	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).
3.9	Certificate of Designation of Series B Preferred Operating Partnership Units of Limited Partnership Interest of Mack-Cali Realty, L.P. (filed as Exhibit 10.101 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.10	Articles Supplementary for the 8% Series C Cumulative Redeemable Perpetual Preferred Stock dated March 11, 2003 (filed as Exhibit 3.1 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
3.11	Certificate of Designation for the 8% Series C Cumulative Redeemable Perpetual Preferred Operating Partnership Units dated March 14, 2003 (filed as Exhibit 3.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
4.1	Amended and Restated Shareholder Rights Agreement, dated as of March 7, 2000, between Mack-Cali Realty Corporation and EquiServe Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated March 7, 2000 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.2	Amendment No. 1 to the Amended and Restated Shareholder Rights Agreement, dated as of June 27, 2000, by and among Mack-Cali Realty Corporation and EquiServe Trust Company, N.A. (filed as Exhibit 4.1 to the Company's Form 8-K dated June 27, 2000 and incorporated herein by reference).
4.3	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.4	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.5	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Operating Partnership's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
4.6	Supplemental Indenture No. 3 dated as of December 21, 2000, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 21, 2000 and incorporated herein by reference).
4.7	Supplemental Indenture No. 4 dated as of January 29, 2001, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated January 29, 2001 and incorporated herein by reference).

4.8	Supplemental Indenture No. 5 dated as of December 20, 2002, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 20, 2002 and incorporated herein by reference).
4.9	Supplemental Indenture No. 6 dated as of March 14, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
4.10	Supplemental Indenture No. 7 dated as of June 12, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated June 12, 2003 and incorporated herein by reference).
4.11	Supplemental Indenture No. 8 dated as of February 9, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated February 9, 2004 and incorporated herein by reference).
4.12	Supplemental Indenture No. 9 dated as of March 22, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 22, 2004 and incorporated herein by reference).
4.13	Supplemental Indenture No. 10 dated as of January 25, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 25, 2005 and incorporated herein by reference).
4.14	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).

Exhibit Number	Exhibit Title
4.15	Supplemental Indenture No. 12 dated as of November 30, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated November 30, 2005 and incorporated herein by reference).
4.16	Supplemental Indenture No. 13 dated as of January 24, 2006, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 18, 2006 and incorporated herein by reference).
4.17	Deposit Agreement dated March 14, 2003 by and among Mack-Cali Realty Corporation, EquiServe Trust Company, N.A., and the holders from time to time of the Depositary Receipts described therein (filed as Exhibit 4.1 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.3	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.4	Employment Agreement dated as of December 5, 2000 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.5 to the Company's Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).
10.5	Employment Agreement dated as of May 9, 2006 by and between Mark Yeager and Mack-Cali Realty Corporation (filed as Exhibit 10.15 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.6	Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.7	Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.8	Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.9	Restricted Share Award Agreement dated as of March 12, 2001 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).
10.10	Restricted Share Award Agreement dated as of March 12, 2001 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.11	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.12	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.13	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.14	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.7 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.15	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.16	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.9 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.17	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.10 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.18	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.11 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.19	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated July 1, 1999 between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.12 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.20	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated March 12, 2001 between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.13 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.21	Restricted Share Award Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.14 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.22	Tax Gross Up Agreement effective as of January 2, 2003 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.15 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.23	Restricted Share Award Agreement dated December 6, 1999 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.16 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.24	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated December 6, 1999 between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.17 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.25	First Amendment effective as of January 2, 2003 to the Restricted Share Award Agreement dated March 12, 2001 between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.18 to the Company's Form 8-K dated January 2, 2003 and incorporated herein by reference).
10.26	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.27	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.28	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.29	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.6 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.30	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.7 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.31	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.8 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.32	Restricted Share Award Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Michael Grossman (filed as Exhibit 10.9 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.33	Tax Gross Up Agreement effective as of December 2, 2003 by and between Mack-Cali Realty Corporation and Michael Grossman (filed as Exhibit 10.10 to the Company's Form 8-K dated December 2, 2003 and incorporated herein by reference).
10.34	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.35	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.36	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.4 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.37	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.38	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.6 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.39	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.7 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.40	Restricted Share Award Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.8 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.41	Tax Gross Up Agreement effective December 7, 2004 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.9 to the Company's Form 8-K dated December 7, 2004 and incorporated herein by reference).
10.42	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.43	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.44	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.4 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.45	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.46	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.6 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.47	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.7 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.48	Restricted Share Award Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.8 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).
10.49	Tax Gross Up Agreement effective December 6, 2005 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.9 to the Company's Form 8-K dated December 6, 2005 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.50	Restricted Share Award Agreement by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.16 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.51	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.52	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.2 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.53	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.3 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.54	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.4 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.55	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.56	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.6 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.57	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.7 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.58	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.59	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.9 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.60	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.10 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.61	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.11 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.62	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.12 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.63	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.13 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.64	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.14 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.65	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.15 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.66	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Michael A. Grossman (filed as Exhibit 10.16 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.67	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.17 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.68	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.18 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.69	Restricted Share Award Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.19 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.70	Tax Gross Up Agreement effective December 5, 2006 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.20 to the Company's Form 8-K dated December 5, 2006 and incorporated herein by reference).
10.71	Amended and Restated Revolving Credit Agreement dated as of September 27, 2002, among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with JPMorgan Chase Bank, as administrative agent, swing lender and fronting bank, Fleet National Bank and Commerzbank AG, New York and Grand Cayman branches as syndication agents, Bank of America, N.A. and Wells Fargo Bank, National Association, as documentation agents, and J.P. Morgan Securities Inc. and Fleet Securities, Inc, as arrangers (filed as Exhibit 10.1 to the Company's Form 8-K dated September 27, 2002 and incorporated herein by reference).
10.72	Second Amended and Restated Revolving Credit Agreement among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., Bank of America, N.A., and other lending institutions that are or may become a party to the Second Amended and Restated Revolving Credit Agreement dated as of November 23, 2004 (filed as Exhibit 10.1 to the Company's Form 8-K dated November 23, 2004 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.73	Extension and Modification Agreement dated as of September 16, 2005 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders Party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated September 16, 2005 and incorporated herein by reference).
10.74	Second Modification Agreement dated as of July 14, 2006 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated July 14, 2006 and incorporated herein by reference).
10.75	Amended and Restated Master Loan Agreement dated as of November 12, 2004 among Mack-Cali Realty, L.P., and Affiliates of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P., as Borrowers, Mack-Cali Realty Corporation and Mack-Cali Realty L.P., as Guarantors and The Prudential Insurance Company of America, as Lender (filed as Exhibit 10.1 to the Company's Form 8-K dated November 12, 2004 and incorporated herein by reference).
10.76	Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).
10.77	First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.78	Employee Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.79	Director Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.80	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), as amended by the First Amendment to the 2000 Employee Stock Option Plan (filed as Exhibit 10.17 to the Company's Form 10-Q dated June 30, 2002 and incorporated herein by reference).
10.81	Amended and Restated 2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Registration Statement on Form S-8, Registration No. 333-100244, and incorporated herein by reference).
10.82	Mack-Cali Realty Corporation 2004 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-116437, and incorporated herein by reference).
10.83	Deferred Compensation Plan for Directors (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-80081, and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.84	Form of Indemnification Agreement by and between Mack-Cali Realty Corporation and each of William L. Mack, John J. Cali, Mitchell E. Hersh, John R. Cali, David S. Mack, Martin S. Berger, Alan S. Bernikow, Kenneth M. Duberstein, Martin D. Gruss, Nathan Gantcher, Vincent Tese, Roy J. Zuckerberg, Alan G. Philibosian, Irvin D. Reid, Robert F. Weinberg, Barry Lefkowitz, Roger W. Thomas, Michael A. Grossman, Mark Yeager, Anthony Krug, Dean Cingolani, Anthony DeCaro Jr., Mark Durno, William Fitzpatrick, John Kropke, Nicholas Mitarotonda, Jr., Michael Nevins, Virginia Sobol, Albert Spring, Daniel Wagner, Deborah Franklin, John Marazzo, Christopher DeLorenzo, Jeffrey Warner, Diane Chayes and James Corrigan (filed as Exhibit 10.28 to the Company's Form 10-Q dated September 30, 2002 and incorporated herein by reference).
10.85	Indemnification Agreement dated October 22, 2002 by and between Mack-Cali Realty Corporation and John Crandall (filed as Exhibit 10.29 to the Company's Form 10-Q dated September 30, 2002 and incorporated herein by reference).
10.86	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).
10.87	Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated November 25, 2003 (filed as Exhibit 10.1 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.88	Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated December 3, 2003 (filed as Exhibit 10.2 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.89	First Amendment to Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated October 5, 2004 (filed as Exhibit 10.54 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).
10.90	Letter Agreement by and between Mack-Cali Realty Corporation and The Mills Corporation dated October 5, 2004 (filed as Exhibit 10.55 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).
10.91	First Amendment to Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated as of June 30, 2005 (filed as Exhibit 10.66 to the Company's Form 10-Q dated June 30, 2005 and incorporated herein by reference).
10.92*	Mack-Cali Rights, Obligations and Option Agreement by and between Meadowlands Developer Limited Partnership, Meadowlands Limited Partnership, Meadowlands Developer Holding Corp., Meadowlands Mack-Cali GP, L.L.C., Mack-Cali Meadowlands Special, L.L.C., Baseball Meadowlands Mills/Mack-Cali Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Office Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Mills/Mack-Cali Limited Partnership dated November 22, 2006.
10.93*	Redemption Agreement by and among Meadowlands Developer Limited Partnership, Meadowlands Developer Holding Corp., Mack-Cali Meadowlands entertainment L.L.C., Mack-Cali Meadowlands Special L.L.C., and Meadowlands Limited Partnership dated November 22, 2006.

Exhibit Number	Exhibit Title
10.94	Contribution and Exchange Agreement by and between Mack-Cali Realty, L.P. and Tenth Springhill Lake Associates L.L.L.P., Eleventh Springhill Lake Associates L.L.L.P., Twelfth Springhill Lake Associates L.L.L.P., Fourteenth Springhill Lake Associates L.L.L.P., each a Maryland limited liability limited partnership, Greenbelt Associates, a Maryland general partnership, and Sixteenth Springhill Lake Associates L.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).
10.95	Membership Interest Purchase and Contribution Agreement by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of March 7, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.96	Amendment No. 1 to Membership Interest Purchase and Contribution Agreement dated as of March 31, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 28, 2006 and incorporated herein by reference).
10.97	Amendment No. 2 to Membership Interest Purchase and Contribution Agreement dated as of May 9, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.98	Contribution and Sale Agreement by and among Gale SLG NJ LLC, a Delaware limited liability company, Gale SLG NJ MEZZ LLC, a Delaware limited liability company, and Gale SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company and Mack-Cali Ventures L.L.C. dated as of March 7, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.99	First Amendment to Contribution and Sale Agreement by and among GALE SLG NJ LLC, a Delaware limited liability company, GALE SLG NJ MEZZ LLC, a Delaware limited liability company, and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company, and Mack-Cali Ventures L.L.C., a Delaware limited liability company, dated as of May 9, 2006 (filed as Exhibit 10.4 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.100	Non-Portfolio Property Interest Contribution Agreement by and among Mr. Stanley C. Gale, Mr. Mark Yeager, GCF II Investor LLC, The Gale Investments Company, LLC, Gale & Wentworth Vreeland, LLC, Gale Urban Solutions LLC, MSGW-ONE Campus Investors, LLC, Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of May 9, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.101	Loan Agreement by and among the entities set forth on Exhibit A, collectively, as Borrowers, and Gramercy Warehouse Funding I LLC, as Lender, dated May 9, 2006 (filed as Exhibit 10.5 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.102	Promissory Note of One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, as Borrowers, in favor of Gramercy Warehouse Funding I, LLC, as Lender, in the principal amount of $90,286,551 dated May 9, 2006 (filed as Exhibit 10.6 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.103	Mortgage, Security Agreement and Fixture Filing by and between 4 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.7 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.104	Promissory Note of 4 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $43,000,000 dated May 9, 2006 (filed as Exhibit 10.8 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.105	Mortgage, Security Agreement and Fixture Filing by and between 210 Clay SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.9 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.106	Promissory Note of 210 Clay SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $16,000,000 dated May 9, 2006 (filed as Exhibit 10.10 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.107	Mortgage, Security Agreement and Fixture Filing by and between 5 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.11 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.108	Promissory Note of 5 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $15,500,000 dated May 9, 2006 (filed as Exhibit 10.12 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.109	Mortgage, Security Agreement and Fixture Filing by and between 51 CHUBB SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.13 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.110	Promissory Note of 51 CHUBB SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of $4,500,000 dated May 9, 2006 (filed as Exhibit 10.14 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.111	Form of Amended and Restated Limited Liability Company Agreement of Mack-Green-Gale LLC dated , 2006 (filed as Exhibit 10.3 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.112	Form of Limited Liability Company Operating Agreement (filed as Exhibit 10.3 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.113	Agreement of Sale and Purchase dated August 9, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.91 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.114	First Amendment to Agreement of Sale and Purchase dated September 6, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.92 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.115	Second Amendment to Agreement of Sale and Purchase dated September 15, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.93 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.116	Agreement of Sale and Purchase dated September 25, 2006 by and between Phelan Realty Associates L.P., 795 Folsom Realty Associates L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.94 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.117*	Membership Interest Purchase and Contribution Agreement dated as of December 28, 2006, by and among NKFGMS Owners, LLC, The Gale Construction Services Company, L.L.C., NKFFM Limited Liability Company, Scott Panzer, Ian Marlow, Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, and Mack-Cali Realty, L.P.
10.118*	Operating Agreement of NKFGMS Owners, LLC.
10.119*	Loans, Sale and Services Agreement dated December 28, 2006 by and between Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, Mack-Cali Realty, L.P., and Newmark Knight Frank Global Management Services, LLC.
10.120*	Term Loan Agreement among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, N.A. as Administrative Agent, J.P. Morgan Securities Inc. as Arranger, and other lender which may become parties to this Agreement dated November 29, 2006.
21.1*	Subsidiaries of the Company.
23.1*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
31.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, and the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*filed herewith

Exhibit 31.1

MACK-CALI REALTY CORPORATION
Certification

I, Mitchell E. Hersh, certify that:

1. I have reviewed this annual report on Form 10-K 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 officer 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 officer 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: February 21, 2007

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and
Chief Executive Officer

Exhibit 31.2

MACK-CALI REALTY CORPORATION
Certification

I, Barry Lefkowitz, certify that:

1. I have reviewed this annual report on Form 10-K 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 officer 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 officer 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: February 21, 2007

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

Exhibit 32.1

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 Annual Report on Form 10-K of Mack-Cali Realty Corporation (the "Company") for the year ended December 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mitchell E. Hersh, as President and Chief Executive Officer of the Company, and Barry Lefkowitz, 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: February 21, 2007

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and
Chief Executive Officer

Date: February 21, 2007

By: /s/ Barry Lefkowitz
Barry Lefkowitz
Executive Vice President and
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.

Exhibit 10.92

MACK-CALI RIGHTS, OBLIGATIONS AND OPTION AGREEMENT

BY AND BETWEEN

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP,

MEADOWLANDS LIMITED PARTNERSHIP,

MEADOWLANDS DEVELOPER HOLDING CORP.,

MEADOWLANDS MACK-CALI GP, L.L.C.

MACK-CALI MEADOWLANDS SPECIAL L.L.C.,

MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C.,

BASEBALL MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP,

A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP,

C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP,

HOTEL MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP

AND

ERC MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP

Execution Date: November 22, 2006

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MACK-CALI RIGHTS, OBLIGATIONS AND OPTION AGREEMENT

THIS MACK-CALI RIGHTS, OBLIGATIONS AND OPTION AGREEMENT (this "**Agreement**") is executed this 22nd day of November, 2006 (the "**Execution Date**"), by and among (i) MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership), a Delaware limited partnership ("**MDLP**"), (ii) MEADOWLANDS LIMITED PARTNERSHIP (f/k/a Meadowlands Mills Limited Partnership), a Delaware limited partnership (the "**JV GP**"), (iii) MEADOWLANDS DEVELOPER HOLDING CORP., a Delaware corporation ("**JV Holding**"), (iv) MEADOWLANDS MACK-CALI GP, L.L.C. (f/k/a Meadowlands Mills/Mack-Cali GP, L.L.C.), a Delaware limited liability company ("**GP LLC**"), (v) MACK-CALI MEADOWLANDS SPECIAL L.L.C., a New Jersey limited liability company ("**Special General Partner**"), (vi) MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C., a New Jersey limited liability company ("**MC Entertainment**" and together with Special General Partner the "**MC Partners**" and each a "**MC Partner**"), (vii) BASEBALL MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership ("**Baseball LP**"), (viii) A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (f/k/a A-B Office Meadowlands Mack-Cali/Mills Limited Partnership), a Delaware limited partnership ("**A-B Office LP**"), (ix) C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (f/k/a C-D Office Meadowlands Mack-Cali/Mills Limited Partnership), a Delaware limited partnership ("**C-D Office LP**"), (x) HOTEL MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (f/k/a Hotel Meadowlands Mack-Cali/Mills Limited Partnership), a Delaware limited partnership ("**Hotel LP**"), and (xi) ERC MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership ("**ERC LP**").

RECITALS

WHEREAS, pursuant to the Certificate of Limited Partnership filed with the Office of the Secretary of State of Delaware on October 10, 2003, MDLP was formed as a limited partnership pursuant to the provisions of the Delaware LP Act (as defined below);

WHEREAS, the managing general partner of MDLP is the JV GP;

WHEREAS, immediately prior to the Redemption (as defined below), the special general partner of MDLP was Special General Partner;

WHEREAS, immediately prior to the Redemption, the JV GP and Special General Partner were the sole general partners of MDLP (the "**Original General Partners**");

WHEREAS, immediately prior to the Redemption (and the admission of JV Holding as a partner of MDLP), MC Entertainment and the JV GP (collectively, the "**Original Limited Partners**") were the sole limited partners of MDLP;

WHEREAS, in connection with the formation of MDLP, the JV GP and the MC Partners entered into that certain Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership, dated November 25, 2003 (the "**Mills/Mack-Cali Agreement**") and effective on the Effective Date (as defined below), as amended by that certain First Amendment

to Limited Partnership Agreement of MDLP, dated June 30, 2005 (the "**First Amendment**" and together with the Mills/Mack-Cali Agreement the "**Original Agreement**"), a copy of which is annexed hereto as **Exhibit A**;

WHEREAS, prior to the date hereof, MDLP entered into: (i) that certain Redevelopment Agreement, dated as of December 3, 2003, with the New Jersey Sports and Exposition Authority (the "**NJSEA**") pursuant to which, among other things, MDLP is entitled, on the terms and conditions set forth therein, to improve and redevelop the Meadowlands Complex (as defined below) with an entertainment, sports, recreation and retail complex, together with Office/Hotel Components ("**Meadowlands Xanadu**"); and (ii) the following amendments to the Redevelopment Agreement: (a) that certain First Amendment to Redevelopment Agreement, dated as of October 5, 2004, (b) that certain Second Amendment to Redevelopment Agreement, dated as of March 15, 2005, (c) that certain Third Amendment to Redevelopment Agreement, dated as of May 23, 2005 to be effective as of March 30, 2005, and (d) that certain Fourth Amendment to Redevelopment Agreement, dated as of June 30, 2005 (such Redevelopment Agreement, together with such amendments, being collectively referred to herein as the "**Redevelopment Agreement**");

WHEREAS, the real property that is subject to the Redevelopment Agreement and upon which MDLP has commenced construction of Meadowlands Xanadu is referred to in the Redevelopment Agreement and herein as the "**Project Site**";

WHEREAS, prior to the date hereof, MDLP caused to be formed, the following five Delaware limited partnerships to acquire tenant leasehold interests in the five components of the Project Site: (i) ERC LP, (ii) Baseball LP, (iii) A-B Office LP, (iv) C-D Office LP, and (v) Hotel LP (being individually referred to herein as a "**Component Entity**" and collectively as the "**Component Entities**");

WHEREAS, prior to the date hereof, MDLP caused GP LLC to be formed and to be the general partner of each of the Component Entities;

WHEREAS, the Redevelopment Agreement contemplates that certain agreements were to be executed, and certain funds were to be paid (including the Development Rights Fee, as defined in the Redevelopment Agreement), and certain actions were to be taken, upon the occurrence of the Development Rights Fee Funding Date (as defined in the Redevelopment Agreement);

WHEREAS, the Development Rights Fee Funding Date occurred on June 30, 2005 in connection with the closing of the transactions contemplated in the Redevelopment Agreement that were to occur on the Development Rights Fee Funding Date (such closing is commonly referred to by the NJSEA and MDLP, and referred to herein, as the "**Financial Closing**");

WHEREAS, in connection with the Financial Closing, the following documents (in addition to certain other documents not herein described), each dated as of June 30, 2005, were executed and delivered by the Original General Partners jointly, either on behalf of MDLP or on behalf of GP LLC and/or one or more Component Entities, as applicable: (i) Ground Lease

("**ERC Ground Lease**") by and between the NJSEA and ERC LP pertaining to the portion of the Project Site commonly known as the Entertainment/Retail Site (the "**ERC Site**"); (ii) Ground Lease ("**Baseball Ground Lease**") by and between the NJSEA and Baseball LP for the portion of the Project Site commonly known as the Baseball Site (the "**Baseball Site**"); (iii) Ground Lease ("**Hotel Ground Lease**") by and between the NJSEA and Hotel LP for the portion of the Project Site commonly known as the Hotel Site ("**Hotel Site**"); (iv) Ground Lease ("**A-B Ground Lease**") by and between the NJSEA and A-B Office LP for the portion of the Project Site commonly known as the A-B Office Site ("**A-B Office Site**"); (v) Ground Lease ("**C-D Ground Lease**") by and between the NJSEA and C-D Office LP for the portion of the Project Site commonly know as the C-D Office Site ("**C-D Office Site**"); (vi) five Assignment and Assumption Agreements (referred to in the Redevelopment Agreement as "**Component Agreements**") (the "**Component Agreements**") wherein MDLP assigned certain of its rights and obligations under the Redevelopment Agreement to the Component Entities, one such Assignment and Assumption Agreement for each of the ERC Site, the Hotel Site, the Baseball Site, the A-B Office Site and the C-D Office Site; and (vii) five memoranda of lease, one for each of the ERC Ground Lease, the Baseball Ground Lease, the Hotel Ground Lease, the A-B Ground Lease and the C-D Ground Lease;

WHEREAS, the Development Rights Fee, an amount equal to $160,000,000, is deemed under the Redevelopment Agreement and the Ground Leases to constitute prepaid rent under all of the Ground Leases with respect to the first fifteen (15) years of each of the Ground Leases;

WHEREAS, the Ground Leases allocate the amount of the Development Rights Fee to prepaid rent under the Ground Leases for the first fifteen (15) years of the Ground Leases, and treat the payment of such amounts as made by the corresponding Component Entities, as set forth on **Exhibit B**, which allocations described therein are referred to herein as the "**Prepaid Rent Allocations**";

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid by MDLP to the NJSEA, it was the intent of the Original Limited Partners that the aggregate amount of the Development Rights Fee be allocated to prepaid rent between each of the Ground Leases in the amounts of the Prepaid Rent Allocations, and treated as the payment of such amounts by the corresponding Component Entities;

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid directly by MDLP to the NJSEA, it was the intent of the Original Limited Partners that the following be deemed to have occurred immediately prior to such payment of the Development Rights Fee to the NJSEA: (i) on June 30, 2005, MDLP contributed, as capital contributions to the Component Entities and GP LLC, cash in an aggregate amount equal to the Development Rights Fee (the "**Aggregate Capital Contributions**"), with 99.99% of such Aggregate Capital Contributions being made directly to the Component Entities (such capital contributions, the "**Direct Capital Contributions**") and 0.01% of such Aggregate Capital Contributions being made to GP LLC (such capital contributions, the "**Indirect Capital Contributions**"), (ii) GP LLC, on June 30, 2005 and immediately after MDLP's contribution of the Indirect Capital Contributions to GP LLC, contributed, as capital contributions to the Component Entities, cash in an aggregate amount equal to the Indirect Capital Contributions

(such capital contributions, the "**GP Capital Contributions**"), (iii) the portions of the Direct Capital Contributions and the GP Capital Contributions were allocated to each Component Entity on June 30, 2005 based upon the allocation of the Development Rights Fee to each Ground Lease as set forth on **Exhibit B**, and (iv) each of the Component Entities paid a portion of the Development Rights Fee to the NJSEA in the allocated amount set forth on **Exhibit B**;

WHEREAS, immediately prior to the Redemption, JV Holding was admitted to MDLP as a partner and, in connection therewith, JV Holding executed that certain Instrument of Accession, dated as of the date hereof, whereby JV Holding agreed to the terms and conditions of the Original Agreement;

WHEREAS, simultaneously herewith, and immediately following the admission of JV Holding to MDLP, MDLP fully and completely redeemed all of the Partnership Interests of the MC Partners (the "**Redemption**") pursuant to that certain Redemption Agreement by and among MDLP, Special General Partner and MC Entertainment, dated November 22, 2006 (the "**Redemption Agreement**") as more specifically described below and in the Redemption Agreement, and consequently, the MC Partners ceased to be partners of MDLP for all purposes;

WHEREAS, on the date of the Redemption, MDLP (i) distributed to the MC Partners in exchange for the complete and collective redemption of the Redeemed Interests, (A) an aggregate amount of $22,500,000 to the MC Partners, (B) special, non-economic general partnership interests in each of the MC Component Entities (as defined below) (which partnership interests are being distributed solely to Special General Partner) and (C) property rights with respect to the MC Component Entities and the ROFR Component Entities (as defined below) set forth in this Agreement, and (ii) delivered this Agreement;

WHEREAS, on the date of the Redemption, the JV GP is delivering to MC Entertainment a promissory note (the "**MC Note**") in the amount of $2,500,000 (the "**Principal Amount**"), which MC Note shall be due and payable fifteen (15) days after the MC Partners' first Take Down (as defined below) of either an Office Component (as defined below) or the Hotel Component (as defined below) (the "**Maturity Date**");

WHEREAS, immediately following the Redemption, the JV GP and JV Holding entered into that certain Amended and Restated Agreement of Limited Partnership of Meadowlands Developer Limited Partnership, dated as of the date hereof;

WHEREAS, simultaneously herewith, the original partners of the JV GP undertook a restructuring of the JV GP (the "**Restructuring**") pursuant to and in accordance with that certain Transaction Agreement, dated as of the date hereof, by and among the JV GP, its partners, and other signatories thereto;

WHEREAS, as soon as practicable following the Redemption and in connection with the Restructuring, GP LLC will withdraw as the general partner of Baseball LP and shall be the general partner only of the A-B Office LP, C-D Office LP and Hotel LP;

WHEREAS, as soon as practicable following the Redemption, GP LLC shall form 16W ERC GP, LLC, a Delaware limited liability company ("**ERC 16W GP**") and, immediately thereafter, ERC LP and ERC 16W GP shall form ERC 16W Limited Partnership ("**New ERC LP**");

WHEREAS, as soon as practicable following the formation of New ERC LP, MDLP shall, and shall cause ERC LP to, transfer any and all assets and liabilities related to the Entertainment/Retail Component (as defined in the Redevelopment Agreement), including the ERC Ground Lease, to New ERC LP and, immediately thereafter, ERC LP shall dissolve (the "**ERC Restructuring**");

WHEREAS, following the ERC Restructuring, MDLP shall continue to indirectly control and own New ERC LP;

WHEREAS, on or about the ERC Restructuring, New ERC LP and its successors or assigns shall execute an instrument of accession (the "**Instrument of Accession**") to this Agreement in the form annexed hereto as **Exhibit C**, at which time New ERC LP and its successors or assigns shall become a party to this Agreement and shall assume, and agree to be bound by, all of the rights and obligations of ERC LP set forth in this Agreement and/or the Transaction Documents;

WHEREAS, in connection with the foregoing transactions, the following actions were or will be effected: (i) the name of the Original Partnership has been changed to "Meadowlands Developer Limited Partnership"; (ii) the name of JV GP has been changed to "Meadowlands Limited Partnership"; (iii) the name of GP LLC has been changed to "Meadowlands Mack-Cali GP, L.L.C."; (iv) the name of Baseball LP will be changed to "Baseball Meadowlands Mills/Mack-Cali Limited Partnership"; (v) the name of A-B Office LP has been changed to "A-B Office Meadowlands Mack-Cali Limited Partnership"; (vi) the name of C-D Office LP has been changed to "C-D Office Meadowlands Mack-Cali Limited Partnership"; and (vii) the name of Hotel LP has been changed to "Hotel Meadowlands Mack-Cali Limited Partnership";

WHEREAS, in connection with the Restructuring, that certain Second Amendment to Declaration of Covenants and Restrictions (Arena/Meadowlands/Xanadu Site), dated November 22, 2006 (the "**Second Amendment to the Declaration**"), was entered into by and among NJSEA, MDLP, ERC LP, A-B Office LP, C-D Office LP, Hotel LP and Baseball LP;

WHEREAS, in connection with the Restructuring, that certain Assignment, Assumption and Cooperation Agreement, dated November 22, 2006 (the "**Assignment, Assumption and Cooperation Agreement**"), was entered into by and among NJSEA, MDLP, Baseball LP, A-B Office LP, C-D Office LP, Hotel LP and ERC LP which provides for the assignment of certain licenses and permits to ERC LP and the assumption of certain rights and obligations by ERC LP with respect to such licenses and permits and certain other matters relating thereto; and

WHEREAS, in connection with the foregoing, MDLP, the JV GP, JV Holding, GP LLC, Special General Partner, MC Entertainment, Baseball LP, A-B Office LP, C-D Office LP, Hotel LP and ERC LP desire to enter into this Agreement to set forth their respective rights and

obligations with respect to (i) certain of the Component Entities, (ii) the Redevelopment Agreement, (iii) the development, ownership and operation of the Development Land and the Project that may be constructed thereon and (iv) the Transaction Documents (as defined below).

NOW, THEREFORE, in consideration of the foregoing, and of the representations and warranties and of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals

. The foregoing Recitals to this Agreement are hereby incorporated in and made a part of this Agreement to the same extent as if set forth in full herein.

2. Certain Definitions

. Capitalized terms used herein shall have the respective meanings set forth below for all purposes of this Agreement (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Original Agreement with appropriate adjustments to the names of the applicable parties.

"**A-B Ground Lease**" has the meaning specified in the Recitals.

"**A-B Office LP**" has the meaning specified in the first paragraph of this Agreement.

"**A-B Office Site**" has the meaning specified in the Recitals.

"**Actual Office/Hotel Value**" has the meaning specified in Section 10.6.7.2.

"**Affiliate(s)**" shall mean, with respect to any Person, (a) a Person who, directly or indirectly, controls, is under common control with, or is controlled by, that Person, (b) a Person who directly or indirectly owns twenty-five percent (25%) or more of the issued and outstanding securities or other ownership interests (whether voting or non-voting) of that Person, (c) any officer, director, trustee, manager, managing member, general partner or beneficiary of such Person, (d) any spouse, parent, sibling or lineal descendant of any Person described in clause (b) and (c) above, and (e) any trust for the benefit of any Person described in clauses (b) through (d) above or for any spouse, issue or lineal descendant of any Person described in clauses (b) through (d) above. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Affordable Housing Contributions**" means those certain financial obligations of MDLP to provide a contribution to the Boroughs of Cartlstadt and East Rutherford for affordable housing units specified in the Hearing Officer's Report at Section II.C.12.e.

"**Aggregate Capital Contributions**" has the meaning specified in the Recitals.

"**Agreement**" has the meaning specified in the first paragraph of this Agreement.

"**Allocated Annual Payments**" has the meaning specified in Section 10.4.1.(a).

"**Alternate MC Representative**" has the meaning specified in Section 8.1.1.

"**Alternate MDLP Representative**" has the meaning specified in Section 8.1.1.

"**AMX Project Operator**" has the meaning specified in Section 14.

"**AMX Site Declaration**" means that certain Declaration of Covenants and Restrictions (Arena/Meadowlands/Xanadu Site), dated June 30, 2005, and recorded July 8, 2005 by the Bergen County Clerk Deed Book 8835, page 1, as supplemented by that certain Corrective Declaration of Covenants and Restrictions (Arena/Meadowlands/Xanadu Site) for the sole purpose of identifying certain of the subject parcels by metes and bounds legal descriptions in addition to the legal descriptions referencing lots and blocks in the Plat of Subdivision (the "**Corrective Declaration**"). On July 29, 2005, the Clerk recorded the Corrective Declaration.

"**Annual Payments**" has the meaning specified in Section 10.4.1(a).

"**Applicable Component**" has the meaning specified in Section 10.2.1.

"**Approved by the Parties**" or "**Approval of the Parties**" shall mean approval in writing by the JV GP or MDLP, as relevant, and the MC Partners, acting through their duly authorized representatives or if not through such duly authorized representatives, as agreed upon in writing by the JV GP or MDLP, as relevant, and the MC Partners. Unless otherwise expressly provided herein to the contrary, the JV GP, MDLP and the MC Partners shall not unreasonably withhold, delay or condition such approval.

"**Approved Master Plan**" has the meaning specified in the Redevelopment Agreement.

"**Arbitrators**" has the meaning specified in Section 15.2.

"**Arena**" has the meaning specified in the Redevelopment Agreement.

"**Arena ROFR**" has the meaning specified in Section 6.1.2

"**Arena ROFR Agreement**" shall mean that certain Right of First Refusal Agreement (Arena Site), dated June 30, 2005, by and between NJSEA and MDLP, as amended or modified from time to time.

"**Assignment, Assumption and Cooperation Agreement**" has the meaning specified in the Recitals.

"**Authority Agreement(s)**" has the meaning specified in Section 13.1.6.

"**Bankruptcy**" shall mean, as to any Person:

(i) its filing a petition commencing a case as a debtor under the Federal Bankruptcy Code or a similar provision of state law (collectively, as now or in the future amended, the "**Bankruptcy Code**");

(ii) the commencement of an involuntary case against it under the Bankruptcy Code and the earlier of (A) the entry of an order for relief, or (B) the appointment of an interim trustee to take possession of its estate and/or to operate any of its business;

(iii) its making a general assignment for the benefit of its creditors;

(iv) its consenting to the appointment of a receiver for all or substantially all of its property;

(v) the entry of a court order appointing a receiver or trustee for all or substantially all of its property; or

(vi) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of its property.

"**Bankruptcy Code**" has the meaning specified in this Section 2 in the definition "Bankruptcy".

"**Baseball Ground Lease**" has the meaning specified in the Recitals.

"**Baseball LP**" has the meaning specified in the first paragraph of this Agreement.

"**Baseball Site**" has the meaning specified in the Recitals.

"**Blue StadCo. Payment**" means that certain lump sum payment equal to $15 million set forth in Section 5(a) of the Giants/Jets Settlement Agreement.

"**Brownfields Agreement**" has the meaning specified in Section 16.

"**Business Day**" or "**business day**" means any day other than a Saturday, Sunday or a day on which banks located in New York, New York shall be authorized or required by Law to close.

"**Capital Ratio**" has the meaning specified in Section 10.6.5.

"**Capital Ratio Determination Date**" has the meaning specified in Section 10.6.6.

"**C-D Ground Lease**" has the meaning specified in the Recitals.

"**C-D Office LP**" has the meaning specified in the first paragraph of this Agreement.

"**C-D Office Site**" has the meaning specified in the Recitals.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Completion**" has the meaning specified in the Redevelopment Agreement.

"**Component**" has the meaning specified in the Redevelopment Agreement.

"**Component Agreements**" has the meaning specified in the Recitals.

"**Component Entity**" and "**Component Entities**" have the meaning specified in the Recitals.

"**Component Lease**" has the meaning specified in the Redevelopment Agreement.

"**Component Site**" has the meaning specified in Section 18.

"**Conceptual Site Plan"** refers to the conceptual site plan attached to the Redevelopment Agreement as Schedule 6.1(b).

"**Conservancy Trust Agreement**" shall mean that certain Conservancy Trust Agreement, dated as of October 5, 2004, by and between MDLP and the Meadowlands Conservation Trust.

"**Consumer Price Index**" or "**CPI**" shall mean the index presently known as the "United States Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, all items for the New York, New Jersey area, SMSA (C.P.I.W.) (Base Period=1982-84=100) issued by the U.S. Department of Labor Bureau of Labor Statistics (or any comparable successor index issued by the U.S. Department of Labor Bureau of Labor Statistics). If such index shall be discontinued or revised without substitution of a comparable successor index, the substitute index or formula to be used in instances where "Consumer Price Index" is used shall be Approved by the Parties.

"**Corrective Declaration**" has the meaning specified in this Section 2 in the definition of "AMX Site Declaration".

"**CPI Adjustment**" has the meaning specified in Section 10.5.1.

"**Delaware LP Act**" shall mean the State of Delaware Revised Uniform Limited Partnership Act, §§ 17-101 to 17-1109 of the Delaware Code Annotated, Title 6, as the same may be amended from time to time.

"**Developer**" has the meaning specified in Section 4.

"**Development Acceleration Notice**" has the meaning specified in Section 10.3.1.

"**Development Land**" has the meaning specified in the Original Agreement.

"**Development Rights Fee**" has the meaning specified in the Recitals.

"**Development Rights Fee Funding Date**" has the meaning specified in the Recitals.

"**Direct Capital Contributions**" has the meaning specified in the Recitals.

"**Disputes**" has the meaning specified in Section 15.1.

"**Effective Date**" shall mean December 3, 2003.

"**Entertainment/Retail Component**" has the meaning specified in the Recitals.

"**ERC Restructuring**" has the meaning specified in the Recitals.

"**ERC 16W GP**" has the meaning specified in the Recitals.

"**ERC Ground Lease**" has the meaning specified in the Recitals.

"**ERC LP**" has the meaning specified in the first paragraph of this Agreement; provided, however, immediately following the consummation of the ERC Restructuring and the execution of the Instrument of Accession, such term shall mean New ERC LP, its successors or assigns.

"**ERC Site**" has the meaning specified in the Recitals.

"**Exclusive Office/Hotel Infrastructure Improvement Costs**" has the meaning specified in Section 10.4.1(f).

"**Exclusive Negotiation Period**" has the meaning specified in Section 6.1.2.2.

"**Execution Date**" has the meaning specified in the first paragraph of this Agreement.

"**Existing Litigation**" shall mean the litigation identified on **Exhibit D** annexed hereto.

"**Financial Closing**" has the meaning specified in the Recitals.

"**First Amendment**" has the meaning specified in the Recitals.

"**First Component**" has the meaning specified in Section 10.2(i).

"**Fiscal Year**" shall mean the twelve month period beginning on January 1 and ending on December 31 of each calendar year; provided, that the last Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of applicable MC Component Entity is completed and ending on the date such final liquidation and termination is completed (to the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first Fiscal Year or final Fiscal Year if the applicable Fiscal Year is greater or less than a full calendar year period to reflect such fact).

"**Four Year Office/Hotel Development Option**" has the meaning specified in Section 10.2(i).

"**Gaming Facility**" has the meaning specified in Section 6.1.2.3.

"**Giants**" shall mean the New York Football Giants, a New York corporation.

"**Giants/Jets Settlement Agreement**" means the Agreement, dated as of November 22, 2006, by and among Giants Stadium LLC, the New York Football Giants, Inc., Jets Stadium Development LLC, New Meadowlands Stadium Company, LLC New York Jets, LLC, NJSEA and other signatories thereto.

"**GP Capital Contributions**" has the meaning specified in the Recitals.

"**GP LLC**" has the meaning specified in the first paragraph of this Agreement.

"**Governmental Authority**" has the meaning specified in Section 8.3.2.

"**Grand Opening Date**" shall mean: provided, that Completion of the Entertainment/Retail Component has occurred, the earlier of (i) the date on which the Entertainment/Retail Component opens for business as publicly announced in accordance with the ERC Ground Lease, on behalf of MDLP, or (ii) the date by which at least fifty percent (50%) of the gross leasable area of specialty store space (also known as small shop space) in the Entertainment/Retail Component is open for business to the public.

"**Ground Lease**" and "**Ground Leases**" shall mean individually or collectively, at the case may be, the ERC Ground Lease, the Baseball Ground Lease, the Hotel Ground Lease, the A-B Ground Lease and the C-D Ground Lease.

"**Hearing Officer's Report**" shall mean that certain Hearing Officer's Report relating to the Project issued by the New Jersey Meadowlands Commission and the New Jersey Department of Environmental Protection on August 19, 2004.

"**Hotel Component**" has the meaning specified in the Redevelopment Agreement.

"**Hotel Ground Lease**" has the meaning specified in the Recitals.

"**Hotel Land**" has the meaning specified in Section 10.5.1.

"**Hotel LP**" has the meaning specified in the first paragraph of this Agreement.

"**Hotel ROFR**" has the meaning specified in Section 6.1.2.

"**Hotel ROFR Agreement**" shall mean that certain Right of First Refusal Agreement (for a Hotel at Meadowlands Racetrack), dated June 30, 2005, by and between NJSEA and MDLP, as amended or modified from time to time.

"**Hotel Site**" has the meaning specified in the Recitals.

"**Independent Negotiation**" has the meaning specified in Section 6.1.2.2.2.

"**Indirect Capital Contributions**" has the meaning specified in the Recitals.

"**Ineligible Party**" has the meaning specified in Section 6.1.2.3.

"**Infrastructure Improvements**" shall mean any improvement or utility necessitated or required by the implementation of the Project, which is located on or off the Project Site including, but not limited to, sidewalk and roadway construction, electric power transmission lines, sewer transmission conduits or pipes, water lines or pipes, storm sewers, telephone transmission lines, television cable lines and other similar utilities, including all improvements contemplated under that certain Construction and Contribution Agreement for Meadowlands Regional Transportation Improvements, dated November 22, 2006, by and among the New Jersey Department of Transportation, the NJSEA and the Meadowlands Mills/Mack-Cali Limited Partnership (in each case not including Traffic and Infrastructure Improvements).

"**Infrastructure Improvement Costs**" shall mean any and all costs, fees and expenses incurred in connection with Infrastructure Improvements.

"**Infrastructure Improvement Costs and Program Costs**" shall mean, collectively, (i) Infrastructure Improvement Costs, (ii) Program Costs, (iii) Traffic and Infrastructure Costs and (iv) any and all sewer connection and related fees in connection with the Project. Notwithstanding the foregoing, the term "Infrastructure Improvement Costs and Program Costs" shall in no event exceed $160,000,000.

"Infrastructure Loan" shall mean a non-interest bearing loan from MDLP to a Office/Hotel Component Owner for a term of seven (7) years and, if not refinanced with Public Debt within the seven (7) year term, such Infrastructure Loan would convert into equity interest of the Office/Hotel Component Owner if there remains unpaid and outstanding any principal amount on such convertible loan pursuant to and in accordance with the terms and conditions of the Infrastructure Loan documentation.

"**Infrastructure Improvement Notice**" has the meaning specified in Section 10.9.1.

"**Infrastructure Improvement Reply Notice**" has the meaning specified in Section 10.9.1.

"**Initial ROFR Election Date**" has the meaning specified in Section 6.1.2.

"**Initial ROFR Election Period**" has the meaning specified in Section 6.1.2.

"**Instrument of Accession**" has the meaning specified in the Recitals.

"**Joint Venture**" has the meaning specified in Section 10.7.

"**JV GP**" has the meaning specified in the first paragraph of this Agreement.

"**JV Holding**" has the meaning specified in the first paragraph of this Agreement.

"**Laws**" shall mean federal, state and local statutes, case law, rules, regulations, ordinances, codes and the like which are in full force and effect from time to time and which affect the Project or the ownership or operation thereof.

"**License Agreement**" shall mean that certain License Agreement, dated on or about the date hereof, by and among MDLP, Baseball LP, A-B Office LP, C-D Office LP, Hotel LP and New ERC LP.

"**Loan Commitment**" has the meaning specified in Section 10.3.1(b).

"**Loan Commitment Notice**" has the meaning specified in Section 10.3.1(b).

"**Mack-Cali Rights**" has the meaning specified in Section 3.1.

"**Main Street Program Payments**" means those certain financial obligations of MDLP to provide contributions to establish Main Street New Jersey Programs in the Meadowlands specified in the Hearing Officer's Report at Section II.C.12.d.

"**Major Decision**" has the meaning specified in Section 13.

"**Major Modification**" has the meaning specified in the Redevelopment Agreement.

"**Market Development Notice**" has the meaning specified in Section 10.3.1(a).

"**Marks**" has the meaning specified in the License Agreement.

"**Master Plan**" has the meaning specified in the Redevelopment Agreement.

"**Maturity Date**" has the meaning specified in the Recitals.

"**MC Component Entity**" and "**MC Component Entities**" have the meanings specified in Section 3.1.

"**MC Entertainment**" has the meaning specified in the first paragraph of this Agreement.

"**MC Note**" has the meaning specified in the Recitals.

"**MC Partner**" and "**MC Partners**" have the meaning specified in the first paragraph of this Agreement.

"**MC Partners' Account Credit**" has the meaning specified in Section 10.9.1.

"**MCRC**" has the meaning specified in Section 7.2.

"**MC Representative**" has the meaning specified in Section 8.1.1.

"**MDLP**" has the meaning specified in the first paragraph of this Agreement.

"**MDLP Representative**" has the meaning specified in Section 8.1.1.

"**Meadowlands Complex**" has the meaning specified in the Redevelopment Agreement.

"**Meadowlands Racetrack**" has the meaning specified in the Redevelopment Agreement.

"**Meadowlands Xanadu**" has the meaning specified in the Recitals.

"**Memorandum**" has the meaning specified in Section 33(a).

"**Mills/Mack-Cali Agreement**" has the meaning specified in the Recitals.

"**Net Project Costs**" has the meaning specified in Section 10.6.6(f).

"**New ERC LP**" has the meaning specified in the Recitals.

"**New LP**" has the meaning specified in Section 10.7.3.2.

"**New Year**" has the meaning specified in Section 10.5.1.

"**NJMC Contributions**" means those certain financial obligations of MDLP relating to environmental and education transportation costs to the Meadowlands Environment Center specified in Hearing Officer's Report at Section II.C16.a.

"**NJSEA**" has the meaning specified in the Recitals.

"**NJSEA Profit Participation**" means the Authority Profit Participation (as defined in the Redevelopment Agreement) required to be paid to the NJSEA under the Redevelopment Agreement.

"**Non-Electing Party**" and "**Non-Electing Parties**" have the meaning specified in Section 6.1.2.2.1.

"**Non-Participating Party**" has the meaning specified in Section 6.1.2.2.2(a).

"**Offer Notice**" has the meaning specified in the applicable ROFR Agreement.

"**Office Component**" has the meaning specified in the Redevelopment Agreement.

"**Office/Hotel Component**" has the meaning specified in Section 10.1.

"**Office/Hotel Component LP Agreement**" has the meaning specified in Section 10.6.

"**Office/Hotel Component Owner**" and "**Office/Hotel Component Owners**" have the meaning specified in Section 3.1 and shall also include a Sub-Component Owner, as applicable.

"**Office/Hotel Development Election Notice**" has the meaning specified in Section 10.2.1.

"**Office/Hotel Development Option**" has the meaning specified in Section 10.2.

"**Office/Hotel Election Notice Date**" has the meaning specified in Section 10.2.1.

"**Office/Hotel Funding Default**" has the meaning specified in Section 10.6.7.3.

"**Office/Hotel Funding Default Notice**" has the meaning specified in Section 10.6.7.3.

"**Office/Hotel Land**" has the meaning specified in Section 10.5.

"**Office/Hotel Value**" has the meaning specified in Section 10.5.

"**Office Land**" has the meaning specified in Section 10.5.1.

"**Opt Out Election**" has the meaning specified in Section 10.7.3.

"**Original Agreement**" has the meaning specified in the Recitals.

"**Original General Partners**" has the meaning specified in the Recitals.

"**Original Limited Partners**" has the meaning specified in the Recitals.

"**Partnership Election**" has the meaning specified in Section 10.7.3.

"**Partnership Interest**" shall mean the entire ownership interest (which may be expressed as a percentage) of a partner in a partnership at any particular time, including the right of such partner to any and all benefits to which a partner may be entitled pursuant to the partnership agreement of such partnership and under the Delaware LP Act, together with all obligations of such partner to comply with the terms and provisions of the partnership agreement of such partnership and the Delaware LP Act.

"**Party Hereto Affiliates**" has the meaning specified in Section 38.

"**Person**" shall mean an individual, partnership, firm, corporation, trust, estate, unincorporated association, limited liability company, joint stock company or other entity, association, firm or company.

"**Phase**" has the meaning specified in the Redevelopment Agreement.

"**Phase III**" has the meaning specified in the Redevelopment Agreement.

"**Phase IV**" has the meaning specified in the Redevelopment Agreement.

"**PILOT Payments**" shall mean the "Developer PILOT Payments" as specified in the Redevelopment Agreement.

"**Plans and Specifications**" shall mean, with respect to a particular Hotel Component or Office Component, all blueprints, schematic renderings, architect's drawings, specifications, written descriptions and similar items and all related drawings, plans, and data (and all supplements and amendments thereto) relating to the design, construction, equipping, and furnishing of such particular Component.

"**Prepaid Rent Allocations**" has the meaning specified in the Recitals.

"**Principal Amount**" has the meaning specified in the Recitals.

"**Program Costs**" shall mean (i) Affordable Housing Contributions, (ii) Blue StadCo. Payment, (iii) Main Street Program Payments and (iv) NJMC Contributions.

"**Project**" has the meaning specified in the Redevelopment Agreement.

"**Project Site**" has the meaning specified in the Recitals.

"**Public Debt**" has the meaning specified in Section 10.4.1.(e).

"**Redemption**" has the meaning specified in the Recitals.

"**Redemption Agreement**" has the meaning specified in the Recitals.

"**Redevelopment Agreement**" has the meaning specified in the Recitals.

"**REIT**" shall mean a real estate investment trust within the meaning of Section 856 of the Code and subject to federal income taxation under Sections 856 through 859 of the Code.

"**Reoffer Notice**" has the meaning specified in Section 10.7.2.

"**Reoffer Acceptance Notice**" has the meaning specified in Section 10.7.2.

"**Required Equity**" shall mean all amounts required to be paid to complete the construction of the project undertaken by the Office/Hotel Component Owner or ROFR Component Entity as set forth in the agreed upon development budget for such project.

"**Restructuring**" has the meaning specified in the Recitals.

"**Right of First Refusal**" and "**ROFR**" have the meaning specified in Section 6.1.2.

"**ROFR Agreements**" shall mean the Arena ROFR Agreement and the Hotel ROFR Agreement.

"**ROFR Component Entity**" and "**ROFR Component Entities**" have the meaning specified in Section 6.1.2.1.

"**ROFR Component Entity Agreement**" has the meaning specified in Section 6.1.2.1.

"**ROFR Contract Notice**" has the meaning specified in Section 6.1.2.2.1(a).

"**ROFR Electing Party**" has the meaning specified in Section 6.1.2.2.

"**ROFR Electing Party Notice**" has the meaning specified in Section 6.1.2.2.

"**ROFR Participation Notice**" has the meaning specified in Section 6.1.2.2.1(a).

"**Second Amendment to the Declaration**" has the meaning specified in the Recitals.

"**Second Component**" has the meaning specified in Section 10.2(ii).

"**Six Year Office/Hotel Development Option**" has the meaning specified in Section 10.2(ii).

"**Special General Partner**" has the meaning specified in the first paragraph of this Agreement.

"**SGP Super-Priority Capital**" has the meaning specified in Section 10.9.3.(b)(ii).

"**Staged Development**" has the meaning specified in Section 10.1.1.

"**Sub-Allocated Annual Payments**" has the meaning specified in Section 10.4.1.(c).

"**Sub-Allocated Infrastructure Improvement Payments**" has the meaning specified in Section 10.4.1.(e).

"**Sub-Allocated Prepaid Annual Payment**" has the meaning specified in Section 10.5.2.

"**Sub-Allocation Percentages**" has the meaning specified in Section 10.4.1.(b).

"**Sub-Component Owner**" has the meaning specified in Section 10.1.2.

"**Successful Bid Notice**" has the meaning specified in Section 6.1.2.2.2(a).

"**Successful Bid Participation Notice**" has the meaning specified in Section 6.1.2.2.2(a).

"**Successful Bid Party**" has the meaning specified in Section 6.1.2.2.2(a).

"**Successful Bid Reoffer Notice**" has the meaning specified in Section 6.1.2.2.2(c)(i).

"**Successful Bid Reoffer Participation Notice**" has the meaning specified in Section 6.1.2.2.2(c)(i).

"**Super-Priority Capital**" has the meaning specified in Section 10.6.6(b)(ii).

"**Take Down**" shall mean, with respect to the MC Partners, the acquisition of a partnership interest in one or more of the Office/Hotel Component Owners, as provided in

Section 10 hereof; and, with respect to an Office/Hotel Component Owner, the acquisition and/or construction of one or more of the Office/Hotel Components, phase or sub-Component thereof as provided in Section 10 hereof.

"**Third Party Discussions**" has the meaning specified in Section 8.3.1.

"**Traffic and Infrastructure Costs**" shall mean all costs, fees and expenses related to the Traffic and Infrastructure Improvements.

"**Traffic and Infrastructure Improvements**" shall mean any and all improvements to roadways and sidewalks, installation of traffic signals and signage, relocation of utilities and other improvements, located on and off the Project Site and such other improvements implemented, for the purpose of improving vehicular and pedestrian access to the Project Site.

"**Transaction Documents**" shall mean the Redevelopment Agreement, the Project Operating Agreement (as defined i n the Redevelopment Agreement), the Construction Management Agreement (as defined in the Redevelopment Agreement), the Declaration (as defined in the Redevelopment Agreement), the Project Labor Agreement (as defined in the Redevelopment Agreement), the Ground Lease, the Right of Entry Agreement (as defined in the Redevelopment Agreement), the Access and Indemnity Agreement (as defined in the Redevelopment Agreement), the Assignment, Assumption and Cooperation Agreement, the Giants/Jets Settlement Agreement, as each agreement may be amended from time to time (including, the Second Amendment to the Declaration) and any agreements entered into by MDLP and the NJSEA directly related to the foregoing enumerated instruments implementing the obligations of MDLP or any of the Component Entities under the foregoing enumerated instruments.

"**Treasury Regulations**" means the income tax regulations promulgated by the Commissioner of Internal Revenue from time to time, as the same may be amended, supplemented or recodified.

"**Unreturned Capital Contributions Accounts**" shall mean, collectively, the Unreturned MDLP Capital Contributions Account and the Unreturned MC Partners Capital Contributions Account.

"**Unreturned MDLP Capital Contributions Account**" shall mean an account maintained for internal bookkeeping purposes by a MC Component Entity (or Office/Hotel Component Owner) upon a Take Down of such MC Component Entity (or Office/Hotel Component Owner) for MDLP and/or its Affiliates, which account, as of any date shall equal the sum of all deemed capital contributed by MDLP pursuant to Section 10.6.7 and all capital contributed by MDLP and/or its Affiliates as of such date, reduced (but not below zero) by such MC Component Entity's (or Office/Hotel Component Owner's) distributions (other than distributions that represent a return on rather than a return of MDLP's Unreturned MDLP Capital Contributions Account) to MDLP and/or its Affiliates pursuant to the applicable Office/Hotel Component LP Agreement.

"**Unreturned MC Partners Capital Contributions Account**" shall mean an account maintained for internal bookkeeping purposes by a MC Component Entity (or Office/Hotel Component Owner) upon a Take Down of such MC Component Entity (or Office/Hotel Component Owner) for the MC Partners and/or its Affiliates, which account, as of any date shall equal the sum of all deemed capital contributed by the MC Partners pursuant to Section 10.6.7 and all capital contributed by the MC Partners and/or its Affiliates as of such date, reduced (but not below zero) by such MC Component Entity (or Office/Hotel Component Owner's) distributions (other than distributions that represent a return on rather than a return of the MC Partners' Unreturned MC Partners Capital Contributions Account) to the MC Partners and/or its Affiliates pursuant to the applicable Office/Hotel Component LP Agreement.

"**WMB Annual Payment**" shall mean the annual payment in the amount of $100,000 that MDLP is obligated to pay under Paragraph 8 of the Conservancy Trust Agreement to the Meadowlands Conservation Trust for a maximum time period of seventy-five (75) years as more particularly provided in the Conservancy Trust Agreement.

"**Written Materials**" has the meaning specified in Section 8.3.2.

3. MC Partners' Rights.

3.1 The parties hereto hereby agree and acknowledge that the MC Partners had certain rights, benefits and obligations with respect to the Project, the Component Entities and the ROFR Component Entities memorialized in the Original Partnership. In connection with the Redemption, the Original Partnership redeemed the MC Partners' respective partnership interests in the Original Partnership in exchange for: (i) $22,500,000 in cash paid on the Execution Date; (ii) the distribution to Special General Partner of non-economic general partnership interests in each of the A-B Office LP, the C-D Office LP and the Hotel LP (each an "**MC Component Entity**" or "**Office/Hotel Component Owner**" and being collectively referred to herein as the "**MC Component Entities**" or "**Office/Hotel Component Owners**"); and (iii) the distribution of certain rights, benefits and obligations of the MC Partners with respect to the Component Entities and the ROFR Component Entities. Contemporaneously with the Redemption, the JV GP delivered the MC Note to MC Entertainment. The parties hereto intend that, following the Redemption and the delivery of the MC Note, and prior to any Take Down, none of the MC Partners shall be treated as partners of any Component Entity or ROFR Component Entity for tax purposes. Except as otherwise provided herein, the parties hereto agree that MC Partners shall have only those certain rights, benefits and obligations (the "**Mack-Cali Rights**") which are set forth in this Agreement, the Redemption Agreement, the MC Note and the Office/Hotel Component LP Agreements and, as applicable, which shall be set forth in the ROFR Component Entity Agreements. MDLP, the applicable MC Component Entity and the JV GP represent and warrant that each of MDLP and the applicable MC Component Entity is duly authorized and has the full authority to grant, or permit the exercise of, such Mack-Cali Rights to or by the MC Partners and that neither MDLP, the applicable MC Component Entity nor the JV GP (nor any of their Affiliates) has taken or omitted to take any action or will take or omit to take any action that would adversely affect the Mack-Cali Rights of either or both of the MC Partners. Such Mack-Cali Rights shall be exercisable by Special General Partner as a general partner and/or option holder in each MC Component Entity or, as applicable, each ROFR Component Entity or, if such rights may only be exercisable by MDLP, then, promptly upon the receipt of written notice from the MC Partners, the general partner of MDLP shall or shall cause MDLP to assert such rights on behalf of the MC Partners. The parties hereby recognize and agree that the Project shall be managed and operated pursuant to, and in accordance with, the Major Decisions set forth in Section 13, including, but not limited to, Section 13.1.3. In connection with the foregoing, and subject to the terms and conditions of the Transaction Documents, MDLP covenants to the parties hereto that, subject to any lender foreclosure rights lenders may have under their respective loan documentation, it (or its permitted successors and assigns) will continue to act directly or indirectly as the Developer of the Project pursuant to the Redevelopment Agreement and to perform or cause the Component Entities, and, if applicable, the ROFR Component Entities to perform their respective duties and obligations under all Transaction Documents, including, but not limited to, MDLP's obligation to complete the construction of the Traffic and Infrastructure Improvements described in Sections 3.2(a)(i) through (iv) of the Redevelopment Agreement as required under the Redevelopment Agreement.

3.2 MDLP hereby covenants to cause ERC LP and ERC LP hereby covenants to perform for the benefit of NJSEA and the Component Entities those certain obligations of MDLP assigned to and assumed by the ERC LP under the Assignment, Assumption and Cooperation Agreement, including, without limitation, the obligations of MDLP to perform: (i) under all permits and agreements as provided in Section 4 thereof; (ii) the obligations and conditions of MDLP under permits as provided in Section 5 thereof; (iii) the duties of MDLP, if any, related to permits, agreements and other documents as provided in Section 6 thereof; and (iv) the obligations of MDLP under the Memorandum of Agreement among the Authority, MDLP and the NJDEP, dated March 4, 2004, as provided in Section 7 thereof.

3.3 MDLP further covenants to the parties hereto that, in connection with, and on or about the date that the ERC Restructuring is consummated, MDLP shall cause New ERC LP and its successors or assigns to execute the Instrument of Accession, at which time the parties hereto acknowledge and agree that New ERC LP, its successors or assigns, shall become a party to this Agreement and in such capacity shall assume and agree to be bound by all of the rights and obligations of ERC LP set forth in this Agreement and/or the Transaction Documents and shall have the rights and obligations set forth herein and therein.

4. **Purposes and Powers of MDLP**. The purposes of MDLP are limited and include only the following: investing in, acquiring (whether by way of a leasehold or fee ownership interest or a combination thereof), holding, owning, developing, operating, maintaining, improving, leasing, financing, refinancing, mortgaging, selling, conveying, exchanging, transferring and otherwise using the Project Site

and the Project or any part thereof or any interest therein, including entering into the Redevelopment Agreement and acting as the "**Developer**" thereunder and taking such other actions as are contemplated by the development budget or any of the Authority Agreements and in furtherance of any of the foregoing and doing any and all other acts or things which may be incidental or necessary to carry on the business of MDLP as herein contemplated. Subject to the MC Component LP Agreements or, as applicable, the ROFR Component Entity Agreements, the JV GP may delegate all or any of its duties as managing general partner of MDLP to such other Persons as it deems necessary or desirable for the transaction of the business of MDLP, the Component Entities or, as applicable, the ROFR Component Entities, and, in furtherance of any such delegation, the JV GP shall have the right to appoint, employ, or contract with and compensate any such Persons. Subject to the MC Component LP Agreements or, as applicable, the ROFR Component Entity Agreements, such Persons may, under the supervision of the JV GP, administer, or assist in the administration of the routine day-to-day management of MDLP, the Component Entities or, as applicable, the ROFR Component Entities and their business and affairs; may serve as the JV GP's advisors and consultants in connection with decisions made by the JV GP; may act as consultants, accountants, correspondents, attorneys, brokers, escrow agents, or in any other capacity; and may perform such other acts or services for MDLP as the JV GP may reasonably and prudently approve. Notwithstanding the foregoing, the delegation of any or all of the foregoing duties shall not relieve MDLP, JV GP, JV Holding or GP LLC of any of their respective obligations under this Agreement, the MC Component LP Agreements or, as applicable, the ROFR Component Entity Agreements.

5. Notice of Lawsuits, Liens, Defaults under Loans, etc

. Each of the JV GP and the MC Partners covenant and agree to notify the other party as soon as reasonably possible upon receipt of any written notice of: (i) the filing or threatened filing of any action in law or in equity naming MDLP, the JV GP, the MC Partners or any Component Entity, or, if applicable, a ROFR Component Entity, as a party relating in any material way to any portion of the Project, including, but not limited to, any Authority Agreements, any Component Entity or any ROFR Component Entity; (ii) any actions to impose material liens of any kind whatsoever or of the imposition of any lien whatsoever against MDLP, any Component Entity, or a ROFR Component Entity or their respective assets including the Project or any portion thereof, that may have a material adverse effect on any such entity; or (iii) the default by MDLP, the JV GP, the MC Partners or any Component Entity, or, if applicable, a ROFR Component Entity of any of its material obligations to any lender or NJSEA or under any Transaction Documents.

6. Allocation of Benefits and Obligations Under Authority Agreements and Rights of First Refusal

. Each of MDLP, the JV GP and JV Holding covenant and agree to timely take any and all actions necessary or desirable to enforce the rights of the parties hereto under the Authority Agreements and the Rights of First Refusal. The preceding covenant and agreement shall be applicable whether or not the MC Partners have delivered a written request to the above parties regarding the taking of any such action. In the event that any of MDLP, the JV GP or JV Holding shall fail to promptly take any such actions after delivery of written request by the MC

Partners, then MDLP, the JV GP and JV Holding hereby agree to execute any and all documents and to take any actions required to permit the MC Partners to enforce the rights of the MC Partners, the MC Component Entities or, if applicable, the ROFR Component Entities, including, but not limited to, negotiating and entering into an Agreement with NJSEA with respect to a ROFR. Each of MDLP, the JV GP and JV Holding hereby designates Special General Partner, its members and officers with full power of substitution, as each party's true and lawful attorney to act, and in such party's name, place and stead, to make, execute, sign and acknowledge all documents, instruments and agreements to accomplish the intention of this Section 6.

6.1 Allocation of Benefits and Obligations under Authority Agreements; Rights of First Refusal.

6.1.2 Rights of First Refusal. Section 10.2 of the Redevelopment Agreement provides that the Developer has a right of first refusal (each such right of first refusal set forth in the Redevelopment Agreement, the Hotel ROFR Agreement or the Arena ROFR being referred to in this Agreement as the "**Right of First Refusal**" or "**ROFR**") respecting the acquisition, use, reuse and/or renovation of the Arena (as defined in the Redevelopment Agreement) (the "**Arena ROFR**") and the development of one or more hotels adjacent to the Meadowlands Racetrack (the "**Hotel ROFR**"). To more particularly set forth the terms and provisions of the Arena ROFR and the Hotel ROFR, MDLP and the NJSEA entered into the ROFR Agreements. The Hotel ROFR Agreement contemplates that the NJSEA may enter into agreements with third parties wherein such third parties may develop one or more hotels at the Meadowlands Racetrack (subject to satisfaction of certain conditions) and that MDLP shall have a separate right of first refusal for each hotel the NJSEA desires to develop at the Meadowlands Racetrack. As a result thereof, each such right of first refusal shall constitute a separate ROFR hereunder and shall be subject to the provisions of this Section 6.1.2. The determination of whether or not MDLP shall exercise a Right of First Refusal must be Approved by MDLP and the MC Partners (in the exercise of their sole and absolute discretion) no later than the twentieth (20^{th}) day after the receipt of an Offer Notice (such twentieth (20^{th}) day being referred to herein as the "**Initial ROFR Election Date**" and the twenty (20) day period between MDLP's receipt of an Offer Notice and the Initial ROFR Election Date being referred to herein as the "**Initial ROFR Election Period**"). If the election to exercise a Right of First Refusal shall not be Approved by MDLP and the MC Partners (in the exercise of their sole and absolute discretion) within the applicable Initial ROFR Election Period, such failure shall be deemed to mean that MDLP and the MC Partners do not approve of such election. The determination of whether or not to proceed with such election shall not be subject to the mediation and arbitration provisions of Section 15. If the election to proceed with a ROFR shall not be Approved by MDLP and the MC Partners (in the exercise of their sole and absolute discretion) prior to the expiration of the Initial ROFR Election Period and neither MDLP nor the MC Partners shall have delivered a ROFR Electing Party Notice (as hereinafter defined) prior to the expiration of the Initial ROFR Election Period, then neither MDLP nor the MC

Partners shall be permitted to proceed with the exercise of such ROFR. In accordance with the terms of the applicable ROFR Agreement, if MDLP shall determine to waive the applicable ROFR and neither MDLP nor the MC Partners shall have delivered a ROFR Participation Notice within the thirty (30) day period set forth in Section 6.1.2.2.1(a) below, then the JV GP, on behalf of MDLP, shall deliver a written notice to the NJSEA of MDLP's determination to waive the applicable ROFR.

6.1.2.1 Election to Proceed with ROFR Approved by the Parties; Other Party Provides ROFR Participation Notice or Successful Bid Notice. If the election to proceed with a ROFR is Approved by MDLP and the MC Partners (in the exercise of their sole and absolute discretion) prior to the expiration of the Initial ROFR Election Period or if MDLP or the MC Partners shall provide a ROFR Participation Notice within the thirty (30) day period set forth in Section 6.1.2.2.1(a) below or if a Successful Bid Notice is sent in accordance with Section 6.1.2.2.2(a), then MDLP (or the JV GP or an Affiliate of MDLP or JV GP) and the MC Partners (or any of their Affiliates) shall form a limited partnership, which shall be "fractions rule" compliant within the meaning of Section 514(c)(9) of the Code and the Treasury Regulations, unless otherwise reasonably determined by MDLP in its sole discretion (each a "**ROFR Component Entity**" and collectively the "**ROFR Component Entities**"), and, in connection therewith, execute an agreement of limited partnership in substantially the form of the Office/Hotel Component LP Agreement (each a "**ROFR Component Entity Agreement**") with the following revisions: (i) there shall be no establishment of initial capital accounts for such ROFR Component Entities as provided in Section 10.6.7, as there shall be no Take Down associated with the development of the particular project, (ii) the aggregate Partnership Interest of MDLP and/or its Affiliates shall be fifty percent (50%) and the aggregate Partnership Interests of the MC Partners and/or their Affiliates shall be fifty percent (50%), with each such party being obligated to contribute Required Equity, pari passu, based on their respective Partnership Interests, (iii) the list of Major Decisions shall be modified to address the fact that the ROFR Component Entity is a 50/50 joint venture to be jointly controlled by MDLP and/or its Affiliates on the one hand and the MC Partners and/or their Affiliates on the other hand, (iv) the managing general partner shall be MDLP if the use is entertainment and/or retail related, and the managing general partner shall be Special General Partner if the use is office or hotel related, and the managing general partner shall be as otherwise Approved by MDLP and the MC Partners (as reasonably agreed upon by MDLP and the MC Partners) if the use shall not be entertainment, retail, office or hotel related, (v) the managing general partner shall be obligated to commence development and construction upon the earlier of the date required under the applicable ROFR Agreement, if any, and the date that may be agreed

upon by MDLP and the MC Partners and set forth in such limited partnership agreement and (vi) the capital accounts of the partners in each such ROFR Component Entity shall be maintained in accordance with Code Section 704(b), and the Treasury Regulations promulgated thereunder, and (vii) all allocations of income, gain loss and deduction that are capable of having economic effect shall have "substantial economic effect" within the meaning of Code Section 704(b) and the Treasury Regulations promulgated thereunder. Upon the formation of a ROFR Component Entity, the terms and provisions of such agreement of limited partnership shall govern the rights and obligations of MDLP, the JV GP and/or their Affiliates and the MC Partners and/or their Affiliates respecting the applicable ROFR and the associated property and rights to be acquired from the NJSEA.

6.1.2.2 Election to Proceed with ROFR Not Approved by MDLP and the MC Partners; One Party Expresses Desire to Exercise ROFR. If MDLP and the MC Partners do not approve of an election to exercise a ROFR and if, prior to the expiration of the Initial ROFR Election Period, either MDLP or the MC Partners shall deliver a written notice (a "**ROFR Electing Party Notice**") to the other party stating its desire to exercise the applicable ROFR (any such party that provides a ROFR Electing Party Notice being referred to herein as the "**ROFR Electing Party**"), then, subject to the provisions of the applicable ROFR Agreement, the ROFR Electing Party, on behalf of MDLP, shall have the exclusive right during the period (the "**Exclusive Negotiation Period**") commencing on the date that is the earlier of (i) the date upon which MDLP and the MC Partners determine pursuant to a written instrument that MDLP shall not exercise the applicable ROFR, and (ii) the Initial ROFR Election Date, and terminating on the outside date for execution of a definitive agreement under the applicable ROFR Agreement, to cause MDLP, on behalf of a ROFR Electing Party, to negotiate the terms and provisions of a written agreement with the NJSEA to acquire the property and rights that are subject to the applicable ROFR and this Section 6.1.2.2 and, if such negotiations are successful, to cause MDLP, on behalf of a ROFR Electing Party, to enter into such a written agreement pursuant to and in accordance with Section 6.1.2.1. The failure of a party to deliver a ROFR Electing Party Notice shall be deemed an election by such party not to exercise the applicable ROFR.

6.1.2.2.1 ROFR Electing Party Enters Into Agreement with NJSEA During Exclusive Negotiation Period. If the ROFR Electing Party shall succeed in entering into a written agreement with the NJSEA within such Exclusive Negotiation Period, then, subject to the provisions of Section 6.1.2.2.1(a), the ROFR Electing Party shall be permitted to enter into such written agreement without the involvement of MDLP (or the JV GP) or the

MC Partners, as the case may be (each a "**Non-Electing Party**" and collectively the "**Non-Electing Parties**"), and the Non-Electing Parties covenant that they shall provide all reasonably necessary assistance and execute all reasonably necessary agreements, in each case, without recourse by the ROFR Electing Party or the NJSEA (except any recourse by the NJSEA as provided in, and subject to, the next two sentences), to assign or transfer the applicable ROFR to the ROFR Electing Party or its Affiliates. If the agreement(s) entered into with the NJSEA impose any obligations or liabilities on the Non-Electing Parties, or their Affiliate(s), as applicable, including any obligations or liabilities arising out of or in connection with any of the Non-Electing Parties being direct or indirect owners of any Person that is a party to the agreements with the NJSEA (for example, if the agreement(s) require that MDLP must be the party to such agreement(s)), then the obligation of the Non-Electing Parties to provide assistance and agreements as provided in the immediately preceding sentence shall be conditioned upon the ROFR Electing Party executing an indemnification agreement in favor of the Non-Electing Parties or their Affiliate(s), as applicable. Such indemnification agreement shall provide that the ROFR Electing Party agrees to indemnify, defend and hold harmless the Non-Electing Parties and their Affiliate(s), as applicable, from and against any and all liabilities, obligations, claims, losses, suits, damages, costs and expenses (including reasonable attorneys' fees and expenses) arising out of or occurring as a result of the agreement(s) entered into with the NJSEA or the property that is subject to the agreements or the ownership of such Person(s). The ROFR Electing Party shall be permitted to execute such documents and take such actions on behalf of MDLP without the necessity of the approval or consent of the Non-Electing Parties as shall be reasonably necessary in order that the applicable ROFR shall be assigned or transferred to the ROFR Electing Party or its Affiliate; provided, however, that such documents shall not impose any obligations or liabilities on the Non-Electing Parties.

(a) Agreement with NJSEA is More Favorable than Offer Notice; Other Party's Right to Participate. If the ROFR Electing Party shall enter into a written agreement with the NJSEA prior to the expiration of the applicable Exclusive Negotiation Period and if the price or other consideration to be paid to the NJSEA is an amount equal to or less than ninety-five percent (95%) of the price or other consideration proposed to be paid to the NJSEA in the applicable Offer Notice or if any other term(s), taken as a whole, grant materially better rights or

benefits than as set forth in the applicable Offer Notice, then the ROFR Electing Party shall provide a written notice to the Non-Electing Parties of such fact (such written notice, a "**ROFR Contract Notice**"). The MC Partners (if the ROFR Electing Party is MDLP) or MDLP (if the ROFR Electing Party is either of the MC Partners) shall have thirty (30) days after the receipt of a ROFR Contract Notice to provide a written notice to the other, of their election (a "**ROFR Participation Notice**") to participate in the exercise of the applicable ROFR on the terms set forth in the ROFR Contract Notice.

(b) Other Party Provides a ROFR Participation Notice. If the Non-Electing Party shall provide a ROFR Participation Notice within the thirty (30) day period described in Section 6.1.2.2.1(a) hereof, then MDLP and the MC Partners shall enter into a limited partnership agreement as contemplated in Section 6.1.2.1 hereof.

(c) Other Party Does Not Provide a ROFR Participation Notice. If the Non-Electing Party shall fail to provide a ROFR Participation Notice within the thirty (30) day period described in Section 6.1.2.2.1(a) hereof, the Non-Electing Party shall be deemed to have elected not to so participate and the ROFR Electing Party shall be permitted to enter into the written agreement with the NJSEA without the involvement of MDLP (if MDLP is the Non-Electing Party) or any of the Non-Electing Parties as provided in the first paragraph of this Section 6.1.2.2.1.

6.1.2.2.2 ROFR Electing Party Fails to Enter Into Agreement with NJSEA; Parties May Negotiate Independently with NJSEA. If, as of the expiration of the Exclusive Negotiation Period, the ROFR Electing Party shall have failed to enter into a written agreement with the NJSEA as aforesaid, then, subject to any applicable provisions of the applicable ROFR Agreement and the right of the Non-Electing Parties to participate as the result of the timely delivery of a Successful Bid Participation Notice as provided in Sections 6.1.2.2.2(a) and (b) hereof, the MC Partners, MDLP and the JV GP and/or their respective Affiliate(s) shall be permitted to respond independently to any solicitations from the NJSEA to the public (such as requests for proposals) or otherwise negotiate with the NJSEA to so acquire the property and rights that are subject to the applicable ROFR (any such independent response or negotiation, an "**Independent Negotiation**").

(a) Party is Successful in Independent Negotiation; Other Party's Right to Participate. If MDLP and/or its Affiliates or the MC Partners and/or their Affiliates (such party, the "**Successful Bid Party**") shall enter into a written agreement with the NJSEA as the result of an Independent Negotiation, then the Successful Bid Party shall provide a written notice to the other party of such fact (such written notice, a "**Successful Bid Notice**"). The MC Partners (if the Successful Bid Party is MDLP) or MDLP (if the Successful Bid Party is the MC Partners) (the "**Non-Participating Party**") shall have thirty (30) days after the receipt of a Successful Bid Notice to provide a written notice to the other, of their election (a "**Successful Bid Participation Notice**") to participate in the transaction that is the subject of the written agreement with the NJSEA on the terms set forth in the Successful Bid Notice.

(b) Other Party Provides a Successful Bid Participation Notice. If the Non-Participating Party shall provide a Successful Bid Notice within the thirty (30) day period described in Section 6.1.2.2.2(a) hereof, then MDLP and the MC Partners shall enter into a limited partnership agreement as contemplated in Section 6.1.2.1 hereof.

(c) Other Party Does Not Provide a Successful Bid Participation Notice. If the Non-Participating Party shall fail to provide a Successful Bid Participation Notice within the thirty (30) day period described in Section 6.1.2.2.2(a) hereof, the Non-Participating Party shall be deemed to have elected not to so participate and the Successful Bid Party shall be permitted to enter into a written agreement with the NJSEA that is the result of the Independent Negotiation without the involvement of MDLP (if MDLP is the Non-Participating Party) or the other party, subject, however, to Section 6.1.2.2.2(c)(i) hereof.

(i) Agreement with NJSEA is More Favorable than Successful Bid Notice; Other Party's Right to Participate. If the Successful Bid Party shall enter into a written agreement with the NJSEA subsequent to the thirty (30) day period described in Section 6.1.2.2.2(a) and if the price or other consideration to be paid to the NJSEA is an amount equal to or less than ninety-five percent (95%) of the price or other consideration proposed to be paid to the NJSEA in the applicable

Successful Bid Notice or if any other term(s), taken as a whole, grant materially better rights or benefits than as set forth in the applicable Successful Bid Notice, then the Successful Bid Party shall provide a written notice to the Non-Participating Party of such fact (such written notice, a "**Successful Bid Reoffer Notice**"). The Non-Participating Party shall have thirty (30) days after the receipt of a Successful Bid Reoffer Notice to provide a written notice to the Successful Bid Party, of their election (a "**Successful Bid Reoffer Participation Notice**") to participate in the transaction that is the subject of the written agreement with the NJSEA on the terms set forth in the Successful Bid Reoffer Notice.

(ii) Other Party Provides a Successful Bid Reoffer Participation Notice. If the Non-Participating Party shall provide a Successful Bid Reoffer Participation Notice within the thirty (30) day period described in Section 6.1.2.2.1(c)(i) hereof, then MDLP and the MC Partners shall enter into a limited partnership agreement as contemplated in Section 6.1.2.1 hereof.

(iii) Other Party Does Not Provide a Successful Bid Reoffer Notice. If the Non-Participating Party shall fail to provide a Successful Bid Reoffer Notice within the thirty (30) day period described in Section 6.1.2.2.1(c)(i) hereof, the Non-Participating Party shall be deemed to have elected not to so participate and the Successful Bid Party shall be permitted to enter into the written agreement with the NJSEA without the involvement of MDLP (if MDLP is the Non-Participating Party) or the Non-Participating Party.

6.1.2.3 Right of the MC Partners To Demonstrate to NJSEA that Hotel having Substantially Same Utility Can Be Built on Project Site instead of on Meadowlands Racetrack Site. Concurrently with MDLP and the MC Partners determining whether they shall proceed with a particular Hotel ROFR and provided that, as of such date, the MC Partners either shall have Taken Down the Hotel Component or shall still have a right to Take Down the Hotel Components under Section 10 and shall not have "committed to develop a hotel on the Hotel Component" as provided in Section 5 of the Hotel ROFR Agreement, and provided further

that, as of such date, neither Special General Partner nor MC Entertainment shall be in material default under this Agreement (after the giving of any required notice thereof and the expiration of any applicable cure period), the MC Partners shall be permitted, pursuant to subclause (iii) of Section 10.2(f) of the Redevelopment Agreement (as incorporated in the Hotel ROFR Agreement), to exercise MDLP's right to demonstrate to the NJSEA that a hotel having substantially the same utility to the NJSEA can be built on the portion of the Project Site (as defined in the Redevelopment Agreement) planned for the Hotel Component instead of the Meadowlands Racetrack. If the MC Partners shall be successful, then: (i) if the MC Partners have not yet Taken Down the Hotel Component, the MC Partners shall Take Down the Hotel Component, (ii) if the hotel that shall be constructed on the Hotel Component shall not have video lottery terminals (or "slots"), or any other legalized form of gaming on or in its premises, then MDLP, the JV GP and/or their Affiliates and the MC Partners and/or their Affiliates shall form a ROFR Component Entity, which shall be "fractions rule" compliant within the meaning of Section 514(c)(9) of the Code and the Treasury Regulations, unless otherwise reasonably determined by MDLP in its sole discretion, and, in connection therewith, execute an agreement of limited partnership substantially in the form of the Office/Hotel Component LP Agreement and proceed with the development of the hotel thereon, and (iii) if the hotel that shall be constructed on the Hotel Component shall have video lottery terminals (or "slots"), or any other legalized form of gaming on or in its premises, then the MC Partners and/or their Affiliates and MDLP and the JV GP and/or their Affiliates shall form a ROFR Component Entity, which shall be "fractions rule" compliant within the meaning of Section 514(c)(9) of the Code and the Treasury Regulations, unless otherwise reasonably determined by MDLP in its sole discretion, and, in connection therewith, execute an agreement of limited partnership in substantially the form of the Office/Hotel Component LP Agreement with the following revisions: (A) the aggregate Partnership Interest of MDLP and/or its Affiliates shall be fifty percent (50%) and the aggregate Partnership Interests of the MC Partners and/or their Affiliates shall be fifty percent (50%), with the MC Partners being obligated to contribute all Required Equity as set forth in the agreed-upon development budget for the Hotel Component until such time as the Capital Ratio is 50:50 and, thereafter, each of MDLP, the JV GP and/or their Affiliates and the MC Partners and/or their Affiliates shall be obligated to contribute Required Equity, pari passu, based on their respective Partnership Interests in such ROFR Component Entity, (B) if, as of the Capital Ratio Determination Date, the Capital Ratio is not 50:50, then the MC Partners shall be obligated to contribute capital to the ROFR Component Entity as contemplated in Section 10.6.6(a), except that the amount to be contributed by the MC Partners must result, after such contribution and the

distribution described in Section 10.6.6(a), in a Capital Ratio of 50:50, (C) MDLP's right to elect to take the actions set forth in Section 10.6.6(b)(i) and Section 10.6.6(b)(ii) shall arise if the Capital Ratio is not 50:50, (D) the list of Major Decisions shall be modified to address the fact that the ROFR Component Entity is a 50/50 joint venture to be jointly controlled by MDLP and the MC Partners, (E) the MC Partners shall be the managing general partner of such ROFR Component Entity and (F) the capital accounts of the partners in such ROFR Component Entity shall be maintained in compliance with Code Section 704(b) and the Treasury Regulations promulgated thereunder; and (G) all allocations of income, gain, loss and deduction that are capable of having economic effect shall have "substantial economic effect" within the meaning of Code Section 704(b) and the Treasury Regulations promulgated thereunder. If, as of such date, the MC Partners shall not have Taken Down the Hotel Component and the MC Partners shall no longer have a right to Take Down the Hotel Component under Section 10, MDLP shall be permitted, pursuant to subclause (iii) of Section 10.2(f) of the Redevelopment Agreement (as incorporated in the Hotel ROFR Agreement), to exercise MDLP's right to demonstrate to the NJSEA that a hotel having substantially the same utility to the NJSEA can be built on the portion of the Project Site (as defined in the Redevelopment Agreement) planned for the Hotel Component instead of the Meadowlands Racetrack. If MDLP shall be successful, then the provisions of Section 10.7 shall control in respect of MDLP's actions with respect to the Hotel Component, except that, if the MC Partners shall make a Partnership Election, then the Partnership Interests and capital contribution obligations in subclause (1) of Section 10.7.3.2 shall be amended to be consistent with the subclause (ii) and (iii) of the second sentence of this Section 6.1.2.3. Also, should either the MC Partners or MDLP, as applicable, be successful in demonstrating to the NJSEA that a hotel having substantially the same utility to the NJSEA can be built on the portion of the Project Site planned for the Hotel Component instead of the Meadowlands Racetrack, then the managing general partner of the ROFR Component Entity formed as provided in this Section 6.1.2.3 shall be obligated to commence development and construction upon the earlier of the date required under any applicable agreement between MDLP and the NJSEA, and the date that may be agreed upon by MDLP and the MC Partners and set forth in such ROFR Component Entity partnership agreement. Notwithstanding anything to the contrary, MDLP's or the MC Partners' right to participate in the development and ownership of a hotel as contemplated herein with video lottery terminals (or "slots"), or any legalized form of gaming on or in its premises is subject to MDLP's or the MC Partners' ability to meet the federal, state or local licensure requirements for the operation of a gaming facility (that is, a facility with video lottery terminals), or any legalized form of gaming) ("**Gaming Facility**"). If, for any reason, either

MDLP or the MC Partners is unable to meet such licensure requirements for the operation of a Gaming Facility (such party, an "**Ineligible Party**"), then the Ineligible Party may assign or transfer its Partnership Interest in the ROFR Component Entity to another Person that is reasonably acceptable to the other party (it being understood that a transfer from an Ineligible Party that would not be permitted shall include (a) any transfer to a Person that, upon becoming a partner, shall constitute an Ineligible Party, and (b) any transfer to a Person that does not have sufficient net worth, at the time of the transfer, to fund the reasonably foreseeable equity requirements to fund budgeted equity requirements and equity requirements that would be required to be funded in subsequent years). In such event any consideration received by the Ineligible Party shall be the sole property of the Ineligible Party.

6.1.3 **Any Other Development of a Hotel at Meadowlands Race Track.** If the NJSEA shall approach MDLP to negotiate a transaction for MDLP to develop a hotel at the Meadowlands Race Track without the implementation of the terms and provisions of the Hotel ROFR Agreement or the NJSEA and MDLP shall otherwise engage in negotiations to develop such a hotel, the decision to have MDLP to proceed with such development shall require the Approval of the Parties (as determined in the exercise of their sole and absolute discretion). If MDLP and the MC Partners shall so provide such approval, then MDLP, the JV GP and/or their respective Affiliates and the MC Partners and/or their respective Affiliates shall form an ROFR Component Entity in accordance with Section 6.1.2.1 and proceed with the development of the hotel in accordance with the ROFR Component Entity partnership agreement to be entered into the by MDLP, the JV GP and/or their respective Affiliates and the MC Partners and/or their respective Affiliates. If MDLP and the MC Partners shall not provide such approval, then MDLP and the MC Partners shall proceed in their individual negotiations with the NJSEA and their individual elections to proceed (and corresponding obligations to permit the other party to participate in a transaction with the NJSEA) in a manner similar to the manner in which MDLP and the MC Partners, if a ROFR shall not be Approved by MDLP and the MC Partners, are permitted to proceed with respect to a ROFR (and provide the other party an opportunity to participate in such ROFR) that shall not be Approved by the Parties.

6.1.4 **Change in Use of Hotel Component**. Section 10.2 of the Redevelopment Agreement contemplates that, regardless of whether the Hotel ROFR is exercised, the NJSEA shall give special consideration to the Approval of a Major Modification to the Approved Master Plan and Conceptual Site Plan to permit the use of the portion of the Project Site planned for the Hotel Component for an alternative use consistent with the Enabling Legislation (all capitalized terms used in this Section 6.1.4 not otherwise defined in the Original Agreement shall have the meanings ascribed to them in the Redevelopment Agreement).

6.1.4.1 Change in Use; the MC Partners Have Right to Approve. If, as of the date of the proposed change in use of the Hotel Component, the MC Partners either shall have Taken Down the Hotel Component or shall still have a right to Take Down the Hotel Component under Section 10, any change in use of the Hotel Component to an alternative use in use shall require the Approval of the Parties (as determined in the exercise of their sole and absolute discretion). If the NJSEA shall approve such change in use and MDLP and the MC Partners shall so approve such change in use as a Major Decision (such Major Decision to be determined by MDLP and the MC Partners in the exercise of their sole and absolute discretion), then, prior to the development of the Hotel Component, MDLP and/or their respective Affiliates and the MC Partners shall form a ROFR Component Entity in accordance with Section 6.1.2.1, except that the managing general partner shall be MDLP, the JV GP and/or their respective Affiliates if the use is entertainment and/or retail related, and the managing general partner shall be the MC Partners and/or their respective Affiliates if the use is office or hotel related, and the managing general partner shall be as otherwise Approved by the Parties (as reasonably agreed upon by the parties) if the use shall not be entertainment, retail, office or hotel related.

6.1.4.2 Change in Use; No Right of the MC Partners to Approve. If, as of the date of the proposed change in use of the Hotel Component, the MC Partners shall not have Taken Down the Hotel Component and the MC Partners shall no longer have a right to Take Down the Hotel Component under Section 10, any change in use of the Hotel Component to an alternative use in use shall not require the Approval of the Parties but, rather, may be agreed to by MDLP. If the NJSEA shall approve such change in use and MDLP shall so agree upon such change in use, then the provisions of Section 10.7 shall control in respect of MDLP's actions with respect to the Hotel Component.

7. Management of the MC Component Entities and the ROFR Component Entities: REIT Issues.

7.1 Subject to Section 7.2, the parties hereto covenant and agree to negotiate in good faith to structure the ownership and management of the assets of the Office/Hotel Component Owners and, as applicable, the ROFR Component Entities in a manner that is tax-neutral for each of MDLP, the JV GP and/or their respective Affiliates and the MC Partners and/or their Affiliates; provided, however, to the extent that a tax-neutral structure cannot be agreed upon by the parties, the provisions of Section 7.2 shall govern the ownership and management of the assets of the Office/Hotel Component Owners and, as applicable, the ROFR Component Entities.

7.2 The parties hereto hereby acknowledge the status of Mack-Cali Realty Corporation, a Maryland corporation ("**MCRC**") (an Affiliate of the MC Partners) as a REIT. The JV GP, JV Holding and the MC Partners further covenant and agree that the MC Component Entities and, as applicable, the ROFR Component Entities and their respective properties shall be managed in a manner so that: (a) the gross income of each such entity meets the tests provided in Section 856(c)(2) and (3) of the Code as if each MC Component Entity and each ROFR Component Entity were a REIT; (b) the assets of each such entity meets the tests provided in Section 856(c)(4) of the Code as if each MC Component Entity and each ROFR Component Entity were a REIT; and (c) each such entity minimizes federal, state, local and excise taxes that may be incurred by MCRC, or any of its Affiliates, including taxes under Section 857(b), 860(c) or 4981 of the Code. MDLP, the JV GP, JV Holding and the MC Partners hereby acknowledge, agree and accept that each MC Component Entity and each ROFR Component Entity may be precluded from taking, or may be required to take, an action which it would not have otherwise taken, even though the taking or the not taking of such action might otherwise be advantageous to each such MC Component Entity and each ROFR Component Entity and/or to the JV GP, JV Holding or the MC Partners (or one or more their Affiliates). If the MC Partners (or an Affiliate of the MC Partners) determines that, in order to meet the requirements of this provision, one or more corporations should elect to be treated as a "taxable REIT subsidiary" (as defined in Section 856(l)(1) of the Code) in accordance with Section 856(l)(1)(B) of the Code (and in accordance with guidance issued by the Internal Revenue Service), MDLP, the JV GP, JV Holdings, the MC Partners and MCRC hereby agree to cause such corporations to file a joint "TRS" election with MCRC to be treated as a "taxable REIT subsidiary" pursuant to, and in accordance with, Section 856(l)(1)(B) of the Code. Each MC Component Entity and each ROFR Component Entity and MCRC shall join in such elections within seven (7) days after written notice to such MC Component Entity and each ROFR Component Entity and MCRC by the MC Partners.

8. Management.

Subject to the Take Down of any MC Component Entity, the parties hereto acknowledge that MDLP shall directly or indirectly control the Component Entities.

8.1 Management of MC Component Entities and ROFR Component Entities.

8.1.1 Party Representatives. MDLP shall designate, in writing delivered to the MC Partners, its representative (the "**MDLP Representative**") and alternate representative (the "**Alternate MDLP Representative**"), and the MC Partners shall designate, in writing delivered to MDLP, their representative (the "**MC Representative**") and alternate representative (the "**Alternate MC Representative**"), for purposes of this Agreement. The MDLP Representative or, if not available, the Alternate MDLP Representative, shall be fully authorized to provide any approvals and otherwise act on behalf of MDLP for all purposes and any approval so provided and any act so taken by MDLP Representative or, if not available, the Alternative MDLP Representative for or on behalf of MDLP, shall be binding upon MDLP for all purposes of this Agreement. The MC Representative or, if not available, the Alternate MC Representative, shall be fully authorized to provide any approvals and otherwise act on behalf of the MC Partners for all purposes of this Agreement and any approval so provided and any act so taken by the MC Representative or, if not available, the Alternative MC Representative, for or on behalf of the MC Partners shall be binding upon each of the MC Partners, respectively, for all purposes of this Agreement. MDLP and the MC Partners may, at any time, designate a replacement representative and such designation shall be effective immediately upon the receipt of written notice of such designation by the other party. The initial MC Representative, Alternate MC Representative, MDLP Representative and Alternate MDLP Representative shall be those Persons set forth in **Exhibit E** to this Agreement.

8.1.2 Meetings of Party Representatives.

(a) The MDLP Representative or the Alternate MDLP Representative and the MC Representative or the Alternate MC Representative shall meet at such times as reasonably requested by MDLP or the MC Partners. Such meetings may occur telephonically.

(b) Notice of meetings of party representatives may be given personally or by mail, in writing or in any manner that is reasonable under the circumstances to give actual notice; provided, however, absent a written waiver by either the MDLP Representative (or the Alternate MDLP Representative) or the MC Representative (or the Alternate MC Representative), each representative shall receive not less than ten (10) days advance notice of any meeting of the party representatives.

8.2 Partner Cooperation; Project Status Reports and Budgets. If the JV GP shall request such cooperation, the MC Partners shall, in a commercially reasonable manner, provide such cooperation and expertise and participation as shall be necessary in order to gain the applicable governmental approvals and agreements with any Governmental Authority in order to complete the Project and shall be reimbursed for its out of pocket expenses and reasonable costs for same if and to the extent the JV GP requests that the MC Partners take the specific actions resulting in the requirements to expend such sums. The JV GP shall, in a commercially reasonable manner, provide its cooperation and expertise in a manner intended to enable the successful completion of the Project. The JV GP shall provide the MC Partners with monthly "job cost" reports of the Project, that provide information relating to the construction of the Infrastructure Improvements and Traffic and Infrastructure Improvements. Within ten (10) Business Days of receipt of a written request from the MC Partners, the JV GP will provide the MC Partners with (i) a copy of the portions of MDLP's most recent development budget that relate to the MC Components, the ROFR Components, as applicable, and the Infrastructure Improvements and Traffic and Infrastructure Improvements and (ii) such other reports, documents or information relating to the Infrastructure Improvements and Traffic and Infrastructure Improvements as the MC Partners shall reasonably request.

8.3 Participation in meetings, conferences, etc./Copies of notices, documents, etc./Avoidance of duplicative costs.

8.3.1 Notwithstanding anything herein to the contrary, each of the JV GP and the MC Partners shall use reasonable efforts to give notice in any manner that is reasonable under the circumstances to the other party and such other party shall have the right to be present at, and participate in, any pre-scheduled discussions, meetings and other significant and material communications between the JV GP or the MC Partners (or any of their respective Affiliates) and the NJSEA or any other Governmental Authority or their representatives ("**Third Party Discussions**"). It is the intention of this Section 8.3.1 that each of the JV GP and the MC Partners shall be afforded the opportunity to fully and meaningfully participate in the Third Party Discussions to the extent practical under the relevant circumstances. In the event that either the JV GP or the MC Partners, as the case may be, does not or is unable to participate in any such Third Party Discussion for any reason, the participating party shall make reasonable efforts to keep the other party apprised of such Third Party Discussions. Notwithstanding the foregoing, to the extent that any such discussions are intended to affect the Office/Hotel Component or the Hotel ROFR or Arena ROFR, the MC Partners shall be provided advance notice of such pre-scheduled discussions and shall have the right to participate in such discussions and to the extent that any such discussions are intended to affect the Entertainment/Retail Component, the JV GP shall be provided advance notice of such pre-scheduled discussions and shall have a right to participate in all such discussions; and

8.3.2 Notwithstanding anything herein to the contrary, each of the JV GP and the MC Partners shall, and shall cause its Affiliates to (and in the case of the JV GP, shall cause MDLP to), promptly furnish to, or make available to, the other party copies of any and all material notices, submissions, settlements, resolutions, schedules, correspondence, court papers or filings, reports and other material documents or written materials (collectively, "**Written Materials**") received from the NJSEA or any other federal, state or local governmental authority, agency or instrumentalities (including, the State of New Jersey, Bergen County or the Borough of East Rutherford) ("**Governmental Authority**") with respect to or pertaining to the Project, if the substance of such Written Materials could materially affect any of the Project. Each of the JV GP and the MC Partners shall use reasonable efforts to provide copies of correspondence from such party to a Governmental Authority concurrently with the delivery thereof provided, however, that a party shall discharge its duties under this Section 8.3.2 by making such Written Materials available to the other party at the location where the materials are retained. Each of the JV GP and the MC Partners shall, and shall cause its Affiliates to, use good faith efforts to promptly disclose to the other party any information of which the party or any of its Affiliates has actual knowledge (whether by reason of an oral or written communication or otherwise) that could have a material adverse effect on any of the Project, the MC Component Entities, the Hotel ROFR, the Arena ROFR or the ROFR Component Entities.

8.4 Compliance with Authority Agreements/Partnership Defaults. The JV GP shall use commercially reasonable efforts to cause MDLP and the Component Entities, or, if applicable, the ROFR Component Entities to timely comply with all of MDLP's or obligations under any of the Authority Agreements.

9. Reimbursements. MDLP and the MC Partners hereto will be reimbursed by the applicable MC Component Entity or, as applicable, the applicable ROFR Component Entity for such costs and expenses incurred by it in providing predevelopment, development, pre- and post-development leasing, releasing, marketing, financing, legal (both in-house and third party) and pre- and post-development tenant coordination services to any MC Component Entity or, as applicable any ROFR Component Entity and other services ancillary to the development, ownership and operation of an Office/Hotel Component, if and to the extent that such services are to be provided by MDLP or the MC Partners (rather than by any other Person, pursuant to contracts or other agreements). Where appropriate, all such costs and expenses shall be evidenced by contracts or cost invoices.

10. Formation of Component Entities; Development of Office/Hotel Components.

10.1 Development of Office Component and Hotel Component; Formation of Component Entities. The Redevelopment Agreement contemplates that construction of the Hotel Component and the Office Component (collectively, the "**Office/Hotel Component**") may occur as Phase III and Phase IV of the Project, subject to favorable economic and market conditions as more particularly set forth therein. The MC Partners shall have the option to develop or cause to be developed the Office/Hotel Component on the terms and conditions set forth below.

10.1.1 Separate Development of Entertainment/Retail, Office and Hotel Components; Separate Ground Leases. The Redevelopment Agreement contemplates that the Entertainment/Retail Component, the Office Component (and the four (4) sub-Components thereof - that is, Buildings A, B, C and D as defined in the Redevelopment Agreement) and the Hotel Component may be developed at different times either by MDLP or by one or more other entities or a combination thereof (a "**Staged Development**"). The parties hereto acknowledge and agree that prior to the date hereof, MDLP caused to be formed each of the Component Entities and, in connection with the Financial Closing, each of the Component Entities entered into their respective Ground Lease and Component Agreement whereby MDLP assigned certain of its rights and obligations to the Component Entities.

10.1.2 Issuance of Partnership Interests to the MC Partners upon the Exercise of a Take Down; Conveyance to Office/Hotel Component Upon the Take Down of a Sub-Component.. Upon the MC Partners exercise of a Take Down option with respect to an Office/Hotel Component, MDLP shall cause the applicable MC Component Entity to issue economic partnership interests in such MC Component Entity to the MC Partners (and/or an Affiliate) as more specifically described in Section 10.6. Upon the MC Partners' exercise of a Take Down option with respect to a sub-Component of the Office Component (as opposed to the exercise of a Take Down option with respect to an entire Office

Component), MDLP shall (i) cause the applicable MC Component Entity to convey the applicable leasehold estate to a newly-formed partnership in which MDLP (the JV GP, or an Affiliate of MDLP or the JV GP) is a partner (a "**Sub-Component Owner**") and (ii) cause the applicable Sub-Component Owner to issue economic partnership interests in such Sub-Component Owner to the MC Partners (and/or an Affiliate thereof) as more specifically described in Section 10.6

10.1.3 Cooperation. Each of the JV GP, MDLP and the MC Partners shall, and shall cause their respective Affiliates to, provide such cooperation and promptly execute such consents, agreements and take such other actions as shall be necessary or desirable to carry out the purpose and intent of this Section 10.

10.2 The MC Partners Option to Develop Office/Hotel Component. The MC Partners shall have the option (the "**Office/Hotel Development Option**") to (or to designate one or more of its Affiliates to) be the managing general partner of the MC Component Entities or the Sub-Component Owner which may Take Down Phase III and Phase IV or portions thereof in accordance with the Redevelopment Agreement and to cause the applicable MC Component Entity or Sub-Component Owner to Take Down either the Hotel Component or one or more of the sub-Components of the Office Component (that is, a portion of the Office Component upon which an office building of not less than 440,000 square feet shall be constructed) pursuant to the exercise of a Take Down option as more specifically described in this Section 10; provided, however, that the MC Partners shall be obligated to exercise their Take Down option with respect to the Hotel Component upon its exercise of either the Four Year Office/Hotel Development Option or the Six Year Office/Hotel Development Option. MDLP shall substantially complete the construction of the Traffic and Infrastructure Improvements described in Sections 3.2(a)(i) through (iv) of the Redevelopment Agreement as required under the Redevelopment Agreement by the earlier of (A) the Grand Opening Date, or (B) the date upon which MDLP shall provide a Development Acceleration Notice. If the Traffic and Infrastructure Improvements described in Sections 3.2(a)(i) through (iv) of the Redevelopment Agreement have not been constructed as required under the Redevelopment Agreement by the date of the MC Partners' timely exercise of an Office/Hotel Development Option, then the MC Partners shall not be obligated to cause the applicable Hotel/Office Component Owner to Take Down a Component or sub-Component, as applicable, pursuant to such exercise of an Office/Hotel Development Option until five (5) business days after such Traffic and Infrastructure Improvements have been constructed as required under the Redevelopment Agreement. The MC Partners' Office/Hotel Development Options shall be exercisable by the MC Partners no later than the dates set forth in the following schedule:

(i) The MC Partners' first Office/Hotel Development Option shall be exercisable by the MC Partners no later than the date that is four (4) years after the Grand Opening Date (hereinafter referred to as the "**Four Year Office/Hotel Development Option**" or the "**First Component**").

(ii) The MC Partners' second Office/Hotel Development Option shall be exercisable by the MC Partners no later than the date that is six (6) years after the Grand Opening Date (hereinafter referred to as the "**Six Year Office/Hotel Development Option**" or the "**Second Component**").

(iii) The MC Partners' third Office/Hotel Development Option shall be exercisable by the MC Partners no later than the date that is eight (8) years after the Grand Opening Date.

(iv) The MC Partners' fourth Office/Hotel Development Option shall be exercisable by the MC Partners no later than the date that is nine (9) years after the Grand Opening Date.

(v) The MC Partners' fifth Office/Hotel Development Option shall be exercisable by the MC Partners no later than the date that is ten (10) years after the Grand Opening Date.

In all events, the MC Partners shall at their option Take Down all of the Office/Hotel Components no later than the date that is ten (10) years after the Grand Opening Date. To the extent that the MC Partners shall have not exercised any one of its Office/Hotel Development Options as of the date specified in the above schedule, the MC Partners shall no longer have any right to Take Down all other subsequent Components for which it has not exercised an Office/Hotel Development Option.

10.2.1 **The MC Partners' Election**. If the MC Partners desire to exercise an Office/Hotel Development Option, the MC Partners shall provide notice (an "**Office/Hotel Development Election Notice**") to MDLP of such desire no later than the date on which such Office/Hotel Development Option may be exercised (as set forth in Section 10.2) and shall set forth in such notice which of the Components it desires to have Taken Down (e.g., the Hotel Component, an Office Component or one of the sub-Components of the Office Component) (the "**Applicable Component**") and the proposed Take Down date (each an "**Office/Hotel Election Notice Date**"). Upon its exercise of an Office/Hotel Development Option, the MC Partners shall have no obligation to cause the applicable Office/Hotel Component Owner to commence construction of the Applicable Component until the MC Partners determine in their sole discretion that certain economic and market conditions as set forth in the Redevelopment Agreement exist, as applicable, subject to (x) MDLP's acceleration rights described in Section 10.3, (y) the obligation of the managing general partner of a ROFR Component Entity under Section 6.1.2.1 to commence development and construction upon the earlier of the date required under the applicable ROFR Agreement, if any, and the date that may be agreed upon by MDLP and the MC Partners and set forth in the applicable ROFR Component Entity Agreement, and (z) the obligation of the managing general partner set forth in Section 6.1.2.3 to commence development and construction upon the earlier of the date required under any applicable agreement between MDLP and the NJSEA, if any, and the

date that may be agreed upon by MDLP and the MC Partners and set forth in the applicable ROFR Component Entity Agreement. If the Applicable Component is the Hotel Component, then the development contemplated in the Office/Hotel Development Election Notice shall not be less than 520 rooms and, if the Applicable Component is the Office Component, the aggregate number of square feet of each sub-Component of the office buildings in the Office Component being not less than 440,000 square feet. If, the Applicable Component is an Office Component, the Office/Hotel Development Election Notice may provide that the Office Component will be developed in phases (then each of Buildings A through D (as defined in the Redevelopment Agreement) shall be developed in one or more phases), such that the aggregate square feet of the office buildings is approximately 1,760,000, or such lesser amount as required pursuant to zoning ordinances, approvals and the Redevelopment Agreement. For the avoidance of doubt, the Hotel Component may not be developed in one or more phases but the Office Components may be developed in phases as provided herein. Prior to commencement of construction of the Component or phases (if applicable) or sub-Component thereof, the MC Partners shall provide to the Office/Hotel Component Owner (as herein defined), the following which shall include such reasonable detail and contain such matters as shall be required under the Redevelopment Agreement:

10.2.1.1 **Development and Operating Budgets**. A proposed development budget for the construction of the Applicable Component, such budget to be in substantially the same form as the development budget of the JV GP, and a pro forma operating budget for the remainder of the calendar year following Completion with respect to the Applicable Component and for the immediately succeeding calendar year, such budget to be in substantially the same form as the Operating Budget;

10.2.1.2 **Construction Schedule**. A construction schedule, setting forth anticipated commencement of construction, substantial completion and occupancy of each individual building, parking facility or other material amenity, building or other sub-Component within the Office Component (or phases thereof) and the Hotel Component, with commencement of construction of the Applicable Component or sub-Component occurring no later than ninety (90) days after the Take Down date set forth in the Office/Hotel Development Election Notice or on such earlier date as determined in accordance with Section 10.3.1; and subject to Section 10.6.7.3; and

10.2.1.3 **Site Plans, etc**. Site plans, architectural renderings and other visual depictions of the MC Partners' proposed development of the entire Office/Hotel Component or a phase or sub-Component thereof including such documents as shall be required to be delivered to the NJSEA for "Master Plan Approval" of the Office/Hotel Component in accordance with the Redevelopment Agreement.

10.3 MDLP's Acceleration Right.

10.3.1 **MDLP's Right to Request Acceleration of Commencement Dates of Staged Development**. MDLP may request, by written notice to the MC Partners (a "**Development Acceleration Notice**"), that the date(s) for commencement of development of all or a particular sub-Component of the Office/Hotel Component occur on a date prior to the applicable dates set forth in Section 10.2. Provided that MDLP complies with either or both of Sections 10.3.1(a) and (b) in connection with the delivery of the Development Acceleration Notice, MDLP may provide a Development Acceleration Notice to the MC Partners at any time after the earlier of: (i) the date upon which MCRC (or its successor) publicly announces (including in a press release or public filing that it has no intention in the future of being in the business of developing office buildings or that MCRC (or its successor) publicly announces (including in a press release or public filing) that it has no intention in the future of developing office buildings in the State of New Jersey; or (ii) (A) the date that is two (2) years after the Grand Opening Date or (B) the date immediately subsequent to the date that the MC Partners have delivered an Office/Hotel Election Notice with respect to the First Component; (iii) (A) the date that is four (4) years after the Grand Opening Date or (B) the date immediately subsequent to the date that the MC Partners have delivered an Office/Hotel Election Notice with respect to the Second Component; or (iv) no more frequently than every two (2) years after the dates set forth in (ii) and (iii) above; provided, that MDLP shall have the right to accelerate the remaining two (2) Office Components (or sub-Components), at any time after the date which is eight (8) years after the Grand Opening Date.

(a) **Favorable Economic and Market Conditions**. If MDLP determines that economic and market conditions are favorable for the commencement of development of a particular Office/Hotel Component, phase or sub-Component thereof, as applicable, then MDLP shall provide a written notice (a "**Market Development Notice**") to the MC Partners of such determination. The Market Development Notice shall be accompanied by a description of the Applicable Component or phase thereof, if applicable, that MDLP has determined should be Taken Down and reasonable evidence of favorable economic and market conditions. The MC Partners shall have thirty (30) days after receipt of a Market Development Notice to elect, by written notice to MDLP, to proceed with the Take Down on the date specified in the Market Development Notice. If the MC Partners provide a written notice of such election to proceed, then the Take Down of the particular Office/Hotel Component or phase thereof, if applicable, shall occur on the date specified in the Market Development Notice. If the MC Partners fail to provide a written notice to proceed within such thirty (30) day period, then the decision whether to proceed with the Take Down on the date specified in the Market Development Notice shall be a Major Decision and either party shall have the right to avail itself of the provisions of Section 15.

(b) **Third Party Commitment to Finance**. If in connection with a Development Acceleration Notice, MDLP obtains a term sheet or written evidence of a provisional commitment (a "**Loan Commitment**") from a third party lender proposing to provide financing at market rates and upon commercially reasonable terms and conditions (including but not limited to loan to value ratios and debt service ratios) to finance the development of a particular Office/Hotel Component, phase or sub-Component thereof, as applicable, prior to the earlier of the applicable date set forth in Section 10.2 or the actual date of the Take Down of such Office/Hotel Component or sub-Component thereof, then MDLP shall provide a written notice (a "**Loan Commitment Notice**") to the MC Partners of such fact. The Loan Commitment shall be non-recourse and shall not require that an entity guaranty the obligations of the borrower thereunder or, if recourse or a guaranty or guaranties shall be required, such recourse and/or guaranty or guaranties shall be the obligation of MDLP or its Affiliates, but not of the MC Partners or their Affiliate(s). The Loan Commitment Notice shall be accompanied by a description of the applicable Office/Hotel Component, phase or sub-Component thereof, as applicable, that is the subject of the Loan Commitment, a copy of the Loan Commitment and a proposed date of the Take Down of the applicable Office/Hotel Component, phase or sub-Component thereof, as applicable. The MC Partners shall have thirty (30) days after receipt of a Loan Commitment or Loan Commitment Notice to elect, by written notice to MDLP, to proceed with the Take Down, on the date specified in the Loan Commitment Notice and have the Office/Hotel Component Owner negotiate and execute the loan documents pursuant to the Loan Commitment. If the MC Partners provide a written notice of such election to proceed, then the Take Down shall occur on the date specified in the Loan Commitment Notice (but in no event shall such issuance, conveyance or assignment of Partnership Interests occur prior to the date of loan closing) and the MC Partners shall negotiate and execute the loan documents pursuant to the Loan Commitment; provided, however, that if the loan fails to close through no fault of the MC Partners, the MC Partners shall have no obligation to Take Down such Office/Hotel Component or sub-Component thereof nor commence development of the applicable Office/Hotel Component, phase or sub-Component thereof, as a result of the delivery of such Development Acceleration Notice by MDLP. If the MC Partners fail to provide a written notice to proceed within such thirty (30) day period, then the provisions of Section 10.8 shall apply. Notwithstanding anything herein to the contrary, if the MC Partners disagree with MDLP as to whether the Loan Commitment meets the terms and conditions of this Section 10.3.1(b), the MC Partners shall provide written notice to MDLP of such disagreement within the thirty (30) day period above and MDLP or the MC Partners shall have the right to avail themselves of the provisions of Section 15. If the resolution of the procedures under Section 15 results in a determination that the Loan Commitment meets the terms and conditions of this Section 10.3.1(b) and the Loan Commitment expires or the contemplated loan (or a loan on comparable terms and conditions is substituted by the MC Partners at no additional cost to MDLP if the costs and expenses were paid in connection with the Loan Commitment) is no longer able to be obtained within a reasonable time after the resolution as aforesaid, then the MC Partners will construct the applicable office building or hotel as provided herein or, if the MC Partners fail to so construct as provided herein, then the provisions of Section 10.8 shall apply.

10.4 Office/Hotel Component Owner Obligated to Pay a Portion of Annual Payments.

10.4.1 Determination of Allocated Annual Payments. The Office/Hotel Component Owner shall only be obligated to pay the Allocated Annual Payments with respect to the Component, phase or sub-Component on which it has exercised an Office/Hotel Development Option.

(a) Allocated Annual Payments. As used herein, the "**Allocated Annual Payments**" with respect to the Office/Hotel Component shall be equal to thirty-two percent (32%) in the aggregate of (1) any rent (other than any percentage rent payable solely in connection with the Entertainment/Retail Component) or development rights fee(s) paid to date other than the Development Rights Fee in connection with the Ground Lease and/or a Component Lease, as applicable, (2) all PILOT Payments, (3) all fees, costs and expenses incurred by MDLP in connection with litigation (other than the Existing Litigation) relating to the Redevelopment Agreement or any related agreement (including assertions that the NJSEA did not possess the requisite authority to enter into the Redevelopment Agreement or such related documents), the PILOT Payments or any other litigation pertaining to all or any portion of the Project, (4) one-half of all fees, costs and expenses incurred by MDLP in connection with the Existing Litigation and (5) the WMB Annual Payment. "**Annual Payments**" shall mean the aggregate of the amounts set forth in subclauses (1) through (5) of the preceding sentence. Notwithstanding that the Development Rights Fee may be characterized as prepayment of rent or ground rent under a Component Lease, such payment of the Development Rights Fee shall not constitute "rent" to be included in the definition of "Allocated Annual Payments".

(b) Sub-Allocation Percentages. **Exhibit F** annexed hereto sets forth, in the column entitled "Percentage of Allocated Payments", the portions of the Allocated Annual Payments

(expressed as a percentage of the total Annual Payments) to be paid with respect to the ownership of each Component (such portions, the "**Sub-Allocation Percentages**").

(c) Sub-Allocated Annual Payments. Each Component, phase or sub-Component thereof shall be responsible for the amount determined by multiplying the applicable Sub-Allocation Percentage by the Annual Payments (the "**Sub-Allocated Annual Payments**"). Such responsibility shall commence on the earlier of the Grand Opening Date or six (6) years from the Development Rights Fee Funding Date.

(d) Obligation to Pay Allocated Annual Payments. Once the MC Partners have provided the Office/Hotel Development Notice and the Component, phase or sub-Component has been conveyed and/or the partnership interests in the Component Entity issued, the Office/Hotel Component Owner shall be obligated to pay all Allocated Annual Payments that are thereafter due. If a Staged Development occurs, each Sub-Allocated Annual Payment shall be payable from and after the corresponding date of issuance or assignment of partnership interests in the Component Entity.

(e) Obligations to Pay Infrastructure Improvement Costs and Program Costs (Sub-Allocated Infrastructure Improvement Payments). Notwithstanding anything herein to the contrary, each Component, phase or sub-Component thereof shall be responsible (in proportion to their respective Sub-Allocation Percentages) for any and all Infrastructure Improvement Costs and Program Costs (other than Exclusive Office/Hotel Infrastructure Improvement Costs), up to but not in excess of $160,000,000, that has been incurred and paid by the JV GP, MDLP or any of the Component Entities ("**Sub-Allocated Infrastructure Improvement Payments**"). MDLP may finance Infrastructure Improvement Costs and Program Costs through (i) bond debt or other public financing vehicle(s) on the terms and conditions set forth in Section 13.1.16 ("**Public Debt**"), (ii) if public financing is not available or obtained by JV GP or MDLP, the issuance of an Infrastructure Loan, or (iii) to the extent that any portion of the Infrastructure Improvement Costs and Program Costs cannot be financed by Public Debt, a combination of (i) and (ii) above. If JV GP, MDLP or any of the Component Entities (other than the MC Component Entities) obtained public financing to pay for the Infrastructure Improvement Costs, the Sub-Allocated Infrastructure Improvement Payments shall include any and all principal payments and interest payments made under such financing. If JV

GP, MDLP or any of the Component Entities (other than the MC Component Entities) do not obtain public financing or non-affiliated third party financing to pay for the Infrastructure Improvement Costs and Program Costs, the Sub-Allocated Infrastructure Improvement Payments shall not be added to Sub-Allocated Prepaid Annual Payments upon a Take Down as provided in Section 10.5.2.

(f) Obligations to Pay Exclusive Office/Hotel Infrastructure Improvement Costs. Notwithstanding anything herein to the contrary, each Component, phase or sub-Component thereof shall be solely responsible for any and all site specific costs relating to such Component, phase or sub-Component including all Infrastructure Improvement Costs and Program Costs associated solely with their respective Component, site plan approval costs and similar costs, fees and expenses (the "**Exclusive Office/Hotel Infrastructure Improvement Costs**").

10.5 Determination of Office/Hotel Value. The value (the "**Office/Hotel Value**") of the portion of the Development Land upon which Phase III and Phase IV shall be developed (the "**Office/Hotel Land**") shall be the aggregate of the value of the Hotel Land and the value of the Office Land, determined utilizing the formula hereinafter set forth, plus the Sub-Allocated Prepaid Annual Payment.

10.5.1 Determination of Values of Office Land and Hotel Land. The value of the portion of the Office/Hotel Land upon which the Hotel Component shall be constructed (the "**Hotel Land**") shall be determined by multiplying $17,500 per hotel room by the number of hotel rooms as set forth in the office or hotel Plans and Specifications, and (ii) the value of the portion of the Office/Hotel Land upon which the Office Component shall be constructed (the "**Office Land**") shall be determined by multiplying $30 per buildable square foot by the actual buildable square footage of the office buildings located on the Office Land. Beginning in 2012 and annually thereafter, such $17,500 and $30 amounts set forth in the preceding sentence shall be increased by the percentage increase, if any, for the CPI (the "**CPI Adjustment**") for November of the year (the "**New Year**") prior to the current year as compared to the CPI for November of the year prior to the New Year. Such amounts shall not be decreased below the applicable amounts in effect immediately prior to a calculation of the change in CPI. If a Staged Development, the Office/Hotel Value as to each stage shall be separately determined.

10.5.2 Sub-Allocated Prepaid Annual Payment. Upon a Take Down, the Office/Hotel Value shall include a lump sum amount equal to the aggregate Sub-Allocated Annual Payments and the Sub-Allocated Infrastructure Improvement Payments (subject to Section 10.4.1(e)) accrued through the closing date of such Take Down (such aggregate amount, the "**Sub-Allocated Prepaid**

Annual Payment"). From and after such date, all future Sub-Allocated Annual Payments shall be payable as provided in Section 10.4.1(d).

10.6 Issuance of Partnership Interests Upon the Exercise of a Take Down. In connection with the MC Partners' exercise of a Take Down option, MDLP shall cause the applicable MC Component Entity or applicable Sub-Component Owner to issue (i) the Special General Partner or its Affiliates a general partnership interest in such MC Component Entity or Sub-Component Owner in exchange for the Special General Partner's commitment to contribute to the capital of such Component Entity or Sub-Component Owner the amount described in Sections 10.6.5 and 10.6.6 hereof, and (ii) the MC Partners or their Affiliates a limited partnership interest in such MC Component Entity or Sub-Component Owner in exchange for the MC Partners' commitment to contribute to the capital of such MC Component Entity or Sub-Component Owner the amount described in Sections 10.6.5 and 10.6.6 hereof, at which time, the MC Partners shall be admitted to such MC Component Entity or Sub-Component Owner as partners for tax purposes; and MDLP and the MC Partners (or one or more of their Affiliates) shall execute a limited partnership agreement for such MC Component Entity or Sub-Component Owner (each, a "**Office/Hotel Component LP Agreement**") substantially in the form of the Original Agreement, modified as follows:

10.6.1 The Office/Hotel Component LP Agreement(s) shall reflect that the property leased is the Office/Hotel Land or, if a Staged Development, it is the intention of the partners signatory thereto that the partnership or another partnership formed as contemplated herein shall eventually lease the Office/Hotel Land;

10.6.2 The applicable Office/Hotel Component Owners shall enter into a management agreement for the management of the Office Component pursuant to a management agreement substantially in the form of the Management Agreement attached as Exhibit J to the Original Agreement, appropriately modified to reflect that the asset that is subject thereto is an office building and providing for fees payable to the manager thereunder (which shall be an Affiliate of the MC Partners) as set forth in **Exhibit G** attached hereto and, as to the Hotel Component, the Office/Hotel Component LP Agreement shall provide for an asset management fee and development management fee payable to the MC Partners as set forth in **Exhibit G** attached hereto;

10.6.3 The initial capital accounts (and Unreturned Partners' Contribution Accounts) of each of MDLP and the MC Partners in each of the applicable Office/Hotel Component Owners shall be the amounts determined as provided in Section 10.6.7 below, and the MC Partners' aggregate Partnership Interest and MDLP's Partnership Interest in each of the applicable Office/Hotel Component Owners shall be seventy-five percent (75%) and twenty-five (25%), respectively as adjusted pursuant to Sections 10.6.6(a) and (b);

10.6.4 Each of MDLP and the MC Partners shall receive a return on their Unreturned Capital Contribution Accounts equal to nine percent (9%) per annum, compounded quarterly but not payable from capital contributions, with such return being paid on a pari passu basis in accordance with the amount of their respective Unreturned Capital Contributions Accounts thereunder and with the return of such capital to be paid in accordance with their Partnership Interests described in Section 10.6.3;

10.6.5 The MC Partners shall be obligated to contribute all Required Equity as set forth in the agreed-upon development budget of the applicable Office/Hotel Component Owner until such time as the ratio (the "**Capital Ratio**") of the MC Partners' capital accounts to the MDLP capital account is 75:25 and, thereafter, the MC Partners and MDLP shall be obligated to contribute seventy-five percent (75%) and twenty-five percent (25%) respectively, of all Required Equity, pari passu, under the applicable Office/Hotel Component LP Agreement(s) to the Office/Hotel Component Owner(s) as provided in Section 10.6.6(e);

10.6.6 If, as of the date of issuance of the certificate of occupancy for the core and shell of an Office Component or the date of opening for business of a Hotel Component, as applicable (such date, the "**Capital Ratio Determination Date**"), after capital accounts are established pursuant to Section 10.6.7 below and after taking into account all additional capital contributed by MDLP and the MC Partner as Required Equity in the applicable Office/Hotel Component Owner(s), the Capital Ratio is not 75:25, then the following shall occur:

(a) The MC Partners shall contribute capital to the applicable Office/Hotel Component Owner within thirty (30) days of the Capital Ratio Determination Date in an amount such that, after such contribution and the distribution described in this Section 10.6.6(a), the Capital Ratio shall be at least 65:35 but not more than 75:25 and, in such event, the applicable Office/Hotel Component Owner shall make a distribution to MDLP as a return of MDLP capital in an amount equivalent to the MC Partners' capital contributions;

(b) If, after the contribution of capital as described in Section 10.6.6(a) hereof, the Capital Ratio is less than 75:25 (but at least 65:35), then MDLP may elect that either the action described in Section 10.6.6(b)(i) below occur or the action described in Section 10.6.6(b)(ii) below occur:

(i) MDLP's Partnership Interest in the applicable Office/Hotel Component Owner shall be increased, and the MC Partners' Partnership Interest in the applicable Office/Hotel Component Owner shall be decreased, so that their Partnership Interests are in proportion to the Capital Ratio, or

(ii) MDLP's Partnership Interest in the applicable Office/Hotel Component Owner and the MC Partners' Partnership Interest shall not be adjusted and all Super-Priority Capital shall receive a preferred return equal to nine percent (9%) per annum, compounded quarterly, on, and a return of, such capital, prior to the return on or of any other capital under the Office/Hotel Component LP Agreement. In the alternative to receiving such a return on the Super-Priority Capital, MDLP may elect that a portion of MDLP's capital equal to the Super-Priority Capital be converted into a loan in the amount of the Super-Priority Capital, with interest thereon at nine percent (9%) per annum, compounded quarterly, which loan shall be repaid prior to any Partner Loans (as such term shall be defined in the Office/Hotel Component LP Agreement) and any return of or on capital. As used herein the "**Super-Priority Capital**" shall mean the portion of MDLP's capital that is in excess of the amount of capital necessary to result in the Capital Ratio being 75:25.

(c) Thereafter, the MC Partners and MDLP shall be obligated to contribute any additional Required Equity in the ratio of their respective Partnership Interests in the applicable Office/Hotel Component Owner, as such Partnership Interests were adjusted as provided in Section 10.6.6(b)(i); and

(d) Thereafter, each future Office/Hotel Component LP Agreement:

(i) shall provide for the Partnership Interests of the MC Partners and MDLP to be 75:25 as provided in Section 10.6.3; and

(ii) shall provide that if, after the occurrence of the Capital Ratio Determination Date applicable to the Office/Hotel Component Owner, the ratio of the MC Partners' capital accounts to MDLP's capital account is less than the ratio of the partner's Partnership Interests, then the MC Partners shall be obligated to contribute capital to the Office/Hotel Component Owner, and the adjustment of Partnership Interests or allocation of a portion of the JV GP's capital to Super-Priority Capital shall occur in a substantially similar manner as described in Section 10.6.6(b);

(e) After the Capital Ratio becomes 75:25 as aforesaid, then each of the MC Partners and MDLP shall be obligated to contribute Required Equity, pari passu, based on the ratio of their respective Partnership Interests;

(f) The MC Partners' "Required Equity" in any Office Component or Hotel Component shall not exceed forty percent (40%) of the "**Net Project Costs**" contemplated in the applicable development budget of such Office Component or Hotel Component.

(g) MDLP shall be a special general partner and receive rights to participate in Major Decisions as described in Section 13; and

(h) If the MC Partners exercises the drag along rights that will be incorporated into the Office/Hotel Component LP Agreement, which terms shall be substantially similar to Section 11.3 of the Original Agreement, MDLP shall continue to the have rights and obligations respecting the development and ownership of the remaining Office/Hotel Components as set forth in this Section 10.

10.6.7 **Establishment of Capital Accounts in Office/Hotel Component Owner**. Upon a Take Down, the capital accounts of MDLP and the MC Partners in the applicable Office Hotel Component Owner shall be determined in the following manner:

10.6.7.1 Effective upon a Take Down and the issuance of the partnership interests in the applicable Office/Hotel Component Owner to the MC Partners (or their Affiliates) in exchange for the commitments to contribute capital as described in Section 10.6.5 and 10.6.6 hereof, MDLP shall be deemed to have contributed the applicable Office/Hotel Land to the capital of the applicable Office/Hotel Component Owner based on the applicable Office/Hotel Value. Ninety-nine percent (99%) of such value determined will initially be credited to MDLP's capital account and Unreturned MDLP Capital Contributions Account and one percent (1%) of such value will be credited to the MC Partners' (or their Affiliates') capital account and Unreturned MC Partner Capital Contributions Account; provided, however, that any amounts attributable to any Sub-Allocated Prepaid Annual Payment shall be credited to the party that, (i) if such Sub-Allocated Prepaid Annual Payment was subject to financing, paid any debt service (principal and interest) with respect to such financed amounts from its own funds or (ii) paid any such Sub-Allocated Prepaid Annual Payment from its own funds.

10.6.7.2 If the applicable Office/Hotel Value is less than the actual fair market value of the applicable Office/Hotel Land (and related assets) as determined by MDLP (the "**Actual Office/Hotel Value**"), then the difference between the applicable Actual Office/Hotel Value and the applicable Office/Hotel Value will be credited to the partners' capital accounts and Unreturned Partners Contributions Accounts as follows: seventy-five percent (75%) of such difference will be credited to the MC Partners' (or their Affiliates') capital account and Unreturned MC Partner Capital Contributions Account, and twenty-five percent (25%) of such difference will be credited to MDLP's capital account and Unreturned MDLP Capital Contributions Account.

10.6.7.3 If the applicable Office/Hotel Component Owner fails to commence construction within ninety (90) days of the date of the closing of the MC Partners' applicable Take Down, the MC Partners shall be obligated to contribute capital to the Office/Hotel Component Owner within such ninety (90) day period in an amount that, after such contribution and the distribution described in this Section 10.6.7.3, the Capital Ratio shall be 75:25 and, in such event, the Office/Hotel Component Owner shall make a distribution to MDLP as a return of MDLP's capital in an amount equivalent to the MC Partners' contribution. If the MC Partners fail to contribute the capital (a "**Office/Hotel Funding Default**") in accordance with the preceding sentence, then MDLP may provide written notice to the MC Partners of such Office/Hotel Funding Default (an "**Office/Hotel Funding Default Notice**"). If the MC Partners shall fail to fund such Required Equity within ten (10) business days after the date of delivery of the Office/Hotel Funding Default Notice, then MDLP shall designate a replacement managing general partner of the Office/Hotel Component Owner (which may include itself). Upon the occurrence of an Office/Hotel Funding Default and the MC Partners' failure to cure such default, the respective Partnership Interests of the MC Partners and MDLP in the Office/Hotel Component Owner shall be determined in accordance with their capital accounts in such Office/Hotel Component Owner as such capital accounts are determined as provided in Section 10.6.7.2 hereof. MDLP, as replacement managing general partner of the Office/Hotel Component Owner, may determine in its sole discretion whether to develop such Office/Hotel Component or sell such Office/Hotel Component, except that in the event of a sale the provisions of Section 10.7.2 shall not apply.

10.6.7.4 Any amounts allocable to an Office/Hotel Component Owner for Prepaid Rent Allocations shall not be credited to the Unreturned Capital Contributions Accounts.

10.6.7.5 Notwithstanding anything herein to the contrary, MDLP and the MC Partners agree, that if the JV GP shall fail to timely pay the Principal Amount of the MC Note to the MC Partners on the Maturity Date, then the MC Partners' Partnership Interest in each Office/Hotel Component Owner shall be eighty percent (80%) rather than seventy-five percent (75%) and MDLP's Partnership Interest in each Office/Hotel Component Owner shall be twenty percent (20%) rather than twenty-five percent (25%) and the Capital Ratio shall be 80:20 rather than 75:25 (and the credits to the accounts described in Section 10.6.7.2 hereof shall be in an 80:20 ratio rather than the 75:25 ratio). The foregoing adjustment to the Partnership Interests and the Capital Ratio shall not relieve the JV GP from its obligation to pay the Principal Amount of the MC Note.

10.6.7.6 Upon a Take Down, (i) the capital accounts of the partners in the applicable Office/Hotel Component Owner shall be maintained in accordance with the Code Section 704(b) and the regulations thereunder, and (ii) all allocations of income, gain, loss and treasury deduction that are capable of having economic effect for federal income tax purposes shall have substantial economic effect within the meaning of Code Section 704(b), and the Treasury Regulations promulgated thereunder and shall be "fractions rule" compliant within the meaning of Section 514(c)(9) of the Code and the Treasury Regulations, unless otherwise reasonably determined by MDLP in its sole discretion.

10.6.8 After the occurrence of the matters and execution of the documents set forth in Sections 10.5 through 10.6.7.6, then the closing of the Take Down shall occur on a date not later than thirty (30) days after the date of such Take Down, as follows:

10.6.8.1 MDLP shall cause the Office/Hotel Component Owner to issue to (i) the Special General Partner and/or its designated Affiliate a general partnership interest in the Office/Hotel Component Owner and (ii) the MC Partners and/or their designated Affiliate a limited partnership interest in the Office/Hotel Component Owner. MDLP shall cause the Office/Hotel Component Owner to convert GP LLC's managing general partnership interest in the Office/Hotel Component Owner to a special general partnership interest;

10.6.8.2 MDLP shall, and it shall cause GP LLC and the Office/Hotel Component Owner to, execute such documents as shall be reasonably necessary to issue the partners' Partnership Interests in the Office/Hotel Component Owner;

10.6.8.3 The applicable Office/Hotel Component Owner shall represent and warrant that the Partnership Interests have not been sold,

assigned, transferred, encumbered, pledged or hypothecated, and (iii) the interests are free and clear of any lien, claim or encumbrance;

10.6.8.4 GP LLC and the MC Partners or their Affiliates will file and amendment to the certificate of limited partnership of the Office/Hotel Component Owner reflecting the admission of the MC Partners or their Affiliates, as the case may be, as a new general partner of the Office/Hotel Component Owner;

10.6.8.5 Intentionally omitted;

10.6.8.6 The NJSEA, MDLP and the Office/Hotel Component Owner shall enter into such agreements as shall be necessary to:

(a) Intentionally omitted;

(b) Intentionally omitted;

(c) Result in MDLP and such Component being released from all responsibilities, duties and obligations related to the Office/Hotel Component under the Redevelopment Agreement, the Ground Lease and all related agreements including all Infrastructure Improvements and Traffic and Infrastructure Improvements associated with the Office/Hotel Component and the Office/Hotel Component, or phase thereof, is released from all responsibilities, duties and obligations related to the Entertainment/Retail Component Ground Lease and all related agreements including all Infrastructure Improvements and Traffic and Infrastructure Improvements associated with the Entertainment/Retail Component;

(d) Result in agreements between MDLP and the Office/Hotel Component Owner allocating and assigning the entire obligation respecting the Office/Hotel Component due under the NJSEA Profit Participation to the owner(s) of the Office/Hotel Component, as the case may be;

(e) Obtain such consents and approvals from the NJSEA and other third parties as shall be required to effectuate such issuance and other matters required under this Section 10.6.8 (including estoppel certificates);

(f) Create such mutual reciprocal easements and covenants to permit the Office Component and Hotel Component to operate within the Project as contemplated in the Conceptual Site Plan if not already created; and

(g) Execute an agreement providing for indemnification from the Office/Hotel Component Owner and the Entertainment/Retail Component, as the case may be, respecting any matters for which a release or a consent or a separate, several allocation of obligations was not obtained as provided above and respecting a failure of the Office/Hotel Component (or phase or sub-Component thereof) or the Entertainment/Retail Component to comply with its payment obligations as provided above; and

(h) Execute the Office/Hotel Component LP Agreement, requiring, among other things, the capital contributions by the MC Partners, as more particularly described herein.

10.7 **Failure of the MC Partners to Make Election**. If the MC Partners fail to provide an Office/Hotel Development Election Notice on or before the Office/Hotel Election Notice Date, then (i) the MC Partners shall be deemed to have irrevocably waived all rights under Section 10.2.1 including all rights to be the managing general partner of the MC Component Entity or MC Component Entities that develop Phase III and Phase IV, and (ii) thereafter, MDLP shall have the sole discretion (consistent with the Redevelopment Agreement) to determine whether any MC Component Entity should retain and develop all or any sub-Component of the Office Component or the Hotel Component or sell the Office Component or Hotel Component to a third party (which may be a Joint Venture (hereinafter defined)) and/or seek other development partners. If MDLP elects to retain and develop all or any sub-Component as aforesaid, the applicable property may be developed by an entity owned by MDLP, JV GP and/or one of their Affiliates (or MDLP and the MC Partners if the MC Partners make a Partnership Election as defined and described in Section 10.7.3 below) or by a partnership, or other joint venture entity between a third party and MDLP, JV GP and/or one of their Affiliates (or MDLP and the MC Partners if the MC Partners and/or one of their Affiliates elect to be a partner as provided in Section 10.7.3 below) (a "**Joint Venture**") to develop all or a portion of the Hotel Component, the Office Component or any sub-Component thereof, or any combination of the foregoing. If the MC Partners do not make a Partnership Election pursuant to Section 10.7.3, then Special General Partner's non-economic partnership interest in the applicable MC Component Entity shall automatically terminate, and Special General Partner shall no longer be a general partner of such MC Component Entity.

10.7.1 **Sale of Hotel Component or Office Component**. If MDLP shall elect to sell all or any sub-Component, as applicable, of the Office Component or the Hotel Component, then MDLP shall have the right to determine the terms and conditions upon which such purchase and sale transaction shall be consummated subject to Section 10.7.2.

10.7.2 **Purchase Price Floor**. The purchase price (in the case of a sale) or the deemed value of the particular portion of the Office/Hotel Land (in the case of the Joint Venture) conveyed by any MC Component in accordance with this Section 10.7 must be equal to or exceed ninety-five percent (95%) of the Office/Hotel Value of the particular Component, phase or sub-Component thereof, as applicable. If the purchase price is less than ninety-five percent (95%) of the applicable Office/Hotel Value, then MDLP shall provide written notice (a "**Reoffer Notice**") to the MC Partners. The MC Partners shall have the right, to be exercised by written notice (a "**Reoffer Acceptance Notice**") to MDLP not later than thirty (30) days after the MC Partners' receipt of the Reoffer Notice, to Take Down the Office/Hotel Component utilizing an Office/Hotel Value equal to the purchase price set forth in the Reoffer Notice. If the MC Partners provide a Reoffer Acceptance Notice, then (i) the Applicable Component, phase or sub-Component thereof shall be Taken Down within ten (10) days of MDLP's receipt of the Reoffer Acceptance Notice, and (ii) the Office/Hotel Value to be used in connection with such issuance for purposes of determining the initial capital of MDLP and the MC Partners in accordance with Section 10.6.7 shall be the purchase price set forth in the Reoffer Notice and all other provisions of this Section 10 applicable to a Take Down by the MC Partners shall apply. If a Reoffer Acceptance is not provided within such thirty (30) day period, MDLP may proceed with the transaction as set forth within the Reoffer Notice.

10.7.3 **Formation of Joint Venture to Develop Office/Hotel Component**. If MDLP shall elect to develop all or any portion of the Office/Hotel Land as provided in this Section 10.7, then the MC Partners shall have thirty (30) days after receipt of written notice from MDLP of such election to either participate in such development with MDLP (a "**Partnership Election**") or not to participate in such development (an "**Opt Out Election**"). A failure of the MC Partners to provide a Partnership Election prior to the expiration of such thirty (30) day period shall be deemed to be an Opt Out Election.

10.7.3.1 If the MC Partners make or are deemed to have made an Opt Out Election, then MDLP shall be permitted to proceed with the development of the applicable portion of the Office/Hotel Land as hereinabove contemplated, subject to the provisions of the Redevelopment Agreement, Component Lease or Component Agreements, as the case may be.

10.7.3.2 If the MC Partners shall make a Partnership Election, then MDLP and the MC Partners shall execute a limited partnership agreement substantially in the form of the Original Agreement to govern the applicable Office/Hotel Component Owner, except that (1) the MC Partners shall be obligated to fund twenty-five percent (25%) of all Required Equity of such limited partnership (the "**New LP**") and shall have a twenty-five percent (25%) Partnership Interest, and MDLP shall be obligated to fund seventy-five (75%) percent of all Required Equity of New LP and shall have a seventy-five percent (75%) Partnership Interest, and (2) if MDLP has elected that a Joint Venture be formed, then the Office/Hotel Component Owner shall be such Joint Venture and the Required Equity set forth in subclause (1) hereof shall refer to the applicable percentages of the total Required Equity to be paid to such Joint Venture.

10.8 Failure of the MC Partners to Commence Construction. If, after the MC Partners have provided an Office/Hotel Development Election Notice prior to the Office/Hotel Election Notice Date, the Office/Hotel Component Owner fails to commence construction of the Applicable Component on or before the date set forth in Section 10.2, or if the MC Partners fail to provide a written notice to proceed respecting a Loan Commitment Notice within the period for provision of same pursuant to Section 10.3.1(b), then:

10.8.1 MDLP may elect, by written notice to the MC Partners, to become the managing general partner of the Office/Hotel Component Owner for any Office/Hotel Component not yet Taken Down by the MC Partners;

10.8.2 MDLP may elect, by written notice to the MC Partners, to become the managing general partner of the Office/Hotel Component Owner for the particular Office/Hotel Component; or

10.8.3 As to those portions of the Office/Hotel Land not yet Taken Down for which construction has not yet commenced, MDLP may elect either to continue to develop the Office/Hotel Land as set forth in the office or hotel Plans and Specifications (with the MC Partners continuing to have the obligations for contribution of capital as provided above), or to exercise the rights set forth in Section 10.7 and all subsections thereof respecting such undeveloped portions as if the MC Partners shall have failed to provide an Office/Hotel Development Election Notice respecting all Office/Hotel Components and sub-Components for which construction has not yet commenced except that the provisions of Section 10.7.2 shall not apply in such case.

10.9 Failure of MDLP to Substantially Complete Infrastructure Improvements.

10.9.1 If the Traffic and Infrastructure Improvements described in Sections 3.2(a)(i) through (iv) of the Redevelopment Agreement have not been constructed by the earlier of (i) the date that is six (6) years after the Execution Date or (ii) the date that the MC Partners are required to exercise an Office/Hotel Development Option, then the MC Partners may provide written notice (an "**Infrastructure Improvement Notice**") to MDLP of its failure to timely complete such Traffic and Infrastructure Improvements and the intent of the MC Partners to complete any such Traffic and Infrastructure Improvements. MDLP shall have twenty (20) days from the date of receipt of the Infrastructure Improvement Notice to establish in writing (an "**Infrastructure Improvement Reply Notice**") to the satisfaction of the MC Partners, in their sole discretion, that the Traffic and Infrastructure Improvements described in Sections 3.2(a)(i) through (iv) of the Redevelopment Agreement will be completed within six (6) months of the date of the Infrastructure Improvement Notice. If MDLP (i) fails to deliver an Infrastructure Improvement Reply Notice within such twenty (20) day period or (ii) fails to establish to the satisfaction of the MC Partners as provided in this Section 10.9.1 that such Traffic and Infrastructure Improvements will be completed within six (6) months of the date of the Infrastructure Improvement Notice, then the MC Partners shall have the exclusive right to complete Traffic and Infrastructure Improvements described in Sections 3.2(a)(i), which are necessary for the applicable Office/Hotel Component or the Project by advancing their own funds through an Office/Hotel Component Owner. The MC Partners shall commence construction of such Traffic and Infrastructure Improvements as soon as reasonably practicable thereafter, but, in no event shall commencement of such Traffic and Infrastructure Improvements begin more than twelve (12) months after the date of the Infrastructure Improvement Notice. MDLP and its Affiliates shall cooperate with the MC Partners in connection with the commencement and completion of the Traffic and Infrastructure Improvements by the MC Partners, including, without limitation, delivering plans and specifications, if any, in its possession relating to such Traffic and Infrastructure Improvements, and the MC Partners and/or Special General Partner shall have the right to act on behalf of MDLP or its Affiliates pursuant to and in accordance with Section 6. Any funds advanced by the MC Partners pursuant to this Section 10.9 shall first be applied to reduce the Unreturned MDLP Capital Contributions Account in the applicable Office/Hotel Component Owner until such account is reduced to zero and, thereafter, the MC Partners' shall receive capital account credit for any additional funds advanced hereunder (an "**MC Partners' Account Credit**"). For the avoidance of doubt, the MC Partners shall not receive MC Partners' Account Credit until the Unreturned MDLP Capital Contributions Account is reduced to zero.

10.9.2 In the event that the MC Partners advance funds to an Office/Hotel Component Owner pursuant to Section 10.9.1, MDLP shall thereafter be obligated to contribute all Required Equity (provided, that the Capital Ratio of the Unreturned MC General Partner Capital Contributions Account to the Unreturned MDLP Capital Contributions Account is greater than 75:25 (e.g., a Capital Ratio of 95:5)), until such time as the Capital Ratio of the Unreturned MC General Partner Capital Contributions Account to the Unreturned MDLP Capital Contributions Account is 75:25, respectively.

10.9.3 In the event that the MC Partners advance funds to an Office/Hotel Component Owner pursuant to Section 10.9.1, and if, as of the Capital Ratio Determination Date, after capital accounts are established pursuant to Section 10.6.7 and after taking into account all additional capital contributed by the MC Partners and MDLP as Required Equity pursuant to Section 10.6 the Capital Ratio of the Unreturned MC General Partner Capital Contributions Account to the Unreturned MDLP Capital Contributions Account is greater than 75:25 (e.g., a Capital Ratio of 95:5), then the following shall occur:

(a) MDLP shall contribute capital to the Office/Hotel Component Owner within thirty (30) days of the Capital Ratio Determination Date in an amount such that, after such contribution and the distribution described in this Section 10.9.3(a), the Capital Ratio shall be at least 85:15 but not more than 75:25 and, in such event, the Office/Hotel Component Owner shall make a distribution to the MC Partners as a return of the MC Partners' capital in an amount equivalent to MDLP's capital contributions;

(b) If, after the contribution of capital as described in Section 10.9.3(a), the Capital Ratio is greater than 75:25 (but at least 85:15), then the MC Partners may elect that either the action described in Section 10.9.3(b)(i) occur or the action described in Section 10.9.3(b)(ii) occur;

(i) the MC Partners' Partnership Interest shall be increased, and MDLP's Partnership Interest shall be decreased, so that their Partnership Interests are in proportion to the Capital Ratio, or

(ii) the MC Partners' Partnership Interest and MDLP's Partnership Interest shall not be adjusted and all SGP Super-Priority Capital shall receive a preferred return equal to nine percent (9%) per annum, compounded quarterly, on, and a return of, such capital, prior to the return on or of any other capital under the Office/Hotel Component LP Agreement. In the alternative to receiving such a return on the SGP Super-Priority Capital, the MC Partners may elect that a portion of the MC Partners' capital equal to the SGP Super-Priority Capital be converted into a loan in the amount of the SGP Super-Priority Capital, with interest thereon at nine percent (9%) per annum, compounded quarterly, which loan shall be repaid prior to any Partner Loans and any return of or on capital. As used herein the "**SGP Super-Priority Capital**" shall mean the portion of the MC Partners' capital that is in excess of the amount of capital necessary to result in the Capital Ratio being 75:25;

(c) Thereafter, the MC Partners and MDLP shall be obligated to contribute any additional Required Equity in the ratio of their respective Partnership Interests, as such Partnership Interests were adjusted as provided in Section 10.9.3(b)(i);

(d) Thereafter, each future Office/Hotel Component LP Agreement:

(i) shall provide for the Partnership Interests of the MC Partners and MDLP to be 75:25 as provided in Section 10.6.3; and

(ii) shall provide that if, after the occurrence of the Capital Ratio Determination Date applicable to the Component or phases thereof, the ratio of MC Unreturned Capital Contributions Account to MDLP Unreturned Capital Contributions Account is greater than the ratio of the partner's Partnership Interests, then MDLP shall be obligated to contribute capital to the Component Owner, and the adjustment of Partnership Interests or allocation of a portion of the MC Partners' capital to Super-Priority Capital shall occur in a substantially similar manner as described in Section 10.9.3(b); and

(e) After the Capital Ratio becomes 75:25 as aforesaid, then each of the MC Partners and MDLP shall be obligated to contribute Required Equity, pari passu, based on the ratio of their respective Partnership Interests.

11. **No Contracts with Affiliates**. Upon a Take Down of an Office/Hotel Component or the exercise of a ROFR, the limited partnership agreement of the applicable Office/Hotel Component Owner or of the ROFR Component Entity shall provide that such Office/Hotel Component Owner and its partners or such ROFR Component Entity and its partners shall not enter into any agreement or other arrangement for the furnishing to or by such Office/Hotel Component Owner or such ROFR Component Entity of goods or services or leases, subleases, licenses, concessions or other agreements with any Person who is an Affiliate of the Partners of such Office/Hotel Component Owner or such ROFR Component Entity unless goods or services are provided to such Office/Hotel Component Owner or such Component Entity or such lease or other payments are at market rates of compensation and the terms and conditions thereof are approved by then managing general partner of such Office/Hotel Component Owner or such ROFR Component Entity.

12. **Use of the Marks**. In connection with the Restructuring, MDLP, certain of the Component Entities and other signatories thereto entered into the License Agreement to provide for the use of the Marks, without a fee, by each of the signatories to the License Agreement. As soon as practicable after the formation of each ROFR Component Entity, MDLP shall enter into a license agreement on substantially the same terms as the License Agreement.

12.1 **No Use of Related Mark**. Neither the MC Partners, their Affiliates nor any owner or user of the Project shall be permitted to use the word "Xanadu" in any manner except as provided in the License Agreement.

12.2 **Use of MC Partners' Name**. The MC Partners and their Affiliates shall in their sole discretion determine whether to permit the use of their names in connection with the Project or MDLP. The JV GP and its Affiliates acknowledge and agree that the name of the MC Partners and any of their Affiliates may not be used by the JV GP, any of its Affiliates or MDLP in connection with the Project or MDLP without the prior written consent of the MC Partners; provided, that GP LLC and each of the Component Entities shall be permitted to use the word "Mack-Cali" in their name. Notwithstanding the foregoing, certain Affiliates of Kan Am US, Inc. and Colony Investors VII, L.P. may use the names of the MC Partners or their Affiliates in connection with offering materials related to project reports to Kan Am US, Inc. investors and to Colony investors and certain other communications. The MC Partners agrees to such use, subject to the MC Partners being offered a reasonable opportunity to approve the proposed uses.

13. **MC Partners' Consent Rights**. MDLP, the JV GP and GP LLC shall not take the following decisions (each a "**Major Decision**") without the prior written approvals as specified below. In the event of a failure to agree on a matter set forth in this Section 13, the matter shall be submitted to mediation and/or arbitration in accordance with Section 15 of this Agreement. Immediately following the exercise by MDLP of a ROFR, pursuant to, and in accordance with, Section 6 hereof, each of the following Major Decisions shall apply to the applicable ROFR Component Entity, with equal force and effect, as if such ROFR Component Entity were, itself, an MC Component Entity.

13.1 The following decisions or acts with respect to, or on the part of, MDLP, the JV GP or GP LLC shall require the prior written Approval of the Parties, which Approval may not be unreasonably withheld, delayed or conditioned by a party. If MDLP, the JV GP or GP LLC (directly or through its authorized representative in accordance with Section 8.1.1) shall request that the MC Partners provide such written approval, the MC Partners (directly or through its authorized representatives in accordance with Section 8.1.1) shall have ten (10) Business Days after receipt of a written request from the JV GP or MDLP to grant or deny such approval provided that the MC Partners shall have received information as reasonably required to render such decision. A failure of the MC Partners to provide such written approval or denial within such ten (10) business day period shall be deemed to mean that the MC Partners shall have granted such written approval):

13.1.1 Any amendment to the Office/Hotel Component LP Agreement or, as applicable, any ROFR Component Entity Agreement or other organizational documents of any MC Component or, as applicable, ROFR Component;

13.1.2 Except for the transfers or issuances of partnership interests in connection with the Hotel Component, Office Component or, as applicable, a ROFR Component contemplated by and in accordance with this Agreement and/or the Redevelopment Agreement, any sale, transfer or disposition of any MC Component Entity or, as applicable, ROFR Component when formed;

13.1.3 Entering into, or undertaking of, any agreement, transaction or action relating to the Project that (a) is not within the scope of this Agreement or the Original Agreement (including the purposes set forth in Section 3.1 of the Original Agreement), or (b) is not contemplated by or within the scope of the Transaction Documents, or (c) is not related to the ownership, operation or management of any portion of the Project as contemplated by this Agreement and the Transaction Documents, in each case, if such action or undertaking would have an adverse effect on the Office/Hotel Component;

13.1.4 Adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of MDLP, any Component Entity or, as applicable, any ROFR Component Entity, but only if and to the extent such adjustment, settlement or compromise would have an adverse effect on the Office/Hotel Component or, as applicable, a ROFR Component;

13.1.5 Establishing or adjusting the gross asset value for any contributed or distributed asset (other than cash) to or from the MC Component Entities or, as applicable, the ROFR Component Entities other than the Office/Hotel Land when formed, except as provided herein;

13.1.6 Entering into any amendment to, or modification of, the Redevelopment Agreement, the Project Operating Agreement, the Construction Management Agreement, the Declaration, the Project Labor Agreement, the Ground Leases, the Right of Entry Agreement, the Access and Indemnity Agreement, the Master Plan, and any other agreement to be entered into with the NJSEA (any of which, an "**Authority Agreement**" and, together, the "**Authority Agreements**") which is inconsistent with any of the foregoing enumerated instruments but only if and to the extent adversely affecting the Office/Hotel Component;

13.1.7 Entering into any agreement with the Giants or The New York Football Jets that adversely affects the Office/Hotel Component;

13.1.8 Any transfer, assignment or pledge of the Right of First Refusal pursuant to the Redevelopment Agreement;

13.1.9 Any voluntary action or decision which, if undertaken or made, would violate Section 7 hereof;

13.1.10 Preparation or identification of (and any amendment, modification or revision to), for submission to the NJSEA, the Final Project Sequencing Plan, Final Traffic and Infrastructure Sequencing Plan, the Preliminary Traffic and Infrastructure Improvements (including preparation of the estimated budget to permit, design and construct the Final Traffic and Infrastructure Improvements), marketing and publicity program referred to in Section 3.4(b) of the Redevelopment Agreement (regarding encouraging the use of the rail system by Project visitors), the written plan for the Job Skills Training referred to in Section 3.6(a) of the Redevelopment Agreement, the Small Business Marketing Plan referred to in Section 3.6(b) of the Redevelopment Agreement, or any other report, document or schedule pursuant to any Authority Agreement or the Cooperation Agreement but only if and to the extent that any of the foregoing actions or documents are inconsistent with the Authority Agreements or the Cooperation Agreement or adversely affect the Office/Hotel Component;

13.1.12 Designation or selection of the Stakeholders Liaison;

13.1.13 Enforcement or written waiver of any claim or determination related to the assertion of an Authority Interference which Authority Interference has an adverse impact on the Office/Hotel Component and which assertion occurs prior to four (4) years after the Grand Opening Date;

13.1.14 Making any distribution or payment by any MC Component or, as applicable, any ROFR Component to any Person (including any party hereto or any Affiliate of any party hereto) that is not expressly contemplated by the Office/Hotel Component LP Agreement or, as applicable, any ROFR Component Entity Agreement;

13.1.15 Causing or permitting MDLP, any MC Component or, as applicable any ROFR Component to be in Bankruptcy;

13.1.16 Causing MDLP or any Component Entity to incur or obtain bond debt or other public financing vehicle(s) other than bond debt or other public financing vehicle(s) that is not secured by a mortgage, deed of trust or other security instrument encumbering the Office/Hotel Land intended to fund land infrastructure costs and expenses including, without limitation, onsite and offsite Traffic and Infrastructure Improvements, parking facilities, as well as a debt service reserve fund for such loan, capitalized interest and other issuance costs related to the loan, as described in the Authority Agreements, and having commercially reasonable terms and conditions at least as favorable as follows:

a.	Loan Term:	not less than 10 years;
b.	Amortization Period:	not less than 20 years;
c.	Interest Rate:	fixed rate of not greater than 8.5% per annum or variable rate of LIBOR plus 300 basis points;
d.	Maximum Net Proceeds:	$160,000,000;
e.	Office/Hotel Component shall only be responsible on a nonrecourse basis for its proportionate share of the proceeds and such obligations are several; and	
f.	No guaranty by the MC Partners or their Affiliates and no substitute or additional collateral (for example, a letter of credit) to be provided by the MC Partners or their Affiliates.	

13.1.17 The granting of any mortgage, deed of trust or other security instrument encumbering the Office/Hotel Land other than to secure a loan from a third party that provides for the release of the Office/Hotel Land from the lien of the mortgage, deed of trust or other security instrument in connection with the Take Down of the Office/Hotel Component as contemplated in Section 10 of this Agreement provided that such release does not require any additional payment of principal and interest or any payments, including fees or points, other than reimbursement of reasonable legal fees to effectuate the same.

13.1.18 Obtaining the Approval of the Parties as required by the following provisions of this Agreement:

(i) Definition of "Consumer Price Index";

(ii) Section 6.1.2;

(iii) Section 6.1.2.1;

(iv) Section 6.1.3;

(v) Section 6.1.4

(vi) Section 6.1.4.1;

(vii) Section 13.1; and

(viii) Section 13.2.

13.2 The following decisions and acts with respect to, or on the part of, MDLP, any MC Component or, as applicable, any ROFR Component shall require the prior written Approval of the Parties, which approval may be granted or withheld in the JV GP or the MC Partners' sole and absolute discretion. If the JV GP (directly or through its authorized representative in accordance with Section 8.1.1) shall request that the MC Partners provide such written approval, the MC Partners (directly or through its authorized representatives in accordance with Section 8.1.1) shall have ten (10) Business Days after receipt of a written request from the JV GP to grant or deny such approval provided that the MC Partners shall have received information as reasonably required to render such decision. A failure of the MC Partners to provide such written approval or denial within such ten (10) Business Day period shall be deemed to mean that the MC Partners shall have granted such written approval):

13.2.1 The undertaking of any of the following acts if and to the extent inconsistent with this Agreement, MDLP's, any MC Component Entity's or, as applicable, any ROFR Component Entity's organizational documents or any of the Authority Agreements that would: (a) cause any MC Component Entity's or, as applicable, any ROFR Component Entity's dissolution or termination other than contemporaneous with or subsequent to the sale or other disposition of all or substantially all of any MC Component Entity's or, as applicable, any ROFR Component Entity's assets, or (b) cause any MC Component Entity or, as applicable, any ROFR Component Entity to become an entity other than a "limited partnership" organized under the Delaware LP Act (including, without limitation, under any conversion statute);

13.2.2 Possessing any MDLP, MC Component Entity or, as applicable, any ROFR Component Entity property, or assigning any rights in specific property for other than an entity purpose;

13.2.3 Except as otherwise permitted by any MC Component LP Agreement or, as applicable, ROFR Component Entity Agreement, admitting or permitting or causing any MC Component or, as applicable, any ROFR Component Entity to admit new or substitute partners, causing any MC Component or, as applicable, any ROFR Component Entity to redeem or repurchase all or any of a partner's interest, agreeing to issue, directly or indirectly, any interests in any MC Component or, as applicable, any ROFR Component Entity, or granting, issuing or agreeing to grant or issue, directly or indirectly, any right, option or warrant to subscribe for, purchase, or otherwise acquire Partnership Interests in any MC Component or, as applicable, any ROFR Component Entity;

13.2.4 Changing the name of any MC Component Entity or, as applicable, any ROFR Component Entity or the name under which any such entity does business from the name(s) set forth in such entity's organizational documents;

13.2.5 Authorizing or effectuating a merger or consolidation of any of the MC Component Entities with or into one or more other entities;

13.2.6 Authorizing or effectuating a dissolution, liquidation, termination or winding up of any MC Component Entity or, as applicable, any ROFR Component Entity other than contemporaneous with or subsequent to a sale or other disposition of all or substantially all of any such entity's assets;

13.2.7 Making the election (or otherwise doing anything else) which would result in any MC Component Entity or, as applicable, any ROFR Component Entity being treated as anything other than a "partnership" for federal, state, local and, as applicable, foreign tax purposes;

13.2.8 Taking any affirmative action not contemplated in this Agreement with the intent that the MC Partners shall have personal liability for any of the expenses, debts, obligations, liabilities, contracts, judgments or other obligations of MDLP, any Component Entity or, as applicable, any ROFR Component Entity; and

13.2.9 Development or construction of any office or hotel within Meadowlands Xanadu.

13.3 The form of Office/Hotel Component LP Agreement or, as applicable, any ROFR Component Entity Agreement to be executed as contemplated in Section 10 of this Agreement will have separate Major Decisions, which shall include the following and will conform the MC Partners' consent rights set forth in Sections 13.1 and 13.2 so as to apply to the Office/Hotel Component or, as applicable, any ROFR Component:

13.3.1 Approval of the operator of the Hotel Component;

13.3.2 Approval of the management agreement or operating lease with the operator respecting the operation of the Hotel Component; and

13.3.3 Adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of the Office/Hotel Component Owner or, as applicable, any ROFR Component Entity in any one Fiscal Year in excess of the greater of (a) $1,000,000 in the aggregate, or (b) five percent (5%) of stabilized net operating income of the Office/Hotel Component or, as applicable, ROFR Component (with such stabilized net operating income being defined to mean the net operating income for the third full Fiscal Year after Completion shall have occurred with respect to the entire Office/Hotel Component or, as applicable, ROFR Component).

14. Allocation of Administrative Fee Payable to AMX Project Operator Under the AMX Site Declaration. Pursuant to Section 2.4.8(x) of the AMX Site Declaration an administrative fee in the amount of ten percent (10%) of the total of certain items within an applicable AMX CAM Budget (as defined in the AMX Site Declaration) shall be payable to the "**AMX Project Operator**" (as defined in the AMX Site Declaration). The JV GP and the MC Partners acknowledge and agree that ERC LP shall act as the AMX Project Operator under the AMX Site Declaration and that the JV GP shall be permitted, on behalf of the ERC LP, to delegate or assign all or a portion of the obligations (and rights) of the AMX Project Operator to the Meadowlands Management, LLC or another Affiliate.

15. Mediation and Arbitration.

15.1 Unless otherwise expressly provided herein (including as provided in Section 6.1.2), it is understood and agreed by MDLP and the MC Partners that, in the event any dispute, disagreement, claim or controversy arises between MDLP and the MC Partners or any of the other parties hereto, arising under or related to this Agreement or relating to any approvals or agreements required to be given or made by the parties hereto under this Agreement, including a dispute, disagreement, claim or controversy in connection with a Major Decision (the "**Disputes**"), then, at the request of either MDLP or the MC Partners, the disputing parties shall resolve the Dispute promptly through confidential mediation with a mediator jointly selected by MDLP and the MC Partners. If MDLP and the MC Partners are unable to agree on the mediator within two (2) days after written notice from one disputing party to the other demanding mediation, MDLP and the MC Partners shall each select one (1) mediator and those two (2) mediators shall jointly select a third mediator as soon as practicable and such third mediator shall act as mediator hereunder. All mediators selected shall be licensed attorneys experienced in complex real estate and partnership transactions and the tax consequences thereof. Each party shall bear its own fees and expenses attributable to the mediation, provided, however, that the costs, fees and expenses attributable to the independent mediator shall be borne equally (50/50) between MDLP and the MC Partners.

15.2 In the event that MDLP and the MC Partners are unable to settle their Dispute through mediation within ten (10) Business Days after the mediator has been selected as provided above, any unresolved Dispute shall be submitted to binding arbitration in the State of New York, within five (5) Business Days from the date MDLP and the MC Partners were unable to settle their dispute through mediation, with each party to bear its own fees and expenses attributable thereto, before a panel of three (3) neutral arbitrators from the Large Complex Case Panel of the American Arbitration Association (the "**Arbitrators**"), said Arbitrators to be attorneys with at least ten (10) years experience in complex real estate and partnership transactions and the tax consequences thereof. The arbitration shall be conducted in accordance with the then-current commercial Arbitration Rules of the American Arbitration Association. The Arbitrators shall render their decision within ten (10) Business Days after the Dispute is submitted to the arbitration panel. In furtherance of the foregoing, it is understood and agreed that the decision rendered by the Arbitrators hereunder shall be binding and absolutely conclusive upon the parties hereto and may be enforced by entry of a judgment in any court having jurisdiction. The fees and expenses of Arbitrators shall be borne equally among the disputing parties. To the extent, if any, that the party or parties prevailing in any such arbitration proceedings are required to seek judicial confirmation or enforcement of the Arbitrators' award, the non-prevailing party or parties shall be obligated to pay for such prevailing party's or parties' reasonable and actual fees, costs, expenses and disbursements. incurred in connection with such judicial confirmation and/or enforcement. Notwithstanding the foregoing, a party may seek a preliminary injunction or other preliminary judicial relief if in its judgment such action is necessary to avoid irreparable damage. Despite such action, the parties hereto will continue to participate in good faith in the procedures specified in this Section 15. All applicable statutes of limitation shall be tolled while the procedures specified in this Section 15 are pending. The parties hereto will take such action, if any, required to effectuate such tolling.

16. **Brownfields Remediation Agreement**. The JV GP and the MC Partners anticipate that on or about the First Amendment Effective Date, MDLP shall enter into that certain Agreement to Reimburse for Remediation Costs (as amended from time to time, the "**Brownfields Agreement**") by and among MDLP, the NJSEA, the Chief Executive Office/Secretary of the New Jersey Commerce and Economic Growth Commission and the Treasurer of the State of New Jersey. MDLP and each Component Entity shall be entitled to reimbursement under the Brownfields Agreement for eligible remediation costs paid in connection with the development of the Applicable Component (such reimbursement to be paid to the applicable tenant or MDLP as to costs paid by the applicable tenant or MDLP). MDLP shall provide its reasonable cooperation to obtain such reimbursement pursuant to the Brownfields Agreement, provided that the applicable tenant submits necessary documentation as required by the Brownfields Agreement and reimburses MDLP for any reasonable costs and expenses that MDLP may incur in connection with providing such cooperation. In furtherance of the aforesaid, MDLP shall promptly execute such documents as shall be necessary in order that the eligible remediation costs shall be transferred and/or assigned to the Applicable Component tenant under the Brownfields Agreement.

17. **WMB Annual Payment**. MDLP shall pay the WMB Annual Payment to the Conservation Trust for a maximum time period of seventy-five (75) years, as more particularly provided in the Conservancy Trust Agreement. Therefore, until no longer payable pursuant to the Conservancy Trust Agreement, the WMB Annual Payments shall be included automatically in the development budget and all subsequent budgets of the JV GP.

18. **Cooperation; Savings Language**. After the Execution Date, each party hereto shall, from time to time, execute, acknowledge and deliver such further instruments, in recordable form, if necessary, and perform such additional acts, as any other party hereto may reasonably request in writing in order to effectuate the intent of this Agreement, within thirty (30) days of the request. It is the intent of the parties hereto that all the rights and benefits appurtenant to, associated with and/or otherwise in respect of the A-B Office Site, the C-D Office Site, the Hotel Site, the ERC Site and the Baseball Site (each for purposes hereof a "**Component Site**"), respectively, whether inchoate, existing or arising in the future, hereby are distributed and assigned to the Applicable Component Entity and its successors and assigns as Ground Tenant pursuant to the applicable Ground Lease. Nothing herein, however, shall be deemed or construed as requiring any party hereto to assist, consult with, coordinate with or otherwise cooperate with any other party hereto to the extent that such assistance, consultation, coordination or other cooperation would reasonably be expected to have a Material Adverse Effect (as defined in the AMX Site Declaration) on such party hereto or, in the case of a Component Entity hereunder, its Component Site.

19. **Intentionally Omitted**.

20. **Construction**. In this Agreement and all other attached Schedules or Exhibits to this Agreement, unless otherwise expressly indicated or required by the context:

(a) this "Agreement" or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, notated or supplemented;

(b) references in this Agreement to any Law shall be construed as a reference to such Law as re-enacted, redesigned, amended or extended from time to time prior to the date hereof and, unless otherwise specified, references herein or in this Agreement to any document or agreement shall be deemed to include references to such document or agreement as amended, varied, supplemented or replaced from time to time in accordance with such document's or agreement's terms;

(c) defined terms in the singular shall include the plural and vice versa, and the masculine, feminine or neuter gender shall include all genders;

(d) the words "including" or "includes" shall be deemed to mean "including without limitation" and "including but not limited to" (or "includes without limitation" and "includes but is not limited to") regardless of whether the words "without limitation" or "but not limited to" actually follow the term;

(e) the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement or its Schedules and Exhibits shall refer to this Agreement and its Schedules and Exhibits as a whole and not to any particular provision hereof or thereof, as the case may be;

(f) any reference herein to a time of day means the time of day in New York, New York; and

(g) reference to “day” or “days” are to calendar days.

21. **No Broker.** Each party hereto represents that it has not dealt with any agent, broker, investment banker, finder or other Person acting in a similar capacity in connection with the transactions contemplated hereby.

22. **Survival.** This Agreement shall remain in full force and effect with respect to a particular MC Component Entity or ROFR Component Entity until such time as the Office/Hotel Development Option or ROFR with respect to such entity shall have expired; provided, however, that this Agreement shall not terminate with respect to any MC Component Entity for which a Take Down has been exercised or a ROFR Component Entity for which a ROFR has been exercised.

2 3 . **No Sale.** Nothing contained in this paragraph or elsewhere in this Agreement or any related document is intended to cause any in-kind or other distributions to be treated as sales for value.

24. **Governing Law.** Any controversy or claim arising out of or relating to this Agreement shall be governed by and construed in accordance with the Laws of the State of New York, and the parties hereto consent to (i) the jurisdiction of the courts of the State of New York and the U.S. District Court for the Southern District of New York and (ii) service of process and/or summons by certified mail, postage prepaid, return receipt requested, to such party at the address set forth for such party in Section 24 below.

25. **Notices.** Any notice, consent, approval, or other communication which is provided for or required by this Agreement must be in writing and may be delivered in person to any party or may be sent by a facsimile transmission, telegram, expedited courier or registered or certified U.S. mail, with postage prepaid, return receipt requested. Any such notice or other written communications shall be deemed received by the party to whom it is sent (i) in the case of personal delivery, on the date of delivery to the party to whom such notice is addressed as evidenced by a written receipt signed on behalf of such party, (ii) in the case of facsimile transmission or telegram, the next Business Day after receipt of confirmation of such transmission, (iii) in the case of courier delivery, the date receipt is acknowledged or rejected by the party to whom such notice is addressed as evidenced by a written receipt signed on behalf of such party, and (iv) in the case of registered or certified mail, the date receipt is acknowledged or rejected on the return receipt for such notice. For purposes of notices, the addresses of the parties hereto shall be as follows, which addresses may be changed at any time by written notice given in accordance with this provision:

If to MDLP, the JV GP, JV Holding, GP LLC or a Component Entity:

c/o Colony Xanadu, LLC
660 Madison Avenue, Suite 1600
New York, NY 10021
Attn: Richard Saltzman
Telephone: 212-832-0500
Facsimile No.: 212-593-5433

And:

c/o Colony Xanadu, LLC
1999 Avenue of the Stars, Suite 1200
Los Angeles, CA 90067
Attn: Joy Mallory
Telephone: 310-282-8820
Facsimile No.: 310-282-8808

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

White & Case LLP
1155 Avenue of the Americas
New York, NY 10036-2787
Attn: John Reiss, Esq.
Attn: Steve Teichman, Esq.
Facsimile No.: 212- 354-8113

If to the MC Partners, A-B Office LP, C-D Office LP or Hotel LP:

c/o Mack-Cali Realty Corporation
Mack-Cali Realty Corporation
P.O. Box 7817
Edison, New Jersey 08818-7817
Attn: Mitchell E. Hersh, President and
Chief Executive Officer
Facsimile No.: 732-205-9040

And:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-7817
Attn: Roger W. Thomas, Executive Vice President and General Counsel
Facsimile No.: 732-205-9015

For courier delivery to the
above notice parties:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, NJ 08837-2206

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

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Attn: John P. Napoli, Esq.
Attn: Stephen G. Epstein, Esq.
Facsimile No.: 212-218-5527

Failure of, or delay in delivery of any copy of a notice or other written communication shall not impair the effectiveness of such notice or written communication given to any party to this Agreement as specified herein.

26. **Successors and Assigns.** Subject to the restrictions on transfer in the MC Component LP Agreements, this Agreement shall inure to the benefit of and be binding upon (i) the successors and assigns of the parties hereto and (ii) the successors and assigns of the parties to any Ground Lease.

27. **Amendment; Waiver.** This Agreement may not be amended, altered, modified or terminated (whether, in each case, orally or in writing), unless by an agreement in writing signed by all of the parties hereto and no provision of this Agreement may be waived unless by an agreement in writing signed by the party against whom the waiver is sought.

28. **Binding Effect.** This Agreement shall apply to, bind and benefit the personal representatives, heirs, successors and assigns of the respective parties. This Agreement shall not benefit or be enforceable by any Person who or which is not a party hereto.

29. **No Joint Venture.** This Agreement is not intended to and shall not be deemed to create a partnership, joint venture or any other entity or other relationship whatsoever between or among any of the parties hereto other than contractual.

30. **Inapplicable Provisions.** In case any provision of this Agreement shall be invalid, illegal or unenforceable, then such provision shall be severed from this Agreement and shall be inoperative, and the parties hereto promptly shall negotiate in good faith a lawful, valid and enforceable provision that is as similar to the invalid provision as may be possible and that preserves the original intentions and economic positions of the parties hereto as set forth herein to the maximum extent feasible, while the remaining provisions of this Agreement shall remain binding on the parties hereto. Without limiting the generality of the foregoing sentence, in the event a change in any applicable Law makes it unlawful for a party hereto to comply with any of its obligations hereunder, the parties hereto shall negotiate in good faith a modification to such obligation to the extent necessary to comply with such Law that is as similar in terms to the original obligation as may be possible while preserving the original intentions and economic positions of the parties hereto as set forth herein to the maximum extent feasible.

31. **Representation by Counsel; Interpretation.** Each party hereto acknowledges and agrees that: (i) by entering into this Agreement and agreeing to be bound by the terms and conditions set forth herein, such party represents and warrants that such party has obtained independent legal counsel to review this Agreement and all legal documents executed by such party in connection herewith, or has knowingly waived such representation; (ii) such party and its counsel, as applicable, reviewed and negotiated the terms and provisions hereof and have contributed to its revision; (iii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation hereof; and (iv) the terms and provisions hereof shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation hereof.

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

33. **Memorandum for Recordation.**

(a) A memorandum of this Agreement ("**Memorandum**") in the form annexed hereto as **Exhibit H** shall be recorded in the public records of the County of Bergen, State of New Jersey; provided, however, in no event shall the Memorandum be recorded against the ERC Site. In the event that this Agreement is terminated pursuant to the terms hereof, the MC Partners covenant and agree to promptly take any and all actions reasonably necessary to cause the Memorandum to be removed from the public records of the County of Bergen, State of New Jersey, at their sole cost and expense. The preceding covenant shall be applicable whether or not the MC Partners have received a written request regarding the taking of any such action. Each of the MC Partners hereby designates MDLP and its managing general with full power of substitution, as each party's true and lawful attorney to act, and in such party's name, place and stead, to make, execute, sign and acknowledge all documents, instruments to accomplish the intention of this Section 33(a) at the sole cost and expense of the MC Partners as provided in the second sentence hereof.

(b) Neither the MC Partners nor their Affiliates shall record, or cause to be recorded, this Agreement, the Memorandum and/or any similar instruments against all or any portion of the Project Site or with any Governmental Authority, except to the extent expressly provided in Section 33(a).

34. **Counterparts; Facsimile Signatures.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Furthermore, this Agreement transmitted by facsimile or .pdf shall be treated in all manners and respects as an original document and any signature thereon shall be considered an original signature and shall have the same binding legal effect as the original document.

35. **Delays or Omissions.** No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach, default or noncompliance by another party hereto under the this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. Any waiver, permit, consent or approval of any kind or character on any party hereto's part of any breach, default or noncompliance under this Agreement or any waiver on such party hereto's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

36. **Expenses.** Except as may otherwise be provided herein, all fees and expenses (including legal fees, fees and commissions owed to financial advisors and lending sources, and consulting and accounting fees) incurred by the parties hereto in connection with this Agreement and the transactions contemplated hereby shall be paid by the party hereto incurring such costs and expenses (including legal fees, fees and commissions owed to financial advisors and lending sources, and consulting and accounting fees).

37. **Entire Agreement.** This Agreement, the Schedules and Exhibits hereto, and the Redemption Agreement and the MC Note and any other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties hereto with regard to the subject matter hereof and thereof and supersede any and all prior and contemporaneous agreements or understandings concerning such matters, whether expressed or implied, written or oral, between the parties hereto with respect hereto and thereto. No party hereto shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein or in the Redemption Agreement, the MC Note, the MC Component Entity Agreements and the ROFR Component Entity Agreements.

38. **Limitation on Liability.** No (a) direct or indirect holder of any equity interests or securities of any party hereto (whether such holder is a limited partner, member, stockholder or otherwise) other than any general partner, (b) Affiliate of any party hereto, or (c) director, officer, employee, representative or agent of any party hereto, any of such party hereto's respective Affiliates or any such direct or indirect holder of any equity interests or securities of any such party hereto (collectively, the "**party hereto Affiliates**") shall have any liability or obligation of any nature whatsoever in connection with or under this Agreement or the transactions contemplated hereby, in each case, other than as a result of fraud or as may otherwise be contemplated herein, and each party hereby waives and releases all claims against such party hereto Affiliates related to such for any such liability or obligation.

39. **Specific Performance.** The parties hereto agree that the remedy at law for any breach of this Agreement may be inadequate, and that, as among the parties hereto, any party hereto by whom this Agreement is enforceable shall be entitled to specific performance in addition to any other appropriate relief or remedy. Such party hereto may, in its sole discretion, apply to a court of competent jurisdiction for specific performance or injunctive or such other relief as such court may deem just and proper in order to enforce this Agreement as among the parties hereto, or prevent any violation hereof, and, to the extent permitted by applicable Law, as among the parties hereto, each party hereto waives any objection to the imposition of such relief.

[Remainder of page intentionally blank; signature page follows.]

[signature page attached to Mack-Cali Rights, Obligations and Option Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

MDLP:

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady
Name: John C. Brady
Title: _____

[signature page continued on next page]

THE JV GP:

MEADOWLANDS LIMITED PARTNERSHIP, a Delaware limited partnership

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady
Name: John C. Brady
Title: _____

[signature page continued on next page]

JV HOLDING:

MEADOWLANDS DEVELOPER HOLDING CORP., a Delaware corporation

By: /s/ John C. Brady
Name: John C. Brady
Title: _____

[signature page continued on next page]

GP LLC:

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

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady
Name: John C. Brady
Title: _____

[signature page continued on next page]

MACK-CALI SPECIAL:

MACK-CALI MEADOWLANDS SPECIAL L.L.C.,
a New Jersey limited liability company

By: Mack-Cali Realty, L.P., its sole member

By: Mack-Cali Realty Corporation,
its general partner

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

[signature page continued on next page]

[signature page attached to Mack-Cali Rights, Obligations and Option Agreement]

MC ENTERTAINMENT:

MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C., a New Jersey limited liability company

By: Mack-Cali Realty, L.P., its sole member

By: Mack-Cali Realty Corporation,
its general partner

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

[signature page continued on next page]

BASEBALL LP:

BASEBALL MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady
Name: John C. Brady
Title: _____

[signature page continued on next page]

A-B OFFICE LP:

A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady

Name: John C. Brady

Title: _____

[signature page continued on next page]

C-D OFFICE LP:

C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady
Name: John C. Brady
Title: _____

[signature page continued on next page]

HOTEL LP:

HOTEL MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady

Name: John C. Brady

Title: _____

[signature page continued on next page]

[signature page attached to Mack-Cali Rights, Obligations and Option Agreement]

ERC LP:

ERC MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: /s/ John C. Brady

Name: John C. Brady

Title: _____

EXHIBIT B

PREPAID RENT ALLOCATION

Ground Lease	**Allocation of Development Rights Fee to Prepaid Rent under Ground Lease**
ERC Ground Lease	$101,200,000
Baseball Ground Lease	$7,600,000
Hotel Ground Lease	$8,480,000
A-B Ground Lease	$21,360,000
C-D Ground Lease	$21,360,000

EXHIBIT D

EXISTING LITIGATION

The following are cases that are consolidated for resolution in the Appellate Division of the Superior Court of New Jersey:

1. Hartz Mountain Industries v. N.J. Sports and Exposition Authority, The Mills Corporation, and Mack-Cali Realty Corporation, Docket No. A-5255-02T3.

2. In the Matter of the Protest of Hartz Mountain Industries, Inc. and Expo Park, to the Proposal and Award of Development Rights for the Continental Airlines Arena Site at the Meadowlands Complex, Docket No. A-1169-03T3.

3. In Re Protest of Westfield America, Inc. to the New Jersey Sports & Exposition Authority's Resolution - 2003 26 Adopting the Hearing Officer's Report and Recommendation, Docket No. A-1243-03T5.

4. Elliot Braha v. N.J. Sports & Exposition Authority, The Mills Corporation, and Mack-Cali Realty Corporation, Docket No. A-0708-03T3.

5. Elliot Braha, Richard Delauro, George Perry and Carol Coronato v. N.J. Sports & Exposition Authority, The Mills Corporation, and Mack-Cali Corporation, Docket No. A-1218-03T3.

EXHIBIT E

PARTY REPRESENTATIVES

MC PARTNERS

MC Representative: Mitchell E. Hersh

Alternate MC Representatives: Barry Lefkowitz;
Roger W. Thomas; or
Michael A. Grossman

MDLP

MDLP Representative:

Alternate MDLP Representatives:

EXHIBIT F

Office/Hotel Venture

Timetable for Assumption of Allocated

Ground Rent, Pilot and Bond Debt Service Payments

Date	Component	Percentage of Allocated Payments
The earlier of the Grand Opening Date or six (6) years from the Development Rights Fee Funding Date	1 Office	6.675%
	1 Office & Hotel	11.975%
	1 Office	6.675%
	1 Office	6.675%
		32.000%

EXHIBIT G

OFFICE AND HOTEL MANAGEMENT FEES

Fees relating to the Office Component consistent with fees payable in the New York City metropolitan area.

Market-based asset management fees relating to the Hotel Component.

Development management fees for the Hotel Component consistent with fees payable in the New York City metropolitan area.

Exhibit 10.93

REDEMPTION AGREEMENT

BY AND AMONG

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP,

MEADOWLANDS DEVELOPER HOLDING CORP.,

MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C.,

MACK-CALI MEADOWLANDS SPECIAL L.L.C.,

AND

MEADOWLANDS LIMITED PARTNERSHIP

Execution Date: November 22, 2006

TABLE OF CONTENTS

REDEMPTION AGREEMENT

THIS REDEMPTION AGREEMENT (this "**Agreement**") is made as of this 22nd day of November, 2006 by and among **MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP** (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership)**,** a Delaware limited partnership (the "**Partnership**" and sometimes, the "**Original Partnership**"), **MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C.**, a New Jersey limited liability company and a limited partner in the Partnership (the "**MC Partner**"), **MACK-CALI MEADOWLANDS SPECIAL L.L.C.**, a New Jersey limited liability company and a general partner in the Partnership (the "**Special General Partner**" who, together with the MC Partner, are collectively referred to herein as the "**Redeemed Partners**"), **MEADOWLANDS DEVELOPER HOLDING CORP.**, a Delaware corporation ("**Holdings Corp**"), and the **MEADOWLANDS LIMITED PARTNERSHIP** (f/k/a Meadowlands/Mills Limited Partnership), a Delaware limited partnership and a general partner and a limited partner in the Partnership (the "**Meadowlands Partnership**", and together with Holdings Corp, the "**Remaining Partners**").

W I T N E S S E T H

WHEREAS, the MC Partner holds a nineteen percent (19%) partnership interest in the Partnership (the "**MC Partner Redeemed Interest**") and the Special General Partner holds a one percent (1%) partnership interest in the Partnership (the "**SGP Redeemed Interest**", together with the MC Redeemed Interest, the "**Redeemed Interests**");

WHEREAS, immediately prior to the effectiveness of this Agreement, Holdings Corp was admitted to the Partnership as a limited partner;

WHEREAS, the Partnership now desires to fully and completely redeem the Redeemed Interests of the Redeemed Partners and the Redeemed Partners now desire to withdraw from the Partnership and transfer to the Partnership the Redeemed Interests;

WHEREAS, at Closing (as hereinafter defined) and in the manner set forth herein, the Partnership shall redeem (the "**Redemption**") the Redeemed Interests and, in exchange therefor, the Partnership shall at Closing (i) distribute to the Redeemed Partners in complete and collective redemption of the Redeemed Interests: (A) $22,500,000 to and among the Redeemed Partners in the amounts and proportions set forth in Section 4.1 (the "**Cash Consideration**"); (B) those special, non-economic general partnership interests (the "**Special Interests**") in each of the following entities: (x) A-B Office Meadowlands Mack-Cali/Mills Limited Partnership ("**A-B Office LP**"), (y) C-D Office Meadowlands Mack-Cali/Mills Limited Partnership ("**C-B Office LP**"), and (z) Hotel Meadowlands Mack-Cali/Mills Limited Partnership ("**Hotel LP**" each a "**Component Entity**", and collectively, the "**Component Entities**") (which partnership interests shall be distributed solely to Special General Partner); and (C) rights (the "**Rights**") set forth in that certain Mack-Cali Rights, Obligations and Option Agreement, dated the date hereof and attached hereto as **Exhibit A**, by and among the Partnership, the Meadowlands Partnership, Holdings Corp, Special General Partner, Baseball Meadowlands Mills/Mack-Cali Limited Partnership, ERC Meadowlands Mills/Mack-Cali Limited Partnership and the Component Entities (the "**Mack-Cali Rights Agreement**"), and (ii) deliver the Mack-Cali Rights Agreement, as more particularly set forth herein (the foregoing, collectively, the **"Redemption Consideration"**), and at Closing, the Meadowlands Partnership shall deliver to MC Partner that certain promissory note in the principal amount of $2,500,000 issued and duly executed by the Meadowlands Partnership and attached hereto as **Exhibit B** (the **"MC Note"**);

WHEREAS, in connection with the foregoing transactions, the following actions will be effected: (i) the name of A-B Office LP will be changed to "A-B Office Meadowlands Mack-Cali Limited Partnership"; (ii) the name of C-D Office LP will be changed to "C-D Office Meadowlands Mack-Cali Limited Partnership"; and (iii) the name of Hotel LP will be changed to "Hotel Meadowlands Mack-Cali Limited Partnership"; and

WHEREAS, effective at the time of, and as a result of, the Redemption, (i) the Redeemed Partners' interests in the Partnership and all of their rights under the Partnership Agreement (as defined below), including their rights to the profits, losses and capital of the Partnership are fully extinguished and liquidated, (ii) in connection therewith the Section 704(b) capital account of each Redeemed Partner is being reduced to zero, and (iii) the Redeemed Partners shall no longer be partners of the Partnership for any purpose.

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

Section 1. Definitions. As used in this Agreement, the following capitalized terms shall have the meaning ascribed to them below:

"**A-B Office LP**" has the meaning set forth in the Recitals.

"**A-B Office Partnership Agreement**" shall mean the Amended and Restated Limited Partnership Agreement of A-B Office LP, attached hereto as **Exhibit C**.

"**Affiliate(s)**" shall mean, with respect to any Person (the **"Subject Person"**) (a) a Person who, directly or indirectly, controls, is under common control with, or is controlled by, the Subject Person, (b) a Person who directly or indirectly owns twenty-five percent (25%) or more of the issued and outstanding securities or other ownership interests (whether voting or non-voting) of the Subject Person, (c) any officer, director, trustee, manager, managing member, general partner or beneficiary of the Subject Person or any Person referred to in (a) or (b) above, (d) any spouse, parent, sibling or descendant of any Person described in clause (a), (b) or (c) above, and (e) any trust for the benefit of any Person described in clauses (a), (b), (c) or (d) above or for any spouse, issue or lineal descendant of any Person described in clauses (a), (b), (c) or (d) above. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" shall have the meaning set forth in the Preamble.

"**Amended and Restated Partnership Agreement**" shall mean the Amended and Restated Partnership Agreement of Meadowlands Developer Limited Partnership attached hereto as **Exhibit D**.

"**Business Day**" shall mean any day other than Saturday, Sunday or any day observed as a public holiday by the federal government or the State of New York.

"**Cash Consideration**" shall have the meaning set forth in the Recitals.

"**C-B Office LP**" has the meaning set forth in the Recitals.

"**C-D Office Partnership Agreement**" shall mean the Amended and Restated Limited Partnership Agreement of C-D Office LP, attached hereto as **Exhibit E**.

"**Closing**" shall have the meaning set forth in Section 3.

"**Closing Date**" shall have the meaning set forth in Section 3.

"**Code**" shall mean the Internal Revenue code of 1986, as amended from time to time.

"**Collateral Source**" has the meaning set forth in Section 9.5.

"**Component Entity**" or "**Component Entities**" shall have the meaning set forth in the Recitals.

"**Component LP Agreements**" shall mean the A-B Office Partnership Agreement, the C-D Office Partnership Agreement and the Hotel Partnership Agreement.

"**Conveyance Taxes**" shall mean any sales, use, excise, bulk sales, registration, documentary, value added, recordation, realty transfer, transfer, stamp, stock transfer, real property transfer, lease or gains and similar fees and taxes.

"**Distributed Rights**" has the meaning set forth in Section 12.3.

"**ERC LP**" shall mean the ERC Meadowlands Mills/Mack-Cali Limited Partnership, a Delaware limited partnership.

"Final Income Tax Return" or "Final Income Tax Returns" shall have the meaning set forth in Section 12.1.

"**Governmental or Regulatory Authority**" shall mean any instrumentality, subdivision, court, administrative agency, commission, official, court or other authority of the United States or any other country or any state, province, prefect, municipality, locality or other government or political subdivision thereof, or any quasi-governmental or private body exercising any regulatory, Tax (including, without limitation, the Internal Revenue Service), judicial, importing or other governmental or quasi-governmental authority or applicable stock exchange or trading market.

"**Holdings Corp**" shall have the meaning set forth in the Preamble.

"**Hotel LP**" has the meaning set forth in the Recitals.

"**Hotel Partnership Agreement**" shall mean the Amended and Restated Limited Partnership Agreement of Hotel LP, attached hereto as **Exhibit F**.

"**Indemnified Conveyance Taxes**" shall have the meaning in Section 11.

"**Indemnified MC Partnership Obligations**" shall mean: (a) any and all past, present or future Obligations of the Partnership and any of its Affiliates or Subsidiaries (and any of their respective executors, administrators, successors and assigns) in which any of them previously had (or which may have arisen), or now or may hereafter have (or arise) in respect of, under, or relating to the Project (or any portion or aspect thereof or any transaction or activity undertaken in respect thereof) and, otherwise, under any of the Transaction Documents, Related Documents and any other contract, agreement or arrangement (whether oral or written) pertaining to or in respect of the Project, other than those costs and expenses expressly imposed upon a Redeemed Partner hereunder or in any Related Documents; and (b) any and all Indemnified Conveyance Taxes but, in any event, excluding any and all acts or omissions by the Redeemed Partners or any of their respective Affiliates with respect to the Project from the date hereof.

"**Indemnity Notice**" shall have the meaning set forth in Section 9.4.

"**Initial Response Period**" shall have the meaning set forth in Section 9.4.

"**Laws**" shall have the meaning set forth in Section 6.1(c).

"**License Agreement**" shall mean the Trademark License Agreement by and among the Partnership, the Component Entities and other signatories thereto, attached hereto as **Exhibit G**.

"**Losses**" has the meaning set forth in Section 9.5.

"**Mack-Cali Rights Agreement**" shall have the meaning set forth in the Recitals.

"**MC Indemnified Party**" and "**MC Indemnified Parties**" shall have the meaning set forth in Section 9.3.

"**MC Note**" shall have the meaning set forth in the Recitals.

"**MC Obligation Claim**" has the meaning set forth in Section 9.4.

"**MC Partner**" shall have the meaning set forth in the Preamble.

"**MC Partner Assignment**" shall mean the Assignment and Assumption of Partnership Interest by and between the Partnership and the MC Partner, attached hereto as **Exhibit H**, pursuant to which MC Partner assigns all of its right, title and interest in the MC Partner Redeemed Interests.

"**MC Partner Redeemed Interest**" shall have the meaning set forth in the Recitals.

"**MC Released Party**" and "**MC Released Parties**" shall have the meaning set forth in Section 9.2.

"**Meadowlands Partnership**" shall have the meaning set forth in the Preamble.

"**Memorandum**" shall mean the Memorandum of the Mack-Cali Rights Agreement for recordation in the New Jersey Land Records, attached hereto as **Exhibit I**.

"**Non-MC Releasing Party**" and **"Non-MC Releasing Parties"** has the meaning set forth in Section 9.2.

"**Obligations**" shall mean any and all financial and non-financial duties, liabilities and obligations (including, without limitation, Taxes), whether imposed by or under applicable law (and/or any Laws), contract (whether written or oral) (including, without limitation, under the Original Partnership Agreement and any of the Transaction Documents), covenant or otherwise.

"**OFAC**" shall have the meaning set forth in Section 6.1(d).

"**Order**" shall mean any judgment, order, injunction, decree, writ, permit or license (whether temporary or permanent) of any Governmental or Regulatory Authority or any arbitrator.

"**Original Partnership**" shall have the meaning set forth in the Preamble.

"**Original Partnership Agreement**" shall mean that Limited Partnership Agreement of the Original Partnership, dated November 25, 2003, as amended by that certain First Amendment to Limited Partnership Agreement of the Original Partnership, dated June 30, 2005.

"**Partnership**" shall have the meaning set forth in the Preamble.

"**Person**" shall mean an individual, partnership, firm, corporation, trust, estate, unincorporated association, limited liability company, joint stock company or other entity, association, firm or company.

"**Pre-Closing Income Tax Return**" or "**Pre-Closing Income Tax Returns**" shall have the meaning set forth in Section 12.1.

"**Proceeding**" shall have the meaning set forth in Section 12.1.

"Project" shall have the meaning specified in the Mack-Cali Rights Agreement.

"**Redeemed Interests**" shall have the meaning set forth in the Recitals.

"**Redeemed Partner Proceeding**" shall have the meaning set forth in Section 12.1.

"**Redeemed Partners' Knowledge**" means the actual knowledge of Mitchell E. Hersh, Roger W. Thomas, Esq. and Barry Lefkowitz only, without an obligation to investigate or inquire and without being imputed with the knowledge of any other Person.

"**Redeemed Partners**" shall have the meaning set forth in the Preamble.

"**Redeemed Partners' Representatives**" shall have the meaning set forth in Section **Error! Reference source not found.**.

"**Redemption**" shall have the meaning set forth in the Recitals.

"**Redemption Consideration**" shall have the meaning set forth in the Recitals.

"**Related Documents**" shall mean the Memorandum, the MC Partner Assignment, the SGP Assignment, the Special Interests Assignment Agreement, the Mack-Cali Rights Agreement, the A-B Office Partnership Agreement, the C-D Office Partnership Agreement, the Hotel Partnership Agreement and the MC Note.

"**Released MC Obligations**" shall mean any and all of the Obligations of the Redeemed Partners (and each of them) and their Affiliates and Subsidiaries (and any of their respective executors, administrators, successors and assigns) to the Partnership, the Remaining Partners (and to each of them) and their respective Affiliates and Subsidiaries (and any of their respective executors, administrators, successors and assigns) with respect to and/or under: (i) the Project (or any component, portion or aspect thereof or any transaction or activity undertaken in respect thereof); and (ii) the Original Partnership Agreement, any of the Transaction Documents and any other contract, agreement or arrangement (whether written or oral) related or pertaining to the Project (or any component, portion or aspect thereof or any transaction or activity undertaken in respect thereof), in each case which arose (or may have arisen) or existed (or may have existed) on and as of, or prior to, the date hereof, but not as to any such Obligations arising following the date hereof (including, without limitation, under this Agreement or any of the Related Documents).

"**Remaining Partners**" shall have the meaning set forth in the Preamble.

"**Remaining Partner's Knowledge**" means the actual knowledge of Dan Haggarty only, without an obligation to investigate or inquire and without being imputed with the knowledge of any other Person.

"**Rights**" shall have the meaning set forth in the Recitals.

"**SGP Partner Assignment**" shall mean the Assignment and Assumption of Partnership Interest by and between the Partnership and the Special General Partner, attached hereto as **Exhibit J**, pursuant to which the Special General Partner assigns all of its right, title and interest in the SGP Redeemed Interests.

"**SGP Redeemed Interest**" shall have the meaning set forth in the Recitals.

"**Special General Partner**" shall have the meaning set forth in the Preamble.

"**Special Interests**" shall have the meaning set forth in the Recitals.

"**Special Interests Assignment Agreement**" shall mean that the Assignment and Assumption Agreement by and between the Partnership and the Special General Partner, attached hereto as **Exhibit K**, pursuant to which the Partnership assigns the Special Interests to the Special General Partner in connection with the Redemption.

"**Subject Person**" has the meaning set forth in Section 1 in the defined term "Affiliate".

"**Subsidiary**" shall mean, with respect to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is owned by such Person directly or indirectly through one or more subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person directly or indirectly through one or more subsidiaries of such Person has more than a 50% equity interest.

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

"**Tax Return**" **or** "**Tax Returns**" shall mean any and all returns, statements, reports, forms (including, without limitation, any elections, declarations, claims for refund, information returns), and any and all attachments and schedules thereto, required to be filed in respect of any Taxes or otherwise to any Governmental or Regulatory Authority responsible for, or which administers, Taxes.

"**Transaction Documents**" shall have the meaning specified in the Mack-Cali Rights Agreement.

Section 2. Redemption.

2.1 At the Closing, (a) MC Partner hereby retires, assigns and transfers to the Partnership its entire MC Partner Redeemed Interest, which interest is free and clear of any and all liens and other encumbrances, and hereby withdraws from the Partnership as of the Closing; and (b) the Special General Partner hereby retires, assigns and transfers to the Partnership its entire SGP Redeemed Interest, which interest is free and clear of any and all liens and other encumbrances, and hereby withdraws from the Partnership as of the Closing.

2.2 In consideration for the retirement and redemption of the Redeemed Interest, the Partnership agrees to deliver and distribute to the Redeemed Partners the Redemption Consideration free and clear of any and all liens and encumbrances, as more particularly set forth in Section 4.1 herein.

Section 3. Closing. The closing of the Redemption and the consummation of the transactions contemplated under this Agreement (the "**Closing**") shall take place at the offices of White & Case LLP, 1155 Avenue of the Americas, New York, New York, upon the execution of this Agreement and the Related Agreements. The date of the Closing is referred to herein as the "**Closing Date**".

Section 4. Payment of Consideration.

4.1 At Closing, the Partnership shall distribute (and/or deliver to, as the case may be) to the Redeemed Partners the Redemption Consideration, free and clear of any and all liens and encumbrances, as follows: (i) $22,400,000 of the total Cash Consideration to the MC Partner in immediately available funds which shall be wired to the account designated by the MC Partner and in accordance with the wire instructions furnished by MC Partner to the Partnership; (ii) $100,000 of the total Cash Consideration to the Special General Partner in immediately available funds which shall be wired to the account designated by the Special General Partner and in accordance with the wire instructions furnished by the Special General Partner to the Partnership; (iii) the Special Interests shall be assigned to Special General Partner pursuant to the Special Interests Assignment Agreement duly executed by the Partnership and the Special General Partner; and (iv) the Mack-Cali Rights Agreement, duly executed by all of the parties thereto other than the Redeemed Partners, and delivered to the Redeemed Partners. None of the Redemption Consideration distributable or deliverable to a Redeemed Partner shall be subject to withholding so long as the Redeemed Partner shall have furnished to the Partnership the certificate referred to in Section 5.2(f).

4.2 At Closing, the Meadowlands Partnership shall separately deliver the MC Note to the MC Partner.

Section 5. Delivery of Documents at Closing. The parties hereto shall separately make the following deliveries to the other parties hereto at the Closing:

5.1 The Partnership is delivering (or causing to be delivered) to the Redeemed Partners the following agreements and documents:

(a) A duly executed counterpart of the MC Partner Assignment, SGP Partner Assignment and Special Interests Assignment Agreement;

(b) A certificate of good standing and/or subsistence for the Partnership, dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State of the State of Delaware;

(c) Certified copy of a consent duly adopted by the Partnership and the Remaining Partners (and/or such other consents and resolutions in accordance with the Partnership Agreement and applicable law) expressly authorizing the execution, delivery and performance of this Agreement and of each of the Related Documents to which it is a party;

(d) A Certificate from the Partnership certifying that (x) the Partnership has obtained all required consents that are required to be obtained or made by or with respect to the Partnership in connection with the Redemption, the execution, delivery and performance on the Closing Date of this Agreement and the Related Documents by the Partnership and the consummation of the transactions contemplated hereby and thereby by the Partnership, which such required consents are listed on Schedule 5.1(d) and (y) all required consents are in full force and effect;

(e) A Certificate from the Partnership certifying that to the Partnership's knowledge (x) there is no action, suit, investigation or proceeding pending or threatened with any Governmental or Regulatory Authority which seeks to enjoin, restrain or prohibit or materially delay any of the transactions contemplated by the Agreement or any of the Related Documents and (y) no Governmental or Regulatory Authority of competent jurisdiction has, on or prior to the Closing Date, enacted, issued, promulgated, enforced or entered any Order which is in effect and prohibits or materially restricts or materially adversely affects the consummation of the transactions contemplated by this Agreement and the Related Documents;

(f) Duly executed counterparts of the Component LP Agreements other than by the Special General Partner;

(g) A fully executed License Agreement;

(h) Counterpart(s) of the Mack-Cali Rights Agreement, duly executed by all parties thereto other than the Redeemed Partners;

(i) Duly executed counterparts of the Memorandum other than by the Redeemed Partners; and

(j) Such other consents, resolutions, releases, documents and instruments as may be reasonably required, or requested by any Redeemed Partner, to effectuate the terms of this Agreement and to comply with the terms hereof.

5.2 Each of the Redeemed Partners is delivering (or causing to be delivered) to the Partnership the following agreements:

(a) A duly executed counterpart of the MC Partner Assignment, SGP Assignment and Special Interests Assignment Agreement;

(b) A certificate of good standing and/or subsistence for each of the Redeemed Partners, dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State of the State of New Jersey;

(c) A certified copy of a consent for each Redeemed Partner duly adopted by such Redeemed Partner expressly authorizing the execution, delivery and performance of this Agreement and the Related Documents to which it is a party;

(d) A Certificate from each Redeemed Partner certifying that (x) such Redeemed Partner has obtained all required consents that are required to be obtained or made by or with respect to such Redeemed Partner in connection with the Redemption, the execution, delivery and performance on the Closing Date of this Agreement and the Related Documents by such Redeemed Partner and the consummation of the transactions contemplated hereby and thereby by such Redeemed Partner, which such required consents are listed on Schedule 5.2(d) and (y) all required consents are in full force and effect;

(e) A Certificate from each of the member(s) of each of the Redeemed Partners certifying that to such Redeemed Partner's Knowledge (x) there is no action, suit, investigation or proceeding pending or threatened with any Governmental or Regulatory Authority which seeks to enjoin, restrain or prohibit or materially delay any of the transactions contemplated by any of this Agreement and the Related Documents and (y) no Governmental or Regulatory Authority of competent jurisdiction has, on or prior to the Closing Date, enacted, issued, promulgated, enforced or entered any Order which is in effect and prohibits or materially restricts or materially adversely affects the consummation of the transactions contemplated by this Agreement and the Related Documents;

(f) A certificate from each Redeemed Partner, duly executed by such Redeemed Partner, in the form prescribed by Treasury Regulations Section 1.1445-2(b)(2) to the effect that it is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code, in order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code;

(g) Such other consents, resolutions, releases, documents and instruments as may be reasonably required or requested by the Partnership to effectuate the terms of this Agreement and to comply with the terms hereof;

(h) Duly executed counterparts of the Mack-Cali Rights Agreement;

(i) Duly executed counterparts of the Component LP Agreements; and

(j) Duly executed counterparts of the Memorandum other than by the Partnership and the Remaining Partner.

5.3 Meadowlands Partnership is delivering to the Redeemed Partners a fully executed copy of the Amended and Restated Partnership Agreement.

Section 6. Representations, Warranties and Covenants.

6.1 Each of the Partnership and each Remaining Partner hereby represents, warrants and covenants to the Redeemed Partners (and each Redeemed Partner) as follows:

(a) The Partnership is a duly formed and validly existing limited partnership organized and in good standing under the laws of the State of Delaware.

(b) Each of the Partnership and the Remaining Partners has the full legal right, power and authority to execute and deliver this Agreement and the Related Documents to which it is a party, to consummate the transactions contemplated hereby and thereby and to perform its obligations hereunder and under the Related Documents to which it is a party.

(c) The Partnership has record and beneficial ownership of and good and valid title to the Redemption Consideration and such ownership and title are free and clear of any and all liens, pledges, encumbrances, claims, charges, equities, agreements, rights, options or restrictions of any kind, nature or description whatsoever.

(d) Neither the Partnership nor any Remaining Partner is, or shall become, a Person with whom either Redeemed Partner is restricted from doing business with under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, Executive Order 13224 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or be otherwise associated with such Persons.

(e) This Agreement and the Related Documents to which they are a party do not and will not (I) contravene any judgment, order, decree, writ or injunction issued against the Partnership, the Remaining Partners or any of their respective Subsidiaries or Affiliates; or (II) violate a material provision of any law or governmental ordinance, rule, regulation, order or requirement (collectively, "**Laws**") to which the Partnership, the Remaining Partners or any of their Subsidiaries or Affiliates is or will be subject, except such violations as would not have or would not reasonably be expected to have a material adverse effect on the ability of the Partnership and the Remaining Partner to consummate the transactions contemplated hereby and under the Related Documents. The consummation of the transactions contemplated hereby and under the Related Documents will not result in a breach or constitute a default or event of default by the Partnership, the Remaining Partners or any of their respective Subsidiaries or Affiliates under any agreement to which any of them or any of their assets are or will be subject or bound (including, without limitation, the Original Partnership Agreement or Amended and Restated Partnership Agreement) and will not result in a violation of any Laws to which the Partnership, the Remaining Partners or any of their Subsidiaries or Affiliates is or will be subject, except such violations as would not have or would not reasonably be expected to have a material adverse effect on the ability of the Partnership and the Remaining Partner to consummate the transaction contemplated hereby and under the Related Documents.

(f) No representation or warranty by the Partnership or the Remaining Partners in this Agreement and no statement contained herein or in any document, certificate, or other writing furnished or to be furnished by the Partnership or the Remaining Partners to the Redeemed Partners pursuant to the provisions hereof or in connection with the transactions contemplated hereby and under the Related Documents contains any untrue statement of material fact or omits to state any material fact necessary in order to make the statements herein or therein not misleading.

(g) There are no claims of any kind or any actions, suits, proceedings, arbitrations or investigations pending or, to the Remaining Partners' Knowledge, threatened in any Governmental or Regulatory Authority or otherwise against the Partnership or the Remaining Partner, or which would prevent the performance of this Agreement or any of the transactions contemplated hereby, or which declare the same unlawful or cause the rescission thereof.

(h) The Partnership has no employees.

(i) A duly enacted and effective resolution of the New Jersey Sports and Exposition Authority approving the transfer of control of the Partnership and related "Meadowlands Xanadu" components has been delivered to the Redeemed Partners.

(j) The Partnership is duly authorized and has the full authority to grant, or permit the exercise of, the rights, benefits, obligations and options set forth in the Mack-Cali Rights Agreement.

(k) Neither the Partnership nor any Remaining Partner (nor any of their Affiliates or Subsidiaries) has taken or omitted to take any action that would adversely affect the rights, benefits, obligations and options of either or both of the Redeemed Partners (or any of their Affiliates or Subsidiaries) set forth in the Mack-Cali Rights Agreement.

6.2 Each of the Redeemed Partners hereby represents and warrants to the Partnership as follows:

(a) Each Redeemed Partner has the full legal right, power and authority to execute and deliver this Agreement and the Related Documents to which it is a party, to consummate the transactions contemplated hereby and thereby, and to perform its obligations hereunder and under the Related Documents to which it is a party.

(b) This Agreement and the Related Documents do not and will not (I) contravene any judgment, order, decree, writ or injunction issued against either Redeemed Partner or any of its Subsidiaries or Affiliates, or (II) violate a material provision of any Law to which such Redeemed Partner is or will be subject, except such violations as would not have or would not reasonably be expected to have a material adverse effect on the ability of such Redeemed Partner to consummate the transactions contemplated hereby and under the Related Documents. The transactions contemplated hereby and under the Related Documents will not result in a breach or constitute a default or event of default by such Redeemed Partner or any of its Subsidiaries or Affiliates under any agreement to which such Redeemed Partner or any of its assets is subject or bound and will not result in a violation of any Laws applicable to such Redeemed Partner or any of their Subsidiaries or Affiliates is or will be subject, except such violations as would not or would not reasonably be expected to have a material adverse effect on the ability of such Redeemed Partner to consummate the transactions contemplated hereby and the Related Documents if finally determined adversely to such Redeemed Partner.

(c) Such Redeemed Partner has record and beneficial ownership of and good and valid title to its respective Redeemed Interests and such ownership and title are free and clear of any and all liens, pledges, encumbrances, claims, charges, equities, agreements, rights, options or restrictions of any kind, nature or description whatsoever.

(d) Such Redeemed Partner is not, or shall not become, a Person with whom either Redeemed Partner is restricted from doing business under regulations of OFAC (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, Executive Order 13224 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or be otherwise associated with such Persons.

(e) No representation or warranty by any Redeemed Partner in this Agreement and no statement contained herein or in any document, certificate, or other writing furnished or to be furnished by the Redeemed Partners to the Partnership pursuant to the provisions hereof or in connection with the transactions contemplated hereby and the Related Documents contains any untrue statement of material fact or omits to state any material fact necessary in order to make the statements herein or therein not misleading.

(f) There are no claims of any kind or any actions, suits, proceedings, arbitrations or investigations pending or, to such Redeemed Partner's Knowledge, threatened by any Governmental or Regulatory Authority or otherwise against such Redeemed Partner, or which would prevent the performance of this Agreement or any of the transactions contemplated hereby, or which declare the same unlawful or cause the rescission thereof.

(g) None of the assets and properties of such Redeemed Partner and of its Subsidiaries and Affiliates are currently being used by the Partnership or any of its Subsidiaries, including by ERC LP;

provided, however, that none of the Redeemed Partners (nor any of their Affiliates or Subsidiaries) shall have any liability to the Partnership or any Remaining Partner (or any of their Affiliates or Subsidiaries) with respect to any of the foregoing representations or warranties in this Section 6.2 if, prior to the Closing, the foregoing representations and warranties in this Section 6.2 are, to the Remaining Partner's Knowledge, inaccurate in any material respect.

6.3 After the Closing, at the request of any party hereto, and without further conditions or consideration, each party hereto shall execute and deliver from time to time such other instruments, documents, agreements and/or take such other actions as another party hereto may reasonably request, including, but not limited to, providing access to such party and its respective officers, directors, employees, agents, representative, accountants and counsel to books and records at reasonable times upon reasonable prior written notice, providing copies of any relevant Tax Returns and financial statements and other financial information (together with any supporting schedules and documentation) and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder with respect to this Agreement and any of the transactions undertaken pursuant hereto (and the financial reporting of) and/or otherwise in connection with any Proceeding (including, without limitation, any Redeemed Partner Proceeding); provided, however, that any such access or furnishing of information shall be conducted at the requesting party's sole expense, during normal business hours, under the supervision of the personnel of the other parties hereto, as the case may be, and in such a manner as not to interfere with the normal operations of such other party or its Affiliates.

6.4 The representations, warranties and covenants made herein shall survive the Closing for a period of twelve (12) months following the Closing Date; provided, however, that the representations and warranties contained in Sections 6.1(a), (b), (c) and (j) and in Sections 6.2(a), (b) and (c) (and the proviso to Section 6.2) hereof shall survive indefinitely.

Section 7. Remedies. If any party hereto shall be in default of or breach any of its respective obligations hereunder, then the other parties hereto shall have such rights or remedies available at law and/or in equity, including, without limitation, the right of specific performance.

Section 8. Notices. Any notice, consent, approval, or other communication which is provided for or required by this Agreement must be in writing and may be delivered in person to any party hereto or may be sent by a facsimile transmission, telegram, expedited courier or registered or certified U.S. mail, with postage prepaid, return receipt requested. Any such notice or other written communications shall be deemed received by the party hereto to whom it is sent (i) in the case of personal delivery, on the date of delivery to the party hereto to whom such notice is addressed as evidenced by a written receipt signed on behalf of such party, (ii) in the case of facsimile transmission or telegram, the next Business Day after the date of transmission, (iii) in the case of courier delivery, the date receipt is acknowledged or rejected by the party hereto to whom such notice is addressed as evidenced by a written receipt signed on behalf of such party, and (iv) in the case of registered or certified mail, the date receipt is acknowledged or rejected on the return receipt for such notice. For purposes of notices, the addresses of the parties hereto shall be as follows, which addresses may be changed at any time by written notice given in accordance with this provision:

If to the Partnership or the Remaining Partner, to:

c/o Colony Xanadu, LLC
660 Madison Avenue, Suite 1600
New York, NY 10021
Attn: Richard Saltzman
Telephone: (212) 832-0500
Fax: (212) 593-5433

and

c/o Colony Xanadu, LLC
1999 Avenue of the Stars, Suite 1200
Los Angeles, CA 90067
Attn: Joy Mallory
Telephone: (310) 282-8820
Fax: (310) 282-8808

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

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Attn: John Reiss, Esq.
Attn: Steven Teichman, Esq.
Telephone: (212) 819-8200
Fax: (212) 354-8113

If to any of the Redeemed Partners, as follows:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, New Jersey 08818-7817
Attention: Mitchell E. Hersh, President and Chief Executive Officer
Facsimile: (732) 205-9040

and

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, New Jersey 08818-7817
Attention: Roger W. Thomas, Executive Vice President
and General Counsel
Facsimile: (732) 205-9015

For courier or overnight delivery to the Redeemed Partners:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, NJ 08837-2206

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

Seyfarth Shaw LLP
1270 Avenue of the Americas
Suite 2500
New York, New York 10020-1801
Attention: John P. Napoli, Esq.
Facsimile: (212) 218-5527

Failure of, or delay in delivery of any copy of a notice or other written communication shall not impair the effectiveness of such notice or written communication given to any party hereto to this Agreement as specified herein.

Section 9. No Continuing Liability, Release and Indemnity.

9.1 Subject to and except as otherwise provided in the other provisions of this Section 9 and elsewhere hereunder, upon the occurrence of the Closing and the Redeemed Partners' receipt of the Redemption Consideration and the MC Note, (a) the Redeemed Partners shall have no further right, title, or interest in the Partnership or in the assets of the Partnership and shall have no further right to distributions from the Partnership; and (b) no party shall have any further obligations or liability to the other parties hereto for the payment of any compensation, fees or other consideration arising out of the Redeemed Interests.

9.2 In consideration of the covenants and agreements contained in this Agreement and the Related Documents and other good and valuable consideration, the sufficiency of which is hereby agreed upon by and among the parties, the Remaining Partners (and each of them) and the Partnership irrevocably and unconditionally waives, releases and forever discharges and agrees not to sue (or assist or encourage any other Person to sue) for themselves and their respective Affiliates and Subsidiaries, and any of their direct and indirect shareholders, partners, members, directors, officers, agents and employees, and any of their respective heirs, executors, administrators, successors and assigns (each, a "**Non-MC Releasing Party**" and, collectively, the **"Non-MC Releasing Parties"**), the Redeemed Partners (and any of them) and their respective Affiliates and Subsidiaries, and any of their direct and indirect shareholders, partners, members, directors, officers, agents and employees, and any of their respective heirs, executors, administrators, successors and assigns (each, a **"MC Released Party"** and, collectively, the **"MC Released Parties"**), from and with respect to any and all of the Released MC Obligations. The foregoing release is intended by the Remaining Partners (and each of them) and the Partnership to be as broad as the Laws allow and is intended specifically to

9.3 be a compromise and release generally of all Released MC Obligations. Each of the Remaining Partners and the Partnership hereby represents, warrants and covenants to the Redeemed Partners that none of them nor any of the other Non-MC Releasing Parties have assigned or transferred any interest in any of the Released MC Obligations. No Non-MC Releasing Party shall make any claim or demand or commence any action asserting any claim or demand against any MC Released Party, with respect to any Released MC Obligations. The Partnership shall indemnify, defend and hold harmless the Redeemed Partners and their Affiliates and Subsidiaries and any of their direct and indirect shareholders, partners, members, directors, officers, agents and employees, and any of their respective heirs, executors, administrators, successors and assigns (each, a "**MC Indemnified Party**" and collective, the "**MC Indemnified Parties**") from and against any and all Losses of the MC Indemnified Parties (or any one or more of them) to the extent arising out of or resulting from any Indemnified MC Partnership Obligation; provided, however, that the Partnership shall not be obligated to indemnify any MC Indemnified Party to the extent the MC Obligation Claim (i) arises out of any criminal proceeding, action, indictment, allegation, conduct or investigation of such MC Indemnified Party (but only if same results in a conviction of, or plea of nolo contendre to, a misdemeanor or felony), or (ii) arises from an act which constitutes fraud, bad faith, willful misconduct or gross negligence by the MC Indemnified Party.

9.4 If a claim is made against any MC Indemnified Party, and the Person bringing such claim intends to seek recourse with respect to an Indemnified MC Partnership Obligation, such MC Indemnified Party shall, upon learning or being apprised of same, promptly notify (the **"Indemnity Notice"**) the Partnership in writing of such claim (the "**MC Obligation Claim**") describing in reasonable detail, to the extent then known, the facts and circumstances with respect to the subject matter of such claim. No delay in giving, or failure to give such notice by the MC Indemnified Party to the Partnership will adversely affect the rights or remedies of the MC Indemnified Party under this Agreement or will alter or relieve the Partnership of its obligation to indemnify the MC Indemnified Party except that, if the MC Indemnified Party shall have failed to so promptly furnish the Indemnity Notice, to the extent that the resulting delay or failure has prejudiced the rights of the Partnership hereunder (and only to such extent). The Partnership shall have thirty (30) days after receipt of such Indemnity Notice (but, provided that the MC Indemnified Party shall have so promptly furnished the Indemnity Notice to the Partnership, in no event less than ten (10) days prior to the date that a response or action needs to be taken or made in respect of such claim (**"Initial Response Period"**) to assume the conduct and control, through counsel reasonably acceptable to the MC Indemnified Party, at the expense of the Partnership in accordance with Section 9.8, of the settlement or defense thereof and the MC Indemnified Party shall cooperate (at the expense of the Partnership) with the Partnership in connection therewith; provided, that the Partnership shall permit the MC Indemnified Party to participate in such settlement or defense through counsel chosen by such MC Indemnified Party (and at its expense); provided, further, however, that the Partnership shall not be entitled to assume control of such defense and shall pay the fees and expenses of counsel retained by the MC Indemnified Party if (i) the MC Indemnified Party has been advised in writing by counsel that a reasonable likelihood exists of a conflict of interest between the MC Indemnified Party and the Partnership (or any of its Affiliates or Subsidiaries); (ii) the MC Obligation Claim seeks an injunction or equitable relief against the MC Indemnified Party; (iii) upon petition by the MC Indemnified Party, the appropriate court rules that the Partnership failed or is failing to defend such claim in good faith; or (iv) the Partnership shall have failed, within the Initial Response Period after having been promptly notified by the MC Indemnified Party, upon the MC Indemnified Party learning or being apprised of same, of the existence of such claim to assume the defense of such claim. Any MC Indemnified Party shall have the right to employ separate counsel in any MC Obligation Claim and to participate in the defense thereof (and the Partnership shall cooperate with such separate counsel and keep such separate counsel fully and reasonably practicable contemporaneously informed of, and provide to such separate counsel copies of, all relevant correspondence and documentation related thereto), but the fees and expenses of such counsel shall not be at the expense of the Partnership except as provided in the preceding sentence. So long as the Partnership is diligently contesting any MC Obligation Claim whose defense it has assumed in good faith, the MC Indemnified Party shall not pay or settle any such claim without the consent of the Partnership. Notwithstanding the foregoing, the MC Indemnified Party shall have the right to pay or settle any such MC Obligation Claim so long as (i) the relief obtained by the MC Indemnified Party does not negatively affect the Partnership (and, for this purpose, the relief will not be considered to negatively affect the Partnership if such relief requires the payment of an amount that is less than the amount of the claim being paid or settled), (ii) the settlement does not require or involve an admission of any guilt, liability or wrongdoing of any kind by the Partnership or any of its Affiliates and (iii) such relief includes as an unconditional term thereof the giving by the Person or Persons asserting such claim to all MC Indemnified Parties in respect of such MC Obligation Claim of an unconditional release from all Losses with respect to such claim or consent to entry of any judgment (a "**Permitted Settlement**"); provided, however, that in such event, the MC Indemnified Party shall waive any right to indemnity therefor by the Partnership for such claim unless the Partnership shall have consented to such payment or settlement (other than in the case of a Permitted Settlement where the Partnership shall be deemed to have consented to such settlement). If the Partnership does not notify the MC Indemnified Party within the Initial Notice Period after the receipt of the MC Indemnified Party's notice of a MC Obligation Claim that it elects to undertake the defense thereof, or having undertaken to defend such MC Obligation Claim, does not diligently defend such MC Obligation Claim in good faith, the MC Indemnified Party shall have the right to defend or contest (or fail to defend or contest), settle or compromise the claim, but shall not thereby waive or in any way diminish or lessen any right to indemnity therefor pursuant to this Agreement. The Partnership shall not consent to entry of any judgment or enter into any settlement of any MC Obligation Claim whose defense it has assumed without the consent of the MC Indemnified Party unless (i) the relief consists primarily of the payment of money, (ii) if the judgment or settlement is entirely indemnifiable by the Partnership pursuant to this Section 9, (iii) the judgment or settlement includes as an unconditional term thereof the giving by the Person or Persons asserting such claim to all MC Indemnified Parties of an unconditional release from all Losses with respect to such claim or consent to entry of any judgment, and (iv) the judgment or settlement does not require or involve the admission of any guilt, liability or wrongdoing of any kind by any MC Indemnified Party.

9.5 The amount of any and all notices, actions, suits, proceedings, claims of any kind, demands, assessments, judgments, losses, liabilities, Obligations, damages, costs, Taxes (including, without limitation, any Indemnified Conveyance Taxes but excluding, for avoidance of doubt, any Taxes imposed on their allocable shares of all Partnership income and gain through the Closing Date), penalties, interests and expenses, including reasonable attorneys' and other professionals' fees and expenses (collectively, "**Losses**") for which indemnification is provided under this Section 9 shall be net of (i) any amounts actually received by the MC Indemnified Party or any of its Affiliates (net of all expenses incurred in connection therewith) pursuant to any indemnification by or indemnification agreement with any third party in relation to such Losses, and (ii) any insurance proceeds or other cash receipts or sources of reimbursement actually received by the MC Indemnified Party or any of its Affiliates as an offset against such Losses (each Person named in clauses (i) and (ii), a "**Collateral Source**"); provided, however, no MC Indemnified Party shall be under any obligation to procure or obtain any such indemnification or insurance (or any amount of indemnification or insurance) and a MC Indemnified Party's failure to procure or obtain any such indemnification or insurance (or any particular amount of indemnification or insurance) shall not adversely affect the rights or remedies of the MC Indemnified Party under this Agreement or alter or relieve the Partnership of its indemnification obligations hereunder. The Partnership may require the MC Indemnified Party to assign (at the Partnership's expense) the rights to seek recovery from Collateral Sources but only if and to the extent same is assignable; provided, however, that the Partnership will then be responsible for pursuing such claim at its own expense. If the amount to be netted hereunder in connection with a Collateral Source from any payment required under this Section 9 is determined after payment by the Partnership, pursuant to Section 9.8, of any amount otherwise required to be paid to a MC Indemnified Party under this Section 9, the MC Indemnified Party shall repay to the Partnership, promptly after such determination, any amount that the Partnership would not have had to pay pursuant to this Section 9 had such determination been made at the time of such payment, and any excess recovery from a Collateral Source shall be deposited into escrow to be applied to reduce any future payments to be made by the Partnership pursuant to this Section 9.

9.6 The Losses hereunder shall not include any incidental damages, consequential damages, special damages, damages arising out of business interruption or lost profits, damages arising through the application of any statutory multiplier to any Losses or punitive damages of any kind (other than incidental damages, consequential damages, special damages, damages arising out of business interruption or lost profits, damages arising through the application of any statutory multiplier to any Losses or punitive damages paid by a MC Indemnified Party to an independent third Person).

9.7 The indemnification provided for in this Section 9 shall be the exclusive remedy of the MC Indemnified Party with respect to the parties hereto in respect of a MC Obligation Claim; provided, however, that nothing herein shall restrict the ability of any MC Indemnified Party to pursue the remedy of specific performance or any other equitable remedy; provided, further, that nothing herein shall be deemed to limit or restrict in any manner any rights or remedies that any party hereto has under this Agreement or any of the Related Documents subject to the terms and conditions herein and therein.

9.8 In the event that the Partnership is required to make any payment under this Section 9, the Partnership shall promptly pay the MC Indemnified Party the amount of such indemnity obligation (including, without limitation, in the case where an MC Indemnified Party obtains its own counsel and the fees and expenses of said counsel are required to be paid by the Partnership, as and when the bills of such counsel are received by the MC Indemnified Party and submitted to the Partnership for payment). If there should be a dispute as to such amount, the Partnership shall nevertheless pay when due such portion, if any, of the obligation not subject to dispute.

Section 10. Access to Information. In order to facilitate the resolution of any claims made against or incurred by the Redeemed Partners relating to the Partnership, for a period of seven (7) years after the Closing or, if shorter, the applicable period specified in the Partnership's document retention policy, the Partnership shall (i) retain the books and records relating to the Partnership, the Remaining Partners and its Affiliates relating to periods prior to the Closing and (ii) upon reasonable notice, afford the officers, employees, agents and representatives of the Redeemed Partners reasonable access (including the right to make, at the Partnership's expense, photocopies), during normal business hours, to such books and records; provided, however, that the Partnership shall notify the Redeemed Partners at least thirty (30) days in advance of destroying any such books and records prior to the seventh anniversary of the Closing in order to provide the Redeemed Partners the opportunity to access such books and records in accordance with this Section 10.

Section 11. Transfer/Conveyance Taxes. Any Conveyance Taxes attributable solely to the Redemption shall be paid by the Redeemed Partners and the Redeemed Partners shall indemnify and hold the Remaining Partners (and their Affiliates and subsidiaries) and the Partnership harmless from and against such Conveyance Taxes. Notwithstanding the foregoing, to the extent that the Restructuring (as defined in the Mack-Cali Rights Agreement) (or the transactions contemplated thereby) directly or indirectly causes the Redemption to be subject to Conveyance Taxes, the Partnership shall be liable for and shall (and the Remaining Partners shall cause the Partnership to) timely pay, and shall indemnify and hold the Redeemed Partners (and their Affiliates and Subsidiaries) harmless from and against such Conveyance Taxes (**"Indemnified Conveyance Taxes"**). The parties hereto shall cooperate in the execution and delivery (and to cause the execution and delivery) of any and all instruments, returns and certificates necessary to enable the Partnership, the Remaining Partners and the Redeemed Partners to comply with any and all filing requirements.

Section 12. Tax Matters.

12.1 The Partnership shall (and the Remaining Partners shall cause the Partnership) to timely file any income, franchise or similar Tax Returns (any such return, a "**Final Income Tax Return**" and, collectively, the "**Final Income Tax Returns**") for or in respect of the Partnership's and any of its Subsidiaries taxable year which ends on or prior to, or which includes the Closing Date, and timely pay (or cause to be timely paid) any and all Taxes due, owing and payable by the Partnership and each of its Subsidiaries (including, without limitation, as applicable any and all Taxes due owing and payable by the Partnership and any of its Subsidiaries arising or resulting on or prior to the Closing, as well as any other Taxes due, owing and payable by the Partnership and any of its Subsidiaries arising or resulting from or in respect of the distribution of the Redemption Consideration and the transfer of the MC Note on the Closing Date (other than Conveyance Taxes which are addressed in Section 11) and will, at least fifteen (15) Business Days prior to filing such Final Income Tax Returns, provide the Redeemed Partners with a copy of such Final Income Tax Returns for their review and comment. The Partnership shall not (and the Remaining Partners shall not cause or permit the Partnership to) (i) amend any Final Income Tax Return or Tax Return relating to any period ending on or prior to, or which includes, the Closing Date (a "**Pre-Closing Income Tax Return**") or (ii) agree to any settlement or compromise with respect to, or termination of, any Proceeding (as defined below) involving any Final Income Tax Return or Pre-Closing Income Tax Return (a **"Pre-Closing Proceeding"**), without first providing the Redeemed Partners with advance notice of such amendment, or notice of such Pre-Closing Proceeding and reasonable time to review and comment on such amendment or Pre-Closing Proceeding; and in no event shall the Remaining Partners file (or cause or permit the Partnership or any of its Subsidiaries to file) any Final Income Tax Return or Pre-Closing Income Tax Return (or any amended Final Income Tax Return or Pre-Closing Income Tax Return), or agree to any settlement or compromise with respect to, or termination of, any Pre-Closing Proceeding without the consent of the Redeemed Partners, which consent shall not be unreasonably withheld, conditioned or delayed. The Partnership shall (and the Remaining Partners shall cause the Partnership to) promptly notify the Redeemed Partners of any proposed claim, demand, assessment (including a notice of proposed assessment), deficiency, adjustment, re-allocation or other change made to, and/or with respect to, any Final Income Tax Return or Pre-Closing Income Tax Return, as well as any notice from any Governmental or Regulatory Authority with respect to any current or future audit, examination, investigation or other proceeding with respect to Taxes for any period that includes a Pre-Closing Period (any of the foregoing, a **"Proceeding"**) involving: (i) any Final Income Tax Return or Pre-Closing Income Tax Return; or (ii) any other matter covered which could result in liability for, or otherwise materially affect (adversely or otherwise) any Redeemed Partner (or any of its Affiliates or Subsidiaries) (including, without limitation, under or through the application of this Agreement) (either (i) or (ii), a **"Redeemed Partner Proceeding"**), and that in the case of any Redeemed Partner Proceeding, the Partnership shall (and the Remaining Partners shall cause the Partnership to): (a) keep the Redeemed Partners fully and contemporaneously apprised (and in reasonable detail) of the progress thereof (including, without limitation, promptly providing the Redeemed Partners with copies of any and all material correspondence, documents and other writings received from, and submitted to, the applicable Governmental or Regulatory Authority); and (b) shall have afforded the Redeemed Partners with the right and reasonable opportunity to review and comment on any and all material submissions and shall have considered any such comments in good faith, in each case prior to the submitting of such submissions to the applicable Governmental or Regulatory Authority.

12.2 The Partnership shall (and the Remaining Partners shall cause the Partnership to) prepare the Final Income Tax Returns and any amended Final Income Tax Returns in accordance with a "closing of the books" method or, as applicable, "interim closing of the books" method under Section 706(d) of the Code and the Treasury Regulations thereunder. For the avoidance of doubt, the Redeemed Partners (or their Members) remain (i) obligated to properly and completely report their allocable shares of Partnership income and/or gain on their respective Tax Returns; (ii) exclusively liable to pay tax on their allocable shares of all Partnership income and gain (if any) up to and including the Closing Date; (iii) obligated to properly and completely report any income and/or gain (if any) associated with the Redemption and/or any of the transactions contemplated to be undertaken hereunder or in connection with the Redemption that is realized by the Redeemed Partners; and (iv) exclusively liable to pay tax (if any) on any income and/or gain associated with the Redemption and/or any of the transactions contemplated to be undertaken hereunder or in connection with the Redemption realized by the Redeemed Partners.

12.3 The Redeemed Partners represent and believe that the delivery of the Mack-Cali Rights Agreement and the distribution of the Rights (the "**Distributed Rights**") constitute a distribution by the Partnership to the Redeemed Partners of property owned by the Partnership with a fair market value (as of the Closing of the Redemption) of at least $7.5 million.

12.4 The parties hereto hereby acknowledge and agree (a) that the distribution by the Partnership, and receipt by the Redeemed Partners, of the Redemption Consideration in accordance with and subject to the terms and conditions of this Agreement shall be treated by the parties hereto and reported for Federal income Tax purposes as distributions in liquidation of the Redeemed Partners' entire interests in the Partnership subject to the treatment prescribed by Section 731 of the Code and the Treasury Regulations thereunder, and also as payments described in Section 736(b)(1) (and not as a distributive share or guaranteed payment described in Section 736(a) of the Code), (b) based solely on the representation contained in Section 12.4, to report on the Final Income Tax Return that the Distributed Rights have a fair market value of $7.5 million and (c) that following the distribution of the Redemption Consideration, (i) the Section 704(b) capital account of each of the Redeemed Partners shall have been fully liquidated and is zero,(ii) the Redeemed Partners shall have no further right, title or interest in any profits, losses, property, distributions, or capital of the Partnership, and (iii) the Redeemed Partners shall no longer be partners in the Partnership for any purpose (including, without limitation, for any Tax purposes). The parties hereto hereby acknowledge and agree that the distribution by the Partnership, and the receipt by the Special General Partner, of the Special Interests shall not result in any Redeemed Partner or Affiliate or Subsidiary thereof being treated as a "partner" in any Component Entity for (and only for) income Tax purposes. The Redeemed Partners acknowledge and agree that the Remaining Partners have not independently verified the fair market value of the Distributed Rights.

Section 13. Estoppel. Except as provided in Schedule 13 attached hereto, to the Redeemed Partners' Knowledge, as of the date hereof, there are no defaults, and there are no conditions that exist that would, with the passage of time or the giving of notice (or both), constitute a default by any of the Redeemed Partners, under the Original Partnership Agreement or with respect to the Released MC Obligations. Notwithstanding the foregoing, the parties hereby acknowledge and agree that a failure by a Redeemed Partner to insist upon the strict performance of the obligations of any of the Partnership, the Remaining Partners or any of their Affiliates or Subsidiaries under the Transaction Documents and Related Documents prior to the date hereof shall not be construed as a waiver of any future compliance with the terms of the Transaction Documents and Related Documents, and the Redeemed Partners do not waive any future compliance with the obligations and liabilities imposed upon any of the Partnership, the Remaining Partners or any of their Affiliates or Subsidiaries under the Transaction Documents and Related Documents. Notwithstanding the foregoing, the parties further acknowledge and agree that nothing in this Agreement (a) shall be deemed or construed as a waiver by the Redeemed Partners of any breach or default on the part of the Partnership, the Remaining Partners or any of their Affiliates or Subsidiaries under the Transaction Documents or Related Documents, or (b) shall in any way affect or be deemed to modify in any respect or impair the rights and remedies of the Redeemed Partners or any MC Indemnified Party with respect to (i) the indemnification and/or defense obligations of the Partnership set forth in this Agreement, any Transaction Documents or any Related Documents, including indemnification and/or defense obligations arising out of acts, omissions or other matters which have arisen or occurred prior to the date hereof, or (ii) any default or breach by the Partnership, any of the Remaining Partners or any of their Affiliates or Subsidiaries not currently known, or obligations of the Partnership, the Remaining Partners or any of their Affiliates or Subsidiaries to comply with the terms, provisions and requirements of the Transaction Documents and Related Documents which are of an ongoing or continuing nature.

Section 14. Public Announcements; Confidentiality. Upon the execution of this Agreement, the Redeemed Partners, the Partnership, the Remaining Partners and each of their respective Affiliates shall have the right to make such public announcements or filings as may be required by (i) the Securities Act of 1933, as amended, (ii) the Securities Exchange Act of 1934, as amended, (iii) the rules and listing standards of the New York Stock Exchange, Inc., (iv) any other Law of a jurisdiction to which the parties hereto are subject, or (v) any oral questions, interrogatories, requests for information, subpoena, civil investigative demand, or similar process required by applicable Law by any Governmental or Regulatory Authority to which the Redeemed Partners, the Partnership or the Remaining Partners are subject. The Redeemed Partners, the Partnership and the Remaining Partners also shall have the right to make such public announcements or filings as they may deem reasonably prudent, and shall be entitled to make such filings or announcements upon advice of counsel as may be otherwise be deemed necessary. In this connection, it should be noted that the Redeemed Partners have determined that the entry into this Agreement will need to be disclosed within four (4) Business Days of its execution on a Current Report on Form 8-K under Item 1.01 thereof and that the Agreement will be filed as an exhibit thereto or be filed as an exhibit to each of the Redeemed Partners next following periodic report filed pursuant to the Securities Exchange Act of 1934, as amended. Each of the parties hereby agree to provide the non-disclosing parties as much advance notice as reasonably possible with respect to the nature of such disclosure, cooperate fully as to the timing and contents of such disclosure and review in good faith the suggestions of the other party with respect to the contents of such disclosure.

Section 15. Miscellaneous. This Agreement shall not be altered, amended, changed, waived, terminated or otherwise modified in any respect or particular, and no consent or approval required pursuant to this Agreement shall be effective, unless the same shall be in writing and signed by or on behalf of the party to be affected thereby.

15.2 This Agreement may not be assigned by any party hereto without the prior consent of the other parties hereto.

15.3 This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and to their respective heirs, executors, administrators, successors and permitted assigns.

15.4 All prior statements, understandings, representations and agreements between and among the parties hereto, oral or written, are superseded by and merged into this Agreement, which alone fully and completely expresses the agreement between them in connection with this transaction and which is entered into after full investigation, no party relying upon any statement, understanding, representation or agreement made by any other party not embodied in this Agreement. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against the party drafting this Agreement.

15.5 No failure or delay of either party in the exercise of any right or remedy given to such party hereunder or the waiver by any party of any condition hereunder for its benefit (unless the time specified herein for exercise of such right or remedy has expired) shall constitute a waiver of any other or further right or remedy nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or any other right or remedy. No waiver by any party hereto of any breach hereunder or failure or refusal by any other party hereto to comply with its obligations shall be deemed a waiver of any other or subsequent breach, failure or refusal to so comply.

15.6 The provisions of Section 6.3, Section 6.4 and Section 7 through Section 14 shall survive the Closing indefinitely.

15.7 Neither this Agreement nor any memorandum thereof shall be recorded by either party hereto and any attempted recordation hereof shall be void and shall constitute a default under this Agreement.

15.8 This Agreement may be executed in one or more counterparts, each of which so executed and delivered shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

15.9 The caption headings in this Agreement are for convenience only and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. Any and all schedules and exhibits referenced herein are by this reference hereby made a part hereof and incorporated herein.

15.10 Any controversy or claim arising out of or relating to this Agreement shall be governed by and construed in accordance with the Laws of the State of New York, and the parties hereto consent to (i) the jurisdiction of courts of the State of New York and the U.S. District Court for the Southern District of New York and (ii) service of process and/or summons by certified mail, postage prepaid, return receipt requested, to such party at the address set forth for such party herein.

15.11 If the last day of the period prescribed herein for the giving of any notice, election, consent, approval, demand, objection or request or the submission of any documents by any party hereunder shall fall on a Saturday, Sunday or any day observed as a public holiday by the federal government or the State of New York, then such period shall be deemed to be extended to the immediately following day which is not a Saturday, Sunday or such public holiday.

15.12 Unless otherwise specified herein, for purposes of this Agreement (a) references to persons or parties include their permitted successors and assigns; (b) references to modifications or amendments shall in all events mean modifications and amendments; (c) references to statutes are to be construed as including all rules and regulations adopted pursuant to the statute referred to and all statutory provisions consolidating, amending or replacing the statute referred to; (d) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto entered into from time to time after the date hereof; (e) the words “include” or “including”, and words of similar import, shall be deemed to be followed by the words “but not limited to” or “without limitation”; (f) the words “hereto”, “herein”, “hereof” and “hereunder”, and words of similar import, refer to this Agreement in its entirety; and (g) unless otherwise specified herein, all references to Sections are to Sections of this Agreement. Terms defined herein may be used in the singular or the plural; when used in the singular and preceded by “a”, “an” or “any”, such term shall be taken to indicated one or more members of the relevant class; and when used in the plural, such term shall be taken to indicate all members of the relevant class.

15.13 Subject to Sections 9, 11 and Section 12, all costs and expenses incurred in connection with this Agreement and the Related Agreements and the transactions contemplated hereby and thereby shall be paid by the party hereto incurring such expenses.

15.14 If any provision of this Agreement shall be unenforceable or invalid, the same shall not affect the remaining provisions of this Agreement and to this end the provisions of this Agreement are intended to be and shall be severable.

15.15 THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

15.16 All exhibits attached hereto are hereby incorporated herein by reference and made a part hereof.

15.17 In the event that any party hereto brings an action or proceeding for a declaration of the rights of the parties under this Agreement, for injunctive relief, or for an alleged breach or default of this Agreement, or any other action arising out of this Agreement or the transactions contemplated hereby, the prevailing party in any such action shall be entitled to an award of reasonable attorneys' fees, disbursements and any court costs incurred in connection with such action or proceeding, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

15.18 No agent, broker, person, entity, firm, finder or investment banker acting on behalf of the Partnership or the Redeemed Partners is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Related Documents based upon arrangements made by or on behalf of the Partnership or the Redeemed Partners.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK:

SIGNATURE PAGE FOLLOWING

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered all on the day and year first above written.

PARTNERSHIP:

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP,
a Delaware limited partnership

By: Meadowlands Limited Partnership, a Delaware limited partnership, its Managing General Partner

By: Colony Xanadu, L.L.C., a Delaware limited liability company, its Managing General Partner

By: /s/ John C. Brady
Name: John C. Brady
Title: Authorized Representative

By: Mack-Cali Meadowlands Special L.L.C., a New Jersey limited liability company, a General Partner

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its Sole Member

By: Mack-Cali Realty Corporation, a Maryland corporation, its General Partner

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

REDEEMED PARTNERS:

MACK-CALI MEADOWLANDS
ENTERTAINMENT L.L.C., a New Jersey limited
liability company

By: Mack-Cali Realty, L.P., its sole member

By: Mack-Cali Realty Corporation, its
general partner

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

MACK-CALI MEADOWLANDS SPECIAL
L.L.C., a New Jersey limited liability company

By: Mack-Cali Realty, L.P., its sole member

By: Mack-Cali Realty Corporation, its
general partner

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

REMAINING PARTNER:

MEADOWLANDS LIMITED
PARTNERSHIP, a Delaware limited partnership

By: Colony Xanadu, LLC, a Delaware
limited liability company, its Managing
General Partner

By: /s/ John C. Brady
Name: John C. Brady
Title: Authorized Representative

EXHIBIT B

PROMISSORY NOTE

$2,500,000.00 New York, New York
November 22, 2006

FOR VALUE RECEIVED, Meadowlands Limited Partnership, a Delaware limited partnership, as maker, with an address at c/o Colony Xanadu, LLC, 660 Madison Avenue, Suite 1600, New York, New York 10021 (the "**Maker**"), hereby unconditionally promises to pay to the order of Mack-Cali Meadowlands Entertainment L.L.C., a New Jersey limited liability company, having a mailing address of P.O. Box 7817, Edison, New Jersey 08818-7817 and a street address at c/o Mack-Cali Corporation, 343 Thornall Street, Edison, New Jersey 08837-2206 ("**MC Entertainment**") and its successors and assigns (collectively referred to herein as, the "**Payee**"), or at such other place or places and/or in such other proportions as the holder or holders hereof may from time to time designate in writing, the principal sum of TWO MILLION FIVE HUNDRED THOUSAND and 00/100 DOLLARS ($2,500,000.00), in lawful money of the United States of America (the "**Principal Amount**") to be paid in accordance with the terms of this Note.

Section 16. : PAYMENT TERMS

Maker agrees to pay the Principal Amount in accordance with the terms of this Note on the Maturity Date (as hereinafter defined).

The Principal Amount shall be due and payable upon the date which is fifteen (15) calendar days after the consummation of the first Take Down of either an Office Component or the Hotel Component by the MC Partners, or its Affiliate, pursuant to Section 10 of the Rights Agreement (as hereinafter defined) (the "**Maturity Date**"). Such capitalized terms "Take Down," "Office Component," Hotel Component," "MC Partners" and "Affiliate" are defined in that certain Mack-Cali Rights, Obligations and Option Agreement, dated of even date herewith, by and among Maker and the other entities signatory thereto (the "**Rights Agreement**").

(a) All amounts due under this Note shall be payable without setoff, counterclaim or any other deduction whatsoever.

(b) Payment by Maker under this Note shall be made in readily available funds and shall be paid by Maker to Payee no later than 5:00 p.m. New York City time, on the Maturity Date.

Section 17. : DEFAULT AND ACCELERATION

The obligations due under this Note shall, without notice, become immediately due and payable if: (i) there is entered any order, judgment or decree by a court of competent jurisdiction for relief in respect of Maker under any applicable federal or state bankruptcy,

reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect, or appointing a receiver, assignee or trustee of all or a substantial part of Maker's property, assets or revenues and that order, judgment or decree shall have continued unstayed, unbonded and in effect for a period of thirty (30) days; (ii) Maker files a petition seeking relief under the United States Bankruptcy Code, as now or hereafter constituted, or any other applicable federal or state bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation or similar law, or consent to the institution thereof or to the filing of any such petition or to the appointment or taking of possession by a receiver, liquidator, assignee, trustee or custodian of any substantial part of the properties, assets or revenues of Maker or the making by Maker of a general assignment for the benefit of its creditors; or (iii) the obligations due under this Note are not paid in full on the Maturity Date (each an "**Event of Default**").

If an Event of Default has occurred, the aggregate principal amount of this Note shall become immediately due and payable to Payee without further action on the part of Payee, and Maker shall immediately pay to Payee all amounts due and payable with respect to this Note. Payee shall also have any other rights which Payee may have under any contract or agreement and any other rights or remedies which Payee may have pursuant to applicable law.

Section 18. : NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Maker or Payee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 19. : WAIVERS

Maker and all others who may become liable for the payment of all or any part of the obligations due hereunder do hereby severally waive presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind. No release or extension of time for payment of this Note and no alteration, amendment or waiver of any provision of this Note made by agreement between Payee or any other person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Maker, and any other person who may become liable for the payment of all or any part of the obligations under this Note. No notice to or demand on Maker shall be deemed to be a waiver of the obligation of Maker or of the right of Payee to take further action without further notice or demand as provided for in this Note. The remedies provided to Payee under this Note shall be cumulative and concurrent, and shall be in addition to every other right or remedy now or hereafter provided by law or equity. The failure or delay in exercising any such right or remedy shall not be construed as a release or waiver thereof.

Section 20. : COLLECTION; LIABILITY

Maker and any other person who may be liable hereunder in any capacity shall pay all reasonable costs of collection, including reasonable attorneys fees in the event that the Principal Amount due under this Note or any other payment due under this Note is not paid when due or in case it becomes necessary to protect the security for this Note or enforce any provision of this Note.

Section 21. : GOVERNING LAW

THIS NOTE WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY MAKER AND ACCEPTED BY PAYEE IN THE STATE OF NEW YORK AND THE PARTIES AGREE THE STATE OF NEW YORK HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, MAKER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS NOTE AND THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST PAYEE OR MAKER ARISING OUT OF OR RELATING TO THIS NOTE MAY AT PAYEE'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE STATE, CITY AND COUNTY OF NEW YORK AND MAKER WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, (I) THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THIS NOTE OR ANY ACTS OR OMISSIONS OF PAYEE; (II) ANY OBJECTIONS WHICH MAKER MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND MAKER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING; AND (III) ANY CLAIM FOR CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES.

Section 22. : NOTICES

Any notice, payment, demand, or communication required or permitted to be given by any provision of this Note shall be in writing and shall be delivered personally, receipt requested, to the party to whom the same is directed, or sent by USPS certified mail, return receipt requested, or by a nationally recognized overnight courier, addressed as set forth in the introductory language hereto ("**Notice**"), or to such other address as such party may from time to time specify by Notice to the other party. Any Notice shall be deemed to be delivered or given, and received for all purposes as of the date so delivered, if delivered personally, or the first business day after delivery to the USPS or overnight courier service, if sent by USPS or overnight courier. Notices required or permitted to be given hereunder may be given by a party's attorneys.

Section 23. : TRANSFER/ASSIGNMENT

This Note may not be assigned by the Payee without the prior written consent of the Maker; provided, however, that any transfer that is permitted pursuant to the Rights Agreement or any MC Component LP Agreement (as defined in the Rights Agreement) shall not require the prior written consent of the Maker. The provisions of this Note shall be binding upon Maker, and its successors and assigns, and shall inure to the benefit of Payee, including, without limitation, its successors and permitted assigns.

[Signature on following page]

IN WITNESS WHEREOF, Maker has duly executed this Note as of the day and year first above written.

Meadowlands Limited Partnership, a
Delaware limited partnership

By: Colony Xanadu, LLC, its managing
general partner

By: _____
Name:
Title:

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

On the ___ day of November in the year 2006 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, the managing general partner of Meadowlands Limited Partnership, and that be his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT C

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (the "**Agreement**") is made as of November 22, 2006 by and among MEADOWLANDS MACK-CALI GP, L.L.C., a Delaware limited liability company (f/k/a Meadowlands Mills/Mack-Cali GP, L.L.C.) ("**General Partner**"), MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) ("**Limited Partner**" or "**MDLP**" and together with General Partner, each shall sometimes be referred to herein as a "**Developer Partner**" and collectively as, the "**Developer Partners**"), and MACK-CALI MEADOWLANDS SPECIAL L.L.C., a New Jersey limited liability company ("**Special General Partner**" and together with Limited Partner and General Partner, the "**Partners**").

RECITALS:

WHEREAS, the Developer Partners prepared, executed and filed a Certificate of Limited Partnership for A-B Office Meadowlands Mack-Cali Limited Partnership (f/k/a A-B Office Meadowlands Mack-Cali/Mills Limited Partnership) (the "**Partnership**") with the Secretary of State of Delaware on June 16, 2005, (as amended from time to time, the "**Certificate**"). Upon filing the Certificate, the Partnership was assigned file number 3986621;

WHEREAS, MDLP was formed to develop portions of the site surrounding the Continental Airlines Arena (as defined in the Redevelopment Agreement (as hereinafter defined)) site with an entertainment, sports, recreation and retail complex, together with office and hotel components, at the Meadowlands Sports Complex and sometimes commonly referred to as "**Meadowlands Xanadu**";

WHEREAS, the Partnership was one of five Delaware limited partnerships set forth on **Schedule 1** attached hereto (the "**Tenant Partnerships**") formed by the Developer Partners to acquire a leasehold interest in a portion of Meadowlands Xanadu;

WHEREAS, the Developer Partners entered into that certain Limited Partnership Agreement of the Partnership dated as of June 16, 2005 (the "**Original Agreement**");

WHEREAS, prior to the date hereof, MDLP entered into: (i) that certain Redevelopment Agreement, dated as of December 3, 2003, with the New Jersey Sports and Exposition Authority (the "**NJSEA**") pursuant to which, among other things, MDLP is entitled, on the terms and conditions set forth therein, to redevelop Meadowlands Xanadu; and (ii) the following amendments to the Redevelopment Agreement: (a) that certain First Amendment to Redevelopment Agreement dated as of October 5, 2004, (b) that certain Second Amendment to

Redevelopment Agreement dated as of March 15, 2005, (c) that certain Third Amendment to Redevelopment Agreement dated as of May 23, 2005 to be effective as of March 30, 2005, and (d) that certain Fourth Amendment to Redevelopment Agreement dated as of June 30, 2005 (such Redevelopment Agreement, together with such amendments, being collectively referred to herein as the "**Redevelopment Agreement**");

WHEREAS, the real property that is subject to the Redevelopment Agreement and upon which MDLP has commenced construction of Meadowlands Xanadu is referred to in the Redevelopment Agreement and herein as the "**Project Site**";

WHEREAS, the Redevelopment Agreement contemplates that certain agreements were to be executed, and certain funds were to be paid (including the Development Rights Fee (as defined in the Redevelopment Agreement)), and certain actions were to be taken, upon the occurrence of the Development Rights Fee Funding Date (as defined in the Redevelopment Agreement), and that the Development Rights Fee Funding Date was to occur on June 30, 2005;

WHEREAS, the Development Rights Fee Funding Date occurred on June 30, 2005 in connection with the closing of the transactions contemplated in the Redevelopment Agreement that were to occur on the Development Rights Fee Funding Date (such closing is commonly referred to by the NJSEA and MDLP, and referred to herein, as the "**Financial Closing**");

WHEREAS, in connection with the Financial Closing, the following documents (in addition to certain other documents not herein described), each dated as of June 30, 2005, were executed and delivered on behalf of the Partnership: (i) Ground Lease ("**A-B Ground Lease**") by and among the NJSEA and the Partnership for the portion of the Project Site commonly known as the A-B Office Site ("**A-B Office Site**"); (ii) Assignment and Assumption Agreement (referred to in the Redevelopment Agreement as a "Component Agreement") wherein MDLP assigned certain of its rights and obligations under the Redevelopment Agreement relating to the A-B Office Site to the Partnership; and (iii) a memoranda of lease relating to the A-B Ground Lease;

WHEREAS, in connection with the Financial Closing, the following documents (in addition to those documents listed in the previous recital and in addition to certain other documents not herein described), each dated as of June 30, 2005, were executed and delivered on behalf of other Tenant Partnerships: (i) ground leases (each a "**Ground Lease**" and together with the A-B Ground Lease the "**Ground Leases**") relating to each Component (as defined in the Redevelopment Agreement) portion of the Project Site; (ii) four Component Agreements (as defined in the Redevelopment Agreement) wherein the Partnership assigned certain of its rights and obligations under the Redevelopment Agreement to the Component Entities; and (iii) four memoranda of lease for each of the other Ground Leases;

WHEREAS, the Development Rights Fee (as defined in the Redevelopment Agreement), an amount equal to $160,000,000, is deemed under the Redevelopment Agreement and the Ground Leases to constitute prepaid rent under all of the Ground Leases with respect to the first fifteen (15) years of each of the Ground Leases;

WHEREAS, the Ground Leases allocate the amount of the Development Rights Fee to prepaid rent under the Ground Leases for the first fifteen (15) years of each of the Ground Leases, and treat the payment of such amounts as made by the corresponding Tenant Partnerships ("**Prepaid Rent Allocations**"), with $21,360,000 of such amount allocated to the A-B Ground Lease;

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid by MDLP to NJSEA, it was the intent of the partners of MDLP that the aggregate amount of the Development Rights Fee be allocated to prepaid rent among each of the Ground Leases in an amount equal to the Prepaid Rent Allocations, and treated as the payment of such amounts by the corresponding Tenant Partnerships;

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid directly by MDLP to NJSEA, it was the intent of the partners of MDLP that the following be deemed to have occurred immediately prior to such payment of the Development Rights Fee to the NJSEA: (i) on June 30, 2005, MDLP contributed, as capital contributions to the Tenant Partnerships and General Partner, cash in an aggregate amount equal to the Development Rights Fee (the "**Aggregate Capital Contributions**"), with 99.99% of such Aggregate Capital Contributions being made directly to the Tenant Partnerships (such capital contributions, the "**Direct Capital Contributions**") and 0.01% of such Aggregate Capital Contributions being made to General Partner (such capital contributions, the "**Indirect Capital Contributions**"), (ii) General Partner, on June 30, 2005 and immediately after the Partnership's contribution of the Indirect Capital Contributions to General Partner, contributed, as capital contributions to the Tenant Partnerships, cash in an aggregate amount equal to the Indirect Capital Contributions (such capital contributions, the "**GP Capital Contributions**"), (iii) the portions of the Direct Capital Contributions and the GP Capital Contributions were on such date allocated to each Component Entity based upon the allocation of the Development Rights Fee to each Ground Lease as set forth in Exhibit B of the Mack-Cali Rights Agreement (as defined below), and (iv) each of the Tenant Partnerships paid their respective portion of the Development Rights Fee to NJSEA;

WHEREAS, simultaneously herewith, MDLP caused all of the MDLP partnership interests held by Special General Partner, a general partner in MDLP, and its Affiliate, Mack-Cali Meadowlands Entertainment L.L.C., a Delaware limited liability company ("**MC Entertainment**" and together with Special General Partner the "**MC Partners**"), a limited partner in MDLP, to be redeemed pursuant to that certain Redemption Agreement dated as of the date hereof by and among MDLP, Special General Partner, MC Entertainment and other signatories thereto, whereby the MC Partners' partnership interests in MDLP were fully and completely redeemed (the "**Redemption**");

WHEREAS, simultaneously herewith the Partners and the Partnership, along with certain other entities have entered into that certain Mack-Cali Rights, Obligations and Option Agreement dated as of the date hereof (the "**Mack-Cali Rights Agreement**") which sets forth certain rights and obligations with respect to the Partnership, a copy of which Mack-Cali Rights Agreement is annexed hereto as **Exhibit A**;

WHEREAS, i n connection with the Redemption, MDLP distributed to Special General Partner, among other consideration, a special, non-economic general partnership interest in the Partnership;

WHEREAS, simultaneously herewith the name of Limited Partner has been changed to "Meadowlands Developer Limited Partnership" and the name of the General Partner has been changed to "Meadowlands Mack-Cali GP, L.L.C.";

WHEREAS, pursuant to the Mack-Cali Rights Agreement, the Special General Partner has certain rights to Take Down (as defined below) the Partnership, which rights (including economic rights) are more particularly set forth in the Mack-Cali Rights Agreement and which rights become effective with respect to the Special General Partner's interest in the Partnership only upon the Special General Partner's exercise of its Take Down option with respect to the Partnership;

WHEREAS, in connection with the Redemption, the Partnership (among others) and MDLP entered into that certain License Agreement to provide for the use of the Marks (as defined below), without a fee, by the Partnership; and

WHEREAS, in connection with the Redemption, this Agreement is being amended to admit the Special General Partner as a general partner in the Partnership with a non-economic interest in the Partnership. For the avoidance of doubt, the parties hereto intend that the Special General Partner shall not be treated as a partner for tax purposes and the Partnership shall not be treated as a "partnership" for tax purposes, in each case, prior to the exercise of the Take Down.

NOW, THEREFORE, the Partners, by execution of this Agreement, desire to amend the Original Agreement and adopt this Agreement in its entirety, set forth their rights and obligations with respect to the Partnership as a limited partnership pursuant to and in accordance with the Delaware Revised Uniform Limited Partnership Act (6 Del. C.§ 17-101 et seq.) (as amended from time to time, the "**Act**"), and, in consideration of the mutual promises and covenants made herein, the Partners hereby agree as follows:

AGREEMENTS:

DEFINED TERMS

The following terms and variations thereof shall have the following meanings for purposes of this Agreement, unless the context otherwise clearly requires:

"**A-B Ground Lease**" has the meaning set forth in the Recitals.

"**A-B Office Site**" has the meaning set forth in the Recitals.

"**Act**" has the meaning set forth in the Recitals.

"**Affiliate(s)**" shall mean, with respect to any Person, (a) a Person who, directly or indirectly, controls, is under common control with, or is controlled by, that Person, (b) a Person who directly or indirectly owns twenty-five percent (25%) or more of the issued and outstanding securities or other ownership interests (whether voting or non-voting) of that Person, (c) any officer, director, trustee, manager, managing member, general partner or beneficiary of such Person, (d) any spouse, parent, sibling or descendant of any Person described in clause (b) and (c) above, and (e) any trust for the benefit of any Person described in clauses (b) through (d) above or for any spouse, issue or lineal descendant of any Person described in clauses (b) through (d) above. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Aggregate Capital Contributions**" has the meaning set forth in the Recitals.

"**Agreement**" has the meaning set forth in the Preamble and includes the Original Agreement and all amendments hereto.

"**Amended Certificate**" has the meaning set forth in Section 2.1 hereof.

"Approval of the Partners" shall mean the approval in writing by the Partners and, unless otherwise expressly provided herein to the contrary, the Partners shall not unreasonably withhold, delay or condition such approval.

"**Arbitrators**" has the meaning set forth in Section 10.4(b) hereof.

"**Authority Agreement**" and "**Authority Agreements**" have the meaning set forth in Section 5.2(a)(v) hereof.

"Bankruptcy" means with respect to any Person, if such Person (a) makes an assignment for the benefit of creditors, (b) files a voluntary petition in bankruptcy, (c) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (d) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (e) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (f) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (g) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy," in conjunction with Section 8.2(c) of this Agreement, is intended to and shall supersede the events of withdrawal set forth in Sections 17-402(a)(4) and (5) of the Act.

"**Certificate**" has the meaning set forth in the Recitals.

"**Code**" means the Internal Revenue Code of 1986, as amended or recodified.

"**Covered Person**" or "**Covered Persons**" has the meaning set forth in Section 10.1(a) hereof.

"**Developer Partner**" or "**Developer Partners**" has the meaning set forth in the Preamble.

"**Direct Capital Contributions**" has the meaning set forth in the Recitals.

"**Disputes**" has the meaning set forth in Section 10.4(a) hereof.

"**Embargoed Person**" has the meaning set forth in Section 10.12(i) hereof.

"**ERISA**" means Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Plan**" means an employee benefit plan, as defined in ERISA Section 3(3), that is subject to ERISA, or a plan that is subject to Section 4975 of the Code.

"**Financial Closing**" has the meaning set forth in the Recitals.

"**Fiscal Year**" means the twelve month period ending December 31 of each year; provided that the first Fiscal Year shall be the period beginning on the date the Partnership is formed and ending on December 31, 2005, and the last Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Partnership is completed and ending on the date such final liquidation and termination is completed (to the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first or final Fiscal Year to reflect that such period is less than a full calendar year period).

"**General Partner**" means Meadowlands Mack-Cali GP, L.L.C. and any Person who becomes a successor or additional general partner pursuant to the terms of this Agreement, each in its capacity as a general partner of the Partnership.

"**GP Capital Contributions**" has the meaning set forth in the Recitals.

"**Ground Lease**" or "**Ground Leases**" has the meaning set forth in the Recitals.

"**Indirect Capital Contributions**" has the meaning set forth in the Recitals.

"**Interest**" means the entire ownership interest (which may be expressed as a percentage) of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled pursuant to this Agreement, the Mack-Cali Rights Agreement and under the Act, together with all obligations of such Partner to comply with the terms and provisions of this Agreement, the Mack-Cali Rights Agreement and the Act.

The Interest of each Partner is set forth on **Exhibit B** hereto, as the same is amended from time to time.

"**License Agreement**" shall mean that certain License Agreement, dated on or about the date hereof, by and among MDLP, the Partnership, ERC Meadowlands Mills/Mack-Cali Limited Partnership, C-D Office Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and Baseball Meadowlands Mills/Mack-Cali Limited Partnership.

"**Limited Partner**" has the meaning set forth in the Preamble and includes any Person who becomes a successor or additional limited partner pursuant to the terms of this Agreement, each in its capacity as a limited partner of the Partnership.

"**Mack-Cali Rights Agreement**" has the meaning set forth in the Recitals.

"**Marks**" has the meaning set forth in the License Agreement.

"**Major Decisions**" has the meaning set forth in Section 5.2.

"MC Entertainment" has the meaning set forth in the Recitals.

"MC Partners" has the meaning set forth in the Recitals.

"**MDLP**" means Meadowlands Developer Limited Partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) and any Person who becomes a successor or additional general partner pursuant to the terms of this Agreement, each in its capacity as a general partner of the Partnership.

"Meadowlands Xanadu" has the meaning set forth in the Recitals.

"**NJSEA**" has the meaning set forth in the Recitals.

"**Original Agreement**" has the meaning set forth in the Recitals.

"**Partner**" or **"Partners"** has the meaning set forth in the Preamble.

"**Partnership**" has the meaning set forth in the Recitals.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"**Premises**" has the meaning assigned to that term in the A-B Ground Lease.

"**Prepaid Rent Allocations**" has the meaning set forth in the Recitals.

"**Project**" shall have the meaning specified in the Redevelopment Agreement as it relates solely to the A-B Office Site.

"**Project Site**" has the meaning set forth in the Recitals.

"**Redemption**" has the meaning set forth in the Recitals.

"**Redevelopment Agreement**" has the meaning set forth in the Recitals.

"**ROFR Component Entity**" or **"ROFR Component Entities"** has the meaning set forth in the Mack-Cali Rights Agreement.

"**Securities Act**" has the meaning set forth in Section 10.12(e) hereof.

"**Securities Laws**" has the meaning set forth in Section 10.12(e) hereof.

"**Special General Partner**" has the meaning set forth in the Preamble and includes any Person who becomes a successor or additional special general partner pursuant to the terms of this Agreement, each in its capacity as a special general partner of the Partnership.

"**Take Down**" has the meaning ascribed to such term in the Mack-Cali Rights Agreement.

"**Tenant Partnerships**" has the meaning set forth in the Recitals.

"**Transfer**" has the meaning set forth in Section 7.1 hereof.

"**Transferor**" has the meaning set forth in Section 7.2(c)(i) hereof.

"**Transferee**" has the meaning set forth in Section 7.2(c)(i) hereof.

THE PARTNERSHIP; partners

Formation, Name and Existence. The Developer Partners, prepared, executed and filed a Certificate with the Secretary of State of Delaware on June 16, 2005 and the Partners prepared, executed and filed or caused to be filed an Amended and Restated Certificate of Limited Partnership of the Partnership on the date hereof (the "**Amended Certificate**"). The Partners hereby confirm and ratify the formation and existence of the Partnership under the name "A-B Office Meadowlands Limited Partnership", as a Delaware limited liability partnership, pursuant to the provisions of the Act and this Agreement. The existence of the Partnership as a separate legal entity shall continue until cancellation of the Amended Certificate as provided in the Act.

Partners. The names and Interests of the Partners are set forth in **Exhibit B** attached hereto.

Special General Partner. Special General Partner is admitted to the Partnership solely as a general partner without economic rights with respect to any capital, profit, loss, deductions, credits and allowances of the Partnership or any cash or other property distributable by the Partnership.

Purpose. The purposes and businesses of the Partnership shall be limited to the following: (a) acquiring and holding a leasehold interest in the Premises pursuant to the A-B Ground Lease; (b) designing, constructing, developing, leasing, operating, managing and disposing of the Premises or interests therein; (c) financing the Premises; and (d) transacting any and all lawful business for which a limited partnership may be organized under the laws of the State of Delaware that is incident, necessary and appropriate to accomplish the foregoing.

Tax Status. The Partners intend that the Partnership constitute an entity disregarded from its owner for federal income tax purposes and no Partner, or any transferee or successor thereto, shall take any action or report anything inconsistent with such intended tax status.

Principal Office and Place of Business. The principal office and place of business of the Partnership shall be the principal office of the General Partner or such other address as the General Partner directs. The Partnership may have such additional offices as the General Partner deems advisable.

Registered Agent. The registered agent of the Partnership shall be Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The General Partner shall have the right to change the registered agent of the Partnership at any time in compliance with the Act and the laws of all other jurisdictions in which the Partnership may elect to conduct business.

CONTRIBUTION BY THE PARTNERS

Initial Capital of the Partnership. As a result of the transactions described in the Recitals, the Developer Partners respectively each contributed a portion of the Aggregate Capital Contributions to the capital of the Partnership. No Partner shall be treated as having contributed to the Partnership any portion of the Prepaid Rent Allocations and no Partner shall receive any credit in its capital account for any portion of the Prepaid Rent Allocations.

Limitation on Withdrawal of Capital. Except as expressly provided in this Agreement, no Partner (a) shall have the right to withdraw or receive any return on its contributions or claim to any Partnership capital prior to termination of the Partnership pursuant to Article VIII hereof, (b) shall have any right to demand and receive property other than cash in return for its contributions, or (c) shall be liable to any other Partner for the return of such Partner's contributions to the Partnership, or any portion thereof, it being expressly understood that such return shall be made solely from Partnership assets.

PROFIT AND LOSSES; DISTRIBUTIONS

Profits and Losses. All income, profits, losses, deductions and credits of the Partnership shall be allocated to the Developer Partners.

Distributions. Any distributions made by the Partnership shall be made to the Developer Partners.

MANAGEMENT; LEGAL TITLE TO PROPERTY

Management Authority.

Except as otherwise expressly provided in this Agreement, the Mack-Cali Rights Agreement or in the Act, management decisions of the Partnership shall be made solely by the General Partner, which shall be solely responsible for the conduct of the Partnership's business subject to the provisions of this Agreement, the Mack-Cali Rights Agreement and applicable law. The General Partner shall have all of the rights, powers, duties and obligations of a general partner as provided in the Act and as otherwise provided by law, and any action taken by the General Partner that is not in violation of this Agreement, the Act or other applicable law shall constitute the act of and serve to bind the Partnership. Except as otherwise expressly provided herein, the Limited Partner shall not have or exercise any right in connection with the management of the Partnership's business.

The General Partner shall devote itself to the business and purpose of the Partnership, as set forth in Section 2.4 above, to the extent reasonably necessary for the efficient carrying on thereof (it being acknowledged, however, that the General Partner shall not be required to devote its time exclusively to the operation of the Partnership), without compensation. Whenever requested by any of the other Partners, the General Partner shall render a just and faithful account of all dealings and transactions relating to the business of the Partnership. The acts of the General Partner shall bind the Partnership when within the scope of the General Partner's authority expressly granted hereunder.

Major Decisions. Unless otherwise indicated, capitalized terms in this Section 5.2 that are not defined in this Agreement shall be defined as set forth in the Mack-Cali Rights Agreement. The Partners shall not take the following decisions (each a "**Major Decision**") without the prior written approvals as specified below. In the event of a failure to agree on a matter set forth in this Section 5.2, the matter shall be submitted to mediation and/or arbitration in accordance with Section 10.4 of this Agreement.

The following decisions or acts with respect to, or on the part of, the Partners shall require the prior written Approval of the other Partners, which Approval may not be unreasonably withheld, delayed or conditioned by a Partner. If a Partner

(directly or through its authorized representative) shall request that another Partner provides such written approval, the requested Partner (directly or through its authorized representatives) shall have ten (10) Business Days after receipt of a written request from the requesting Partner to grant or deny such approval provided that the requested Partner shall have received information as reasonably required to render such decision. A failure of the requested Partner to provide such written approval or denial within such ten (10) Business Day period shall be deemed to mean that the requested Partner shall have granted such written approval):

Any amendment to this Agreement or other organizational documents of the Partnership;

Entering into, or undertaking of, any agreement, transaction or action relating to the Project that (a) is not within the scope of this Agreement, or (b) is not contemplated by or within the scope of the Transaction Documents, or (c) is not related to the ownership, operation or management of any portion of the Project as contemplated by this Agreement and the Transaction Documents, in each case, if such action or undertaking would have an adverse effect on the Partnership or the Premises;

Adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of the Partnership, but only if and to the extent such adjustment, settlement or compromise would have an adverse effect on the Partnership;

To the extent applicable, establishing or adjusting the gross asset value for any contributed or distributed asset (other than cash) to or from the Partnership, except as provided herein;

Entering into any amendment to, or modification of, the Redevelopment Agreement, the Project Operating Agreement, the Construction Management Agreement, the Declaration, the Project Labor Agreement, the Ground Leases, the Right of Entry Agreement, the Access and Indemnity Agreement, the Master Plan, and any other agreement to be entered into with the NJSEA (any of which, an "**Authority Agreement**" and, together, the "**Authority Agreements**") which is inconsistent with any of the foregoing enumerated instruments but only if and to the extent adversely affecting the Partnership;

Entering into any agreement with The New York Football Giants or The New York Football Jets that adversely affects the Partnership;

Any transfer, assignment or pledge of the "Right of First Refusal" pursuant to the Redevelopment Agreement;

Any voluntary action or decision which, if undertaken or made, would violate Section 7 of the Mack-Cali Rights Agreement;

To the extent applicable, preparation or identification of (and any amendment, modification or revision to), for submission to the NJSEA, the Final Project Sequencing Plan, Final Traffic and Infrastructure Sequencing Plan, the Preliminary Traffic and Infrastructure Improvements (including preparation of the estimated budget to permit, design and construct the Final Traffic and Infrastructure Improvements), marketing and publicity program referred to in Section 3.4(b) of the Redevelopment Agreement (regarding encouraging the use of the rail system by Project visitors), the written plan for the Job Skills Training referred to in Section 3.6(a) of the Redevelopment Agreement, the Small Business Marketing Plan referred to in Section 3.6(b) of the Redevelopment Agreement, or any other report, document or schedule pursuant to any Authority Agreement or the Cooperation Agreement but only if and to the extent that any of the foregoing actions or documents are inconsistent with the Authority Agreements or the Cooperation Agreement or adversely affect the Partnership or the Premises;

[Intentionally Omitted];

To the extent applicable, designation or selection of the Stakeholders Liaison (as such term is defined in the Redevelopment Agreement);

To the extent applicable, enforcement or written waiver of any claim or determination related to the assertion of an Authority Interference which Authority Interference has an adverse impact on the Partnership or the Premises and which assertion occurs prior to four (4) years after the Grand Opening Date;

Making any distribution or payment by the Partnership to any Person (including any party hereto or any Affiliate of any party hereto) that is not expressly contemplated by this Agreement;

Causing or permitting the Partnership to be in Bankruptcy;

Causing the Partnership to incur or obtain bond debt or other public financing vehicle(s) other than bond debt or other public financing vehicle(s) that is not secured by a mortgage, deed of trust or other security instrument encumbering the Premises intended to fund Infrastructure Improvement Costs and Program Costs, as well as a debt service reserve fund for such loan, capitalized interest and other issuance costs related to the loan, as described in the Authority Agreements, and having commercially reasonable terms and conditions at least as favorable as follows:

a. Loan Term: not less than 10 years;
b. Amortization Period: not less than 20 years;
c. Interest Rate: fixed rate of not greater than 8.5% per annum or variable rate of LIBOR plus 300 basis points;
d. Maximum Net Proceeds: $160,000,000;
e. The Partnership shall only be responsible on a nonrecourse basis for its proportionate share of the proceeds and such obligations are several; and
f. No guaranty by the Special General Partner or its Affiliates and no substitute or additional collateral (for example, a letter of credit) to be provided by the Special General Partner or its Affiliates.

The granting of any mortgage, deed of trust or other security instrument encumbering the Premises other than to secure a loan from a third party that provides for the release of the Premises from the lien of the mortgage, deed of trust or other security instrument in connection with the Take Down of the Partnership as contemplated in Section 10 of the Mack-Cali Rights Agreement provided that such release does not require any additional payment of principal and interest or any payments, including fees or points, other than reimbursement of reasonable legal fees to effectuate the same;

[Intentionally Omitted]; and

To the extent applicable, adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of the Partnership in excess of the greater of (a) $1,000,000 in the aggregate, or (b) five percent (5%) of stabilized net operating income of the Partnership (with such stabilized net operating income being defined to mean the net operating income for the third full Fiscal Year after Completion (as defined in the Redevelopment Agreement) shall have occurred with respect to the Premises).

The following decisions and acts with respect to, or on the part of, a Partner shall require the prior written Approval of the Partners, which approval may be granted or withheld in the other Partners' sole and absolute discretion. If a Partner (directly or through its authorized representative) shall request that another Partner provides such written approval, the requested Partner (directly or through its authorized representatives) shall have ten (10) Business Days after receipt of a written request from the requesting Partner to grant or deny such approval provided that the requested Partner shall have received information as reasonably required to render such decision. A failure of the requested Partner to provide such written approval or denial within such ten (10) Business Day period shall be deemed to mean that the requested Partner shall have granted such written approval):

The undertaking of any of the following acts if and to the extent inconsistent with this Agreement or the Partnership's organizational documents or any of the Authority Agreements that would: (a) cause the Partnership's dissolution or termination other than contemporaneous with or subsequent to the sale or other disposition of all or substantially all of the Partnership's assets, or (b) cause the Partnership to become an entity other than a "limited partnership" organized under the Act (including, without limitation, under any conversion statute);

Possessing any Partnership or Partner property, or assigning any rights in specific property for other than an entity purpose;

Except as otherwise permitted by this Agreement, admitting or permitting or causing the Partnership to admit new or substitute partners, causing the Partnership to redeem or repurchase all or any of a Partner's Interest, agreeing to issue, directly or indirectly, any Interests in the Partnership, or granting, issuing or agreeing to grant or issue, directly or indirectly, any right, option or warrant to subscribe for, purchase, or otherwise acquire Interests in the Partnership;

Changing the name of the Partnership or the name under which any such entity does business from the name(s) set forth in such entity's organizational documents;

Authorizing or effectuating a merger or consolidation of the Partnership with or into one or more other entities;

Authorizing or effectuating a dissolution, liquidation, termination or winding up of the Partnership other than contemporaneous with or subsequent to a sale or other disposition of all or substantially all of the Partnership's assets;

Making the election (or otherwise doing anything else) which would result in the Partnership being treated as anything other than a "partnership" for federal, state, local and, as applicable, foreign tax purposes;

Taking any affirmative action not contemplated in this Agreement with the intent that the Special General Partner shall have personal liability for any of the expenses, debts, obligations, liabilities, contracts, judgments or other obligations of the Partnership; and

Development or construction of any office or hotel within Meadowlands Xanadu.

Title to Land. Legal title to the Premises and other property of the Partnership shall be taken and at all times held in the name of the Partnership.

Section 5.4 No Contracts with Affiliates. Except as otherwise provided herein, no Partner shall enter into any agreement or other arrangement for the furnishing to or by the Partnership of goods or services or leases, subleases, licenses, concessions or other agreements with any Person who is an Affiliate of such Partner (including leases of space to Affiliate businesses) unless goods or services are provided to the Partnership of such lease or other payments are at market rates of compensation and the terms and conditions thereof are approved by Special General Partner.

Section 5.5 Notice of Lawsuits, Liens, Defaults under Loans, etc. **Each of the Partners shall notify the other Partners as soon as reasonably possible upon receipt of any written notice of: (i) the filing or threatened filing of any action in law or in equity naming the Partnership, as a party relating in any material way to any portion of the A-B Office Site; or (ii) any actions to impose material liens of any kind whatsoever or of the imposition of any lien whatsoever against its assets including the A-B Ground Lease or any portion thereof, that may have a material adverse effect on the Partnership.**

FISCAL YEAR, BOOKS AND RECORDS, BANK ACCOUNTS

Fiscal Year. The Fiscal Year of the Partnership shall be the calendar year.

Books and Records.

There shall be kept and maintained at the Partnership's principal place of business full and accurate books and records showing all receipts and expenditures, assets and liabilities, profits, losses and distributions, and all other records necessary for recording the Partnership's business and affairs.

The books of the Partnership shall be kept on the accounting method determined by the General Partner and shall show at all times each and every item of income and expense.

Each Partner shall have the right at all reasonable times and upon reasonable advance notice, during usual business hours, to audit, examine, and make copies of extracts from the books of account of the Partnership. Such right may be exercised through any agent, employee, or independent public accountant designated by such Partner. Each Partner shall bear all expenses incurred in any examination made for such Partner's account.

Bank Accounts. The funds of the Partnership shall be deposited in such bank account or accounts of the Partnership as the General Partner determines are required, and the General Partner shall arrange for the appropriate conduct of such accounts.

Tax Returns and Financial Statements. Tax returns and the annual financial statements of the Partnership shall be prepared by, or at the direction of, the General Partner as soon as practicable after the expiration of a tax year and copies of the same shall be delivered to the Partners within a reasonable time thereafter.

SALE, TRANSFER OR MORTGAGE OF INTERESTS

General. Except as expressly permitted in Sections 7.2 and 7.3 of this Agreement or as otherwise expressly permitted in this Agreement, no Partner shall directly or indirectly sell, assign, transfer, pledge, mortgage, convey, charge or otherwise encumber or contract to do or permit any of the foregoing, whether voluntarily or by operation of law (herein sometimes collectively called a "**Transfer**"), or suffer any Affiliate or other third party to Transfer, any part or all of its Interest or its share of capital, profits, losses, allocations or distributions hereunder without the express prior written consent of Special General Partner, which consent may be withheld for any or no reason whatsoever. Any attempt to Transfer in violation of this Article VII shall be null and void. The giving of consent in any one or more instances of Transfer shall not limit or waive the need for such consent in any other or subsequent instances. Transfers of ownership interests in Special General Partner or any of its Affiliates (including Mack-Cali Realty Corporation or Mack-Cali Realty, L.P.) or Developer Partners or any of their respective Affiliates (including Meadowlands Limited Partnership, Colony Investors VII, LP, Dune Capital Management LP, Kan Am Limited Partnership, The Mills Corporation or The Mills Limited Partnership) shall not constitute a "Transfer" hereunder.

Permitted Transfers.

Transfers By Special General Partner. Without the consent of any other Partner, Special General Partner may from time to time (i) Transfer its Interest, in whole or in part (A) to an Affiliate of such Transferor or (B) from an Affiliate to another Affiliate of such Transferor, (ii) Transfer the aggregate Interests held by such Transferor and its Affiliates to a Person other than an Affiliate so long as (A) such Transferor has the right to control the day to day operations of such Person and (B) such Transferor or its Affiliate owns at least fifty percent (50%) of the beneficial interest in such Person, or (iii) mortgage, pledge or hypothecate all or any portion of such Interest so long as the Person to which such Interest is mortgaged, pledged or hypothecated cannot foreclose or otherwise realize upon such collateral and elect to become a substitute Partner.

Transfer By the Developer Partner. Without the consent of any other Partner, each Developer Partner may from time to time (i) Transfer its Interest, in whole or in part (A) to an Affiliate of such Transferor or (B) from an Affiliate to another Affiliate of such Transferor, (ii) Transfer the aggregate Interests held by such Transferor and its Affiliates to a Person other than an Affiliate so long as (A) such Transferor has the right to control the day to day operations of such Person and (B) such Transferor or its Affiliate owns at least fifty percent (50%) of the beneficial interest in such Person, or (iii) mortgage, pledge or hypothecate all or any portion of such Interest so long as the Person to which such Interest is mortgaged, pledged or hypothecated cannot foreclose or otherwise realize upon such collateral and elect to become a substitute Partner.

Agreements with Transferees.

If pursuant to the provisions of Sections 7.2(a) or (b), any Partner ("**Transferor**") shall purport to make a Transfer of any part of its Interest to any Person ("**Transferee**"), no such Transfer shall entitle Transferee to any benefits or rights hereunder until:

Transferee agrees in writing to assume and be bound by all the obligations of Transferor and be subject to all the restrictions to which Transferor is subject under the terms of this Agreement and any agreements with respect to the Project to which Transferor is then subject or is then required to be a party; and

Transferor and Transferee enter into a written agreement with the Partnership which provides (x) in the case of a partial transfer of Interests, that Transferor is irrevocably designated the proxy of Transferee to exercise all voting and other approval rights appurtenant to the Interest acquired by Transferee, (y) that Transferor shall remain liable for all obligations arising under this Agreement prior to or after such Transfer in respect of the Interest so transferred; provided, however, that as to any Transfer to a non-Affiliate of the Transferor, Transferor shall only be liable for all obligations arising under this Agreement and any agreements with respect to the Project to which Transferor is then subject or is then required to be a party from and after such Transfer in respect of the Interest so transferred; and (z) that Transferee shall indemnify the Partners from and against all claims, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and court costs) which may arise as a result of any breach by Transferee of its obligations hereunder.

No Transferee of any Interest shall make any further disposition except in accordance with the terms and conditions hereof.

All costs and expenses incurred by the Partnership, or the non-transferring Partners, in connection with any Transfer of a Interest, including any filing or recording costs and the fees and disbursements of counsel, shall be paid by Transferor.

Take Down by Special General Partner. Notwithstanding anything herein to the contrary, if the Special General Partner exercises a Take Down, the provisions of Section 11 of that certain Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership, dated November 25, 2003, shall be incorporated herein or any amendment or restatement hereof pursuant to and in accordance with Section 10.6 of the Mack-Cali Rights Agreement.

Sale Rights of Special General Partner and Developer Partners; Right of First Offer. Except as provided in Section 7.2, no Partner may sell all or any portion of its or its

Affiliates' Interest at any time prior to the date that is three (3) years after the date of issuance of the certificate of occupancy for the core and shell of the Project.

Restraining Order. If any Partner shall at any time Transfer or attempt to Transfer its Interest or part thereof in violation of the provisions of this Agreement and any rights hereby granted, then the other Partners shall, in addition to all rights and remedies at law and in equity, be entitled to a decree or order restraining and enjoining such Transfer and the offending Partner shall not plead in defense thereto that there would be an adequate remedy at law; it being hereby expressly acknowledged and agreed that damages at law will be an inadequate remedy for a breach or threatened breach of the violation of the provisions concerning Transfer set forth in this Agreement.

ERISA. No Partner shall Transfer all or any part of its Interests to any party, including another Partner, whether or not the Transfer would otherwise be permitted hereunder, if the Transfer would result in the assets of the Partnership being deemed to include assets of an ERISA Plan. At the request of such other Partners and as a condition of the consummation of any Transfer of all or part of a Interest to any party, including another Partner, the Partner proposing to Transfer all or any part of its Interest shall, at its cost, provide an unqualified opinion of counsel, which must be reasonably satisfactory to each such other Partners, that the Transfer would not result in the assets of the Partnership being deemed to include assets of an ERISA Plan, and in addition to such other Partner's rights under Section 7.4, the Partner proposing to Transfer shall indemnify and hold harmless such other Partners (except any Partner that is the proposed purchaser), from and against any and all loss, cost, tax, liability or expense (including but not limited to reasonable attorneys' fees and court costs) which such other Partners may suffer if the Transfer would cause the assets of the Partnership being deemed to include assets of any ERISA Plan.

Admission of Additional Partners.

No Person may be admitted as an additional Partner of the Partnership (in contrast with admission as a substitute Partner in connection with a Permitted Transfer) without the consent of the General Partner and the Special General Partner.

Any additional or substitute Partner admitted to the Partnership shall execute and deliver documentation in form satisfactory to the General Partner accepting and agreeing to be bound by this Agreement, and such other documentation as the General Partner shall reasonably require in order to effect such Person's admission as an additional Partner. The admission of any Person as an additional Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership following the consent of the General Partner to such admission.

Override on Permitted Transfers.

It is expressly understood and agreed that any Transfer permitted pursuant to this Article VII shall in all instances be prohibited (and, if consummated, shall be void *ab initio*) if such Transfer does not comply with all applicable laws, rules and regulations and other requirements of governmental authorities, including, without limitation, Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof.

Each admitted Partner shall be required to make the representations and warranties set forth in Section 10.12 of this Agreement to the other Partner(s) and the Partnership as of the date of such Partner's admission into the Partnership. Each Partner shall be deemed to make the representations and warranties set forth in Section 10.12(h)-(k) of this Agreement to the Partners and the Partnership on behalf of any Person that acquires a beneficial ownership interest in such Partner as of the date of such acquisition.

Term. The Partnership shall have perpetual existence, unless sooner dissolved and liquidated in accordance with the provisions hereof.

Dissolution in Certain Events.

The Partnership shall be dissolved, and its affairs shall be wound up, upon the first to occur of the following: (i) (A) all of the Partners of the Partnership approve in writing, or (B) the Partnership sells or otherwise disposes of its interest in all or substantially all of its assets or (ii) (A) the occurrence of an event of withdrawal (as defined in the Act) with respect to a General Partner, other than an event of withdrawal set forth in Section 17-402(a)(4) or (5) of the Act; provided, the Partnership shall not be dissolved and required to be wound up in connection with any of the events described in this clause (ii)(A) if (1) at the time of the occurrence of any such event there is at least one remaining General Partner of the Partnership who is hereby authorized to and shall carry on the business of the Partnership, or (2) if at such time there is no remaining General Partner, if within ninety (90) days after such event of withdrawal, the Limited Partner agrees in writing or votes to continue the business of the Partnership and to appoint, effective as of the day of withdrawal, one or more additional General Partners, or (3) the Partnership is continued without dissolution in a manner permitted by the Act or this Agreement, (B) there are no limited partners of the Partnership unless the business of the Partnership is continued in accordance with the Act and this Agreement or (C) the entry of a decree of judicial dissolution under Section 17-802 of the Act.

Upon the occurrence of any event that results in the General Partner ceasing to be a General Partner of the Partnership under the Act, if at the time of the occurrence of such event there is at least one remaining General Partner of the Partnership, such remaining General Partner of the Partnership is hereby authorized to and, to the fullest extent permitted by law, shall, carry on the business of the Partnership. Upon the occurrence of any event that causes the last remaining General Partner of the Partnership to cease to be a General Partner of the Partnership, to the fullest extent permitted by law, all the Partners agree that the "personal representative" of such general partner is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such General Partner in the Partnership, agree in writing (i) to continue the Partnership and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute General Partner of the Partnership, effective as of the occurrence of the event that terminated the continued membership of the last remaining General Partner of the Partnership in the Partnership.

Upon the occurrence of any event that causes the last remaining Limited Partner of the Partnership to cease to be a Limited Partner of the Partnership, to the fullest extent permitted by law, all the Partners agree that the personal representative of such Limited Partner is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such Limited Partner in the Partnership, agree in writing (i) to continue the Partnership and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute limited partner of the Partnership, effective as of the occurrence of the event that terminated the continued membership of the last remaining Limited Partner of the Partnership in the Partnership.

Notwithstanding any other provision of this Agreement to the contrary, the Bankruptcy of, or the occurrence of any event set in Sections 17-402(a)(4) and (5) of the Act with respect to, the General Partner shall not cause the General Partner to cease to be a General Partner of the Partnership, and upon the occurrence of such an event, the Partnership shall continue without dissolution.

The death, incompetency, Bankruptcy, dissolution or other cessation to exist as a legal entity of a Limited Partner shall not, in and of itself, dissolve the Partnership. In any such event, the personal representative (as defined in the Act) of such Limited Partner may exercise all of the rights of such. Limited Partner for the purpose of settling such Limited Partner's estate or administering its property, subject to the terms and conditions of this Agreement.

Procedures upon Dissolution. Upon dissolution of the Partnership, the Partnership shall be terminated and the General Partner shall liquidate the assets of the Partnership. The proceeds of liquidation shall be applied and distributed in the following order or priority:

first, to the satisfaction (whether by payment or the making of reasonable provision for payment thereof) of the debts and liabilities of the Partnership and the expenses of liquidation; and

thereafter, to the Developer Partners in proportion to their respective Interests in the Partnership.

A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities. During the period beginning with the dissolution of the Partnership and ending with its liquidation and termination of the Agreement pursuant to this Section 8.3, the business affairs of the Partnership shall be conducted by the General Partner. During such period, the business and affairs of the Partnership shall be conducted so as to preserve the assets of the Partnership and maintain the status thereof which existed immediately prior to such termination.

USE OF MARK AND MACK-CALI PARTNERS' NAMES

Section 9.1 Use of Mark by Partnership**. MDLP, the Partnership and the other signatories thereto will enter into, on or about the date hereof, into the License Agreement which shall provide for the use of the Marks, without a fee, by the signatories thereto.**

Section 9.2 Use of Special General Partner's Name**. Special General Partner and its Affiliates shall in their sole discretion determine whether to permit the use of their names in connection with the Partnership. The Developer Partners and their respective Affiliates acknowledge and agree that the name of Special General Partner and any of its Affiliates may not be used by the Developer Partners, any of their respective Affiliates or the Partnership in connection with the Partnership without the prior written consent of Special General Partner.**

Section 9.3 No Use of Related Mark**. Neither Special General Partner nor its Affiliates shall be permitted to use the word "Xanadu" in any manner except as provided in the License Agreement.**

MISCELLANEOUS

Liability Among Partners; Exculpation and Indemnification.

No Partner shall be liable to any other Partners or to the Partnership by reason of its actions or omission in connection with the Partnership except in the case of actual fraud, gross negligence or willful misconduct. Neither the Partners, nor any officer, director, manager, member employee, representative, agent or affiliate of the Partners, nor any of their respective officers, directors, managers or members (each a "**Covered Person**," and collectively, the "**Covered Persons**") shall be liable to the Partnership or any other Person who has an interest in or claim against the Partnership for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's fraud, gross negligence or willful misconduct.

To the fullest extent permitted by applicable law, each Covered Person shall be entitled to indemnification from the Partnership for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's fraud, gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 9.1 by the Partnership shall be provided out of and to the extent of Partnership assets only, and the Partners shall not have personal liability on account thereof

To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Covered Person to repay such

amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 10.1.

A Covered Person shall be fully protected in relying in good faith upon the records of the Partnership and upon such information, opinions, reports or statements presented to the Partnership by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Partnership, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Partners might properly be paid.

To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Partnership or to any other Covered Person for its good faith reliance on the provisions of this Agreement or any approval or authorization granted by the Partnership or any other Covered Person. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such Covered Person.

Except as otherwise expressly provided in this Agreement, each Partner shall look solely to the assets of the Partnership for all distributions contemplated by this Agreement or otherwise with respect to the Partnership and, if applicable, such Partner's capital contributions in the Partnership (including return thereof), and such Partner's share of profits or losses thereof, and shall have no recourse therefor (upon dissolution or otherwise) against any other Partner. Notwithstanding anything to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not be required to make a distribution to any Partner contemplated by this Agreement if such distribution would violate the Act or other applicable law.

The indemnification rights contained in this Section 10.1 shall be cumulative of, and in addition to, any and all rights, remedies and recourses to which the Covered Persons shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

The foregoing provisions of this Section 10.1 shall survive any termination of this Agreement.

[Intentionally Omitted]

Take Down. Pursuant to the Mack-Cali Rights Agreement, the Partners acknowledge and agree that the Special General Partner has certain Take Down rights with respect to the Partnership as more particularly set forth in the Mack-Cali Rights Agreement and incorporated by reference herein. Upon the exercise of the Special General Partner's option to Take Down, the General Partner shall cause the Partnership to issue limited partnership interests to the

Special General Partner, and/or its Affiliate(s), in consideration for its obligations following a Take-Down and this Agreement shall be amended and restated in accordance with this Section 10.3 and with the terms and conditions the Mack-Cali Rights Agreement. If the Special General Partner does not exercise its Take Down option, as more fully described in the Mack-Cali Rights Agreement within the time periods and on the conditions described therein then the interest of the Special General Partner in the Partnership shall immediately terminate and the Special General Partner shall cease to be a partner in the Partnership for all purposes, all as more fully described in the Mack-Cali Rights Agreement.

Mediation and Arbitration. Unless otherwise indicated, capitalized terms in this Section 10.4 that are not defined in this Agreement shall be defined as set forth in the Mack-Cali Rights Agreement.

Unless otherwise expressly provided herein, it is understood and agreed by the Partners that, in the event any dispute, disagreement, claim or controversy arises between any of the Partners, arising under or related to this Agreement or relating to any approvals or agreements required to be given or made by the parties hereto under this Agreement, including a dispute, disagreement, claim or controversy in connection with a Major Decision (the "**Disputes**"), then, at the request of any of the Partners, the disputing parties shall resolve the Dispute promptly through confidential mediation with a mediator jointly selected by the disputing parties. If the disputing parties are unable to agree on the mediator within two (2) days after written notice from one disputing party to the other demanding mediation, the disputing parties shall each select one (1) mediator and those two (2) mediators shall jointly select a third mediator as soon as practicable and such third mediator shall act as mediator hereunder. All mediators selected shall be licensed attorneys experienced in complex real estate and partnership transactions and the tax consequences thereof. Each party shall bear its own fees and expenses attributable to the mediation, provided, however, that the costs, fees and expenses attributable to the independent mediator shall be borne equally among the disputing parties.

In the event that the disputing parties are unable to settle their Dispute through mediation within ten (10) Business Days after the mediator has been selected as provided above, any unresolved Dispute shall be submitted to binding arbitration in the State of New York, within five (5) Business Days from the date the disputing parties were unable to settle their dispute through mediation, with each party to bear its own fees and expenses attributable thereto, before a panel of three (3) neutral arbitrators from the Large Complex Case Panel of the American Arbitration Association (the "**Arbitrators**"), said Arbitrators to be attorneys with at least ten (10) years experience in complex real estate and partnership transactions and the tax consequences thereof. The arbitration shall be conducted in accordance with the then-current commercial Arbitration Rules of the American Arbitration Association. The Arbitrators shall render their decision within ten (10) Business Days after the Dispute is submitted to the arbitration panel. In furtherance of the foregoing, it is understood and agreed that the decision rendered by the Arbitrators hereunder shall be binding and absolutely conclusive upon the parties hereto and may be enforced by entry of a judgment in any court having jurisdiction. The fees and expenses of Arbitrators shall be borne equally among the disputing parties. To the

extent, if any, that the party or parties prevailing in any such arbitration proceedings are required to seek judicial confirmation or enforcement of the Arbitrators' award, the non-prevailing party or parties shall be obligated to pay for such prevailing party's or parties' reasonable and actual fees, costs, expenses and disbursements incurred in connection with such judicial confirmation and/or enforcement. Notwithstanding the foregoing, a party may seek a preliminary injunction or other preliminary judicial relief if in its judgment such action is necessary to avoid irreparable damage. Despite such action, the parties hereto will continue to participate in good faith in the procedures specified in this Section 10.4(b). All applicable statutes of limitation shall be tolled while the procedures specified in this Section 10.4(b) are pending. The parties hereto will take such action, if any, required to effectuate such tolling.

No Agency Created. Nothing herein contained shall be construed to constitute any Partner (or any Affiliate thereof) the agent of another Partner or to limit the Partners (or any Affiliates thereof) in any manner in the carrying on of their own respective businesses or activities. Except as provided in this Agreement, each Partner acknowledges and agrees that none of the Partnership or any Partner (or any Affiliate of any Partner) shall have any right, by virtue of this Agreement, either to participate in, or to share in, any now existing ventures or any of the other Partners or their respective Affiliates, or in the income or proceeds derived from such ventures. Any Partner may engage in and/or possess any interest in any other business or real estate venture of any nature and description, independently, or with others, including but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property; and neither the Partnership nor any other Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Approvals. Except as otherwise provided herein, all approvals or consents permitted or required to be given under this Agreement shall be reasonably given and not unreasonably delayed or withheld. In the event that a Partner having a right of approval takes no action within a reasonable time (or, if a time is specified in this Agreement, then within such specified time) subsequent to receipt of the documents or agreements subject to said approval or consent, the approval or consent of said Partner shall be deemed to have been given.

References. References herein to the singular shall include the plural and to the plural shall include the singular, and references to one gender shall include the other, except where the same shall be not appropriate.

Effect of Consent or Waiver. No consent or waiver, express or implied, by any Partner to or of any breach or default by any other Partner in the performance by such other Partner of its obligations hereunder shall be deemed to be or construed to be a consent or waiver to or of any other breach or default by such other Partner in the performance by such other Partner of the same or any other obligations of such Partner hereunder. Failure on the part of any of the other Partners to declare any of the other Partners in default, irrespective of how long such failure continues, shall not constitute a waiver by any such Partner of its rights hereunder.

Enforceability. If any provisions of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, the remainder of this

Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Titles and Captions. Section titles or captions contained in this Agreement are for convenience only and shall not be deemed a part of the contents of this Agreement.

Binding Agreement and Express Third Party Beneficiaries. Subject to the restrictions on transfer and encumbrances set forth herein, this Agreement shall inure to the benefit of and be binding upon the undersigned Partners and their heirs, executors, legal representatives, successors and assigns. Whenever in this instrument a reference to any Partner is made, such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of such Partner.

Governing Law. This Agreement is made and shall be construed under and in accordance with the laws of the State of Delaware (without regard to the conflict of laws provisions thereof).

Notices. Any notice, consent, approval, or other communication which is provided for or required by this Agreement must be in writing and may be delivered in person to any Partner or may be sent by a facsimile transmission, telegram, expedited courier or registered or certified U.S. mail, with postage prepaid, return receipt requested. Any such notice or other written communications shall be deemed received by the Partner to whom it is sent (i) in the case of personal delivery, on the date of delivery to the Partner to whom such notice is addressed as evidenced by a written receipt signed on behalf of such Partner, (ii) in the case of facsimile transmission or telegram, the next business day after the date of transmission, (iii) in the case of courier delivery, the date receipt is acknowledged or rejected by the Partner to whom such notice is addressed as evidenced by a written receipt signed on behalf of such Partner, and (iv) in the case of registered or certified mail, the date receipt is acknowledged or rejected on the return receipt for such notice. For purposes of notices, the addresses of the Partners hereto shall be as follows, which addresses may be changed at any time by written notice given in accordance with this provision:

If to General Partner or Limited Partner:

c/o Colony Xanadu, LLC
660 Madison Avenue, Suite 1600
New York, NY 10021
Attn: Richard Saltzman
Telephone: 212-832-0500
Facsimile No.: 212-593-5433

And

c/o Colony Xanadu, LLC
1999 Avenue of the Stars, Suite 1200
Los Angeles, CA 90067
Attn: Joy Mallory
Telephone: 310-282-8820
Facsimile No.: 310-282-8808

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

White & Case LLP
1155 Avenue of the Americas
New York, NY 10036-2787
Attn: John Reiss
Attn: Steven Teichman
Facsimile No.: 212-354-8113

If to Special General Partner:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-787
Attn: Mitchell E. Hersh, President and Chief Executive Officer
Facsimile No.: 732-205-9040

And: c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-7817
Attn: Roger W. Thomas, Executive Vice President and General Counsel
Facsimile No.: 732-205-9015

For courier or overnight delivery to Special General Partner

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, NJ 08837-2206

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

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Attn: John P. Napoli
Attn: Stephen Epstein
Facsimile No.: 212-218-5527

Failure of, or delay in delivery of any copy of a notice or other written communication shall not impair the effectiveness of such notice or written communication given to any party to this Agreement as specified herein.

Covenants, Representations and Warranties of the Partners. Each Partner represents and warrants to the other Partners as follows:

it is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement and to conduct the business of the Partnership;

this Agreement constitutes the legal, valid and binding obligation of the Partner enforceable in accordance with its terms, subject to the application of principles of equity and laws governing insolvency and creditors' rights generally;

no consents or approvals (which have not been obtained) are required from any governmental authority or other Person for the Partner to enter into this Agreement and be admitted to the Partnership. All action on the part of the Partner (and its direct or indirect equity owners) necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken;

the execution and delivery of this Agreement by the Partner, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organic documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulations, order or decree to which it or its properties are subject;

each Partner is acquiring its Interest for investment, solely for its own account, with the intention of holding such interest for investment and not with a view to, or for resale in connection with, any distribution or public offering or resale of any portion of such interest within the meaning of the Securities Act of 1933, as amended from time to time (the "**Securities Act**"), or any other applicable federal or state security law, rule or regulations ("**Securities Laws**");

each Partner acknowledges that it is aware that its Interest has not been registered under the Securities Act or under any other Security Law in reliance upon exemptions contained therein. Each Partner understands and acknowledges that its representations and warranties contained herein are being relied upon by the Partnership, the other Partner and the constituent owners of such other Partner as the basis for exemption of the issuance of interests in the Partnership from registration requirements of the Securities Act and other Securities Laws. Each Partner acknowledges that the Partnership will not and has no obligation to register any interest in the Partnership under the Securities Act or other Securities Laws;

each Partner acknowledges that prior to its execution of this Agreement, it received a copy of this agreement and that it examined this documents or caused this document to be examined by its representative or attorney. Each Partner does hereby further acknowledge that it or its representative or attorney is familiar with this Agreement, and with the business and affairs of the Partnership, and that except as otherwise specifically provided in this Agreement, it does not desire any further information or data relating to the Partnership, and subsidiary of the Partnership, the Premises or the other Partners. Each Partner does hereby acknowledge that it understands that the acquisition of its Interest is a speculative investment involving a high degree of risks and does hereby represent that is has a net worth sufficient to bear the economic risk of its investment in the Partnership and to justify its investing in a highly speculative venture of this type;

the Partner is in compliance with Executive Order 132324 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof;

at all times, including after giving effect to any Transfers permitted pursuant to this Agreement, (a) none of the funds or other assets of the Partner constitutes property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law (including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder) (any such person, entity or government, an "**Embargoed Person**") with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof; (b) no Embargoed Person has any interest of any nature whatsoever in the Partner with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable law, regulation, order or decree is in violation thereof; and (c) none of the funds of the Partner have been derived from any unlawful activity with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable, law, rule, regulations, order or decree is in violation thereof;

if applicable to such Partner, the Partner has implemented a corporate anti-money laundering plan that is reasonably designed to ensure compliance with applicable foreign and U.S. anti-money laundering law; and

the Partner is familiar with the "U.S. Government Blacklists" maintained by applicable U.S. Federal agencies and none of its partners, members, shareholders, officers or directors are on the "U.S. Government Blacklists".

Entire Agreement. This Agreement, unless subsequently amended with the consent of all of the Partners, contains the final and entire Agreement among the parties hereto, and they shall not be bound by any terms, conditions, statements or representations, oral or written, not herein contained.

Amendment. This Agreement may be amended or modified by (and only by) a written instrument signed by all of the Partners, which need not be executed or approved by any other Person.

Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature pages and the Agreement may be executed by the affixing of the signatures of each of the Partners to one of such counterpart signature pages; all of such signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single solitary page.

[The remainder of this page is left intentionally blank; signature pages follow]

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

GENERAL PARTNER:

MEADOWLANDS MACK-CALI GP, L.L.C.

By: Meadowlands Developer Limited Partnership, a Delaware limited partnership, its sole member

By: Meadowlands Limited Partnership, a Delaware limited partnership, its general partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its managing general partner

By: _____
Name: _____
Title: _____

LIMITED PARTNER

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP

By: Meadowlands Limited Partnership, a Delaware limited partnership, its general partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its managing general partner

By: _____
Name: _____
Title: _____

SPECIAL GENERAL PARTNER

MACK-CALI MEADOWLANDS SPECIAL L.L.C

By: Mack-Cali Realty, L.P., a Delaware limited Partnership, its sole member

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

By: _____
Name: _____
Title: _____

PARTNERS AND PARTNER INFORMATION

GENERAL PARTNER	INTEREST
MEADOWLANDS MACK-CALI GP, L.L.C.	0.01%
LIMITED PARTNER	
MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP	99.99%
SPECIAL GENERAL PARTNER	
MACK-CALI MEADOWLANDS SPECIAL L.L.C.	0.00%
	100%

SCHEDULE 1

TENANT PARTNERSHIPS

ERC Meadowlands Mills/Mack-Cali Limited Partnership

Baseball Meadowlands Mills/Mack-Cali Limited Partnership

A-B Office Meadowlands Mack-Cali Limited Partnership

C-D Office Meadowlands Mack-Cali Limited Partnership

Hotel Meadowlands Mack-Cali Limited Partnership

EXHIBIT E

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (the "**Agreement**") is made as of November 22, 2006 by and among MEADOWLANDS MACK-CALI GP, L.L.C., a Delaware limited liability company (f/k/a Meadowlands Mills/Mack-Cali GP, L.L.C.) ("**General Partner**"), MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) ("**Limited Partner**" or "**MDLP**" and together with General Partner, each shall sometimes be referred to herein as a "**Developer Partner**" and collectively as, the "**Developer Partners**"), and MACK-CALI MEADOWLANDS SPECIAL L.L.C., a New Jersey limited liability company ("**Special General Partner**" and together with Limited Partner and General Partner, the "**Partners**").

RECITALS:

WHEREAS, the Developer Partners prepared, executed and filed a Certificate of Limited Partnership for C-D Office Meadowlands Mack-Cali Limited Partnership (f/k/a C-D Office Meadowlands Mack-Cali/Mills Limited Partnership) (the "**Partnership**") with the Secretary of State of Delaware on June 16, 2005, (as amended from time to time, the "**Certificate**"). Upon filing the Certificate, the Partnership was assigned file number 3986633;

WHEREAS, MDLP was formed to develop portions of the site surrounding the Continental Airlines Arena (as defined in the Redevelopment Agreement (as hereinafter defined)) site with an entertainment, sports, recreation and retail complex, together with office and hotel components, at the Meadowlands Sports Complex and sometimes commonly referred to as "**Meadowlands Xanadu**";

WHEREAS, the Partnership was one of five Delaware limited partnerships set forth on **Schedule 1** attached hereto (the "**Tenant Partnerships**") formed by the Developer Partners to acquire a leasehold interest in a portion of Meadowlands Xanadu;

WHEREAS, the Developer Partners entered into that certain Limited Partnership Agreement of the Partnership dated as of June 16, 2005 (the "**Original Agreement**");

WHEREAS, prior to the date hereof, MDLP entered into: (i) that certain Redevelopment Agreement, dated as of December 3, 2003, with the New Jersey Sports and Exposition Authority (the "**NJSEA**") pursuant to which, among other things, MDLP is entitled, on the terms and conditions set forth therein, to redevelop Meadowlands Xanadu; and (ii) the following amendments to the Redevelopment Agreement: (a) that certain First Amendment to Redevelopment Agreement dated as of October 5, 2004, (b) that certain Second Amendment to Redevelopment Agreement dated as of March 15, 2005, (c) that certain Third Amendment to Redevelopment Agreement dated as of May 23, 2005 to be effective as of March 30, 2005, and (d) that certain Fourth Amendment to Redevelopment Agreement dated as of June 30, 2005 (such Redevelopment Agreement, together with such amendments, being collectively referred to herein as the "**Redevelopment Agreement**");

WHEREAS, the real property that is subject to the Redevelopment Agreement and upon which MDLP has commenced construction of Meadowlands Xanadu is referred to in the Redevelopment Agreement and herein as the "**Project Site**";

WHEREAS, the Redevelopment Agreement contemplates that certain agreements were to be executed, and certain funds were to be paid (including the Development Rights Fee (as defined in the Redevelopment Agreement)), and certain actions were to be taken, upon the occurrence of the Development Rights Fee Funding Date (as defined in the Redevelopment Agreement), and that the Development Rights Fee Funding Date was to occur on June 30, 2005;

WHEREAS, the Development Rights Fee Funding Date occurred on June 30, 2005 in connection with the closing of the transactions contemplated in the Redevelopment Agreement that were to occur on the Development Rights Fee Funding Date (such closing is commonly referred to by the NJSEA and MDLP, and referred to herein, as the "**Financial Closing**");

WHEREAS, in connection with the Financial Closing, the following documents (in addition to certain other documents not herein described), each dated as of June 30, 2005, were executed and delivered on behalf of the Partnership: (i) Ground Lease ("**C-D Ground Lease**") by and among the NJSEA and the Partnership for the portion of the Project Site commonly known as the C-D Office Site ("**C-D Office Site**"); (ii) Assignment and Assumption Agreement (referred to in the Redevelopment Agreement as a "Component Agreement") wherein MDLP assigned certain of its rights and obligations under the Redevelopment Agreement relating to the C-D Office Site to the Partnership; and (iii) a memoranda of lease relating to the C-D Ground Lease;

WHEREAS, in connection with the Financial Closing, the following documents (in addition to those documents listed in the previous recital and in addition to certain other documents not herein described), each dated as of June 30, 2005, were executed and delivered on behalf of other Tenant Partnerships: (i) ground leases (each a "**Ground Lease**" and together with the C-D Ground Lease the "**Ground Leases**") relating to each Component (as defined in the Redevelopment Agreement) portion of the Project Site; (ii) four Component Agreements (as defined in the Redevelopment Agreement) wherein the Partnership assigned certain of its rights and obligations under the Redevelopment Agreement to the Component Entities; and (iii) four memoranda of lease for each of the other Ground Leases;

WHEREAS, the Development Rights Fee (as defined in the Redevelopment Agreement), an amount equal to $160,000,000, is deemed under the Redevelopment Agreement and the Ground Leases to constitute prepaid rent under all of the Ground Leases with respect to the first fifteen (15) years of each of the Ground Leases;

WHEREAS, the Ground Leases allocate the amount of the Development Rights Fee to prepaid rent under the Ground Leases for the first fifteen (15) years of each of the Ground Leases, and treat the payment of such amounts as made by the corresponding Tenant Partnerships ("**Prepaid Rent Allocations**"), with $21,360,000 of such amount allocated to the C-D Ground Lease;

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid by MDLP to NJSEA, it was the intent of the partners of MDLP that the aggregate amount of the Development Rights Fee be allocated to prepaid rent among each of the Ground Leases in an amount equal to the Prepaid Rent Allocations, and treated as the payment of such amounts by the corresponding Tenant Partnerships;

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid directly by MDLP to NJSEA, it was the intent of the partners of MDLP that the following be deemed to have occurred immediately prior to such payment of the Development Rights Fee to the NJSEA: (i) on June 30, 2005, MDLP contributed, as capital contributions to the Tenant Partnerships and General Partner, cash in an aggregate amount equal to the Development Rights Fee (the "**Aggregate Capital Contributions**"), with 99.99% of such Aggregate Capital Contributions being made directly to the Tenant Partnerships (such capital contributions, the "**Direct Capital Contributions**") and 0.01% of such Aggregate Capital Contributions being made to General Partner (such capital contributions, the "**Indirect Capital Contributions**"), (ii) General Partner, on June 30, 2005 and immediately after the Partnership's contribution of the Indirect Capital Contributions to General Partner, contributed, as capital contributions to the Tenant Partnerships, cash in an aggregate amount equal to the Indirect Capital Contributions (such capital contributions, the "**GP Capital Contributions**"), (iii) the portions of the Direct Capital Contributions and the GP Capital Contributions were on such date allocated to each Component Entity based upon the allocation of the Development Rights Fee to each Ground Lease as set forth in Exhibit B of the Mack-Cali Rights Agreement (as defined below), and (iv) each of the Tenant Partnerships paid their respective portion of the Development Rights Fee to NJSEA;

WHEREAS, simultaneously herewith, MDLP caused all of the MDLP partnership interests held by Special General Partner, a general partner in MDLP, and its Affiliate, Mack-Cali Meadowlands Entertainment L.L.C., a Delaware limited liability company ("**MC Entertainment**" and together with Special General Partner the "**MC Partners**"), a limited partner in MDLP, to be redeemed pursuant to that certain Redemption Agreement dated as of the date hereof by and among MDLP, Special General Partner, MC Entertainment and other signatories thereto, whereby the MC Partners' partnership interests in MDLP were fully and completely redeemed (the "**Redemption**");

WHEREAS, simultaneously herewith the Partners and the Partnership, along with certain other entities have entered into that certain Mack-Cali Rights, Obligations and Option Agreement dated as of the date hereof (the "**Mack-Cali Rights Agreement**") which sets forth certain rights and obligations with respect to the Partnership, a copy of which Mack-Cali Rights Agreement is annexed hereto as **Exhibit A**;

WHEREAS, in connection with the Redemption, MDLP distributed to Special General Partner, among other consideration, a special, non-economic general partnership interest in the Partnership;

WHEREAS, simultaneously herewith the name of Limited Partner has been changed to "Meadowlands Developer Limited Partnership" and the name of the General Partner has been changed to "Meadowlands Mack-Cali GP, L.L.C.";

WHEREAS, pursuant to the Mack-Cali Rights Agreement, the Special General Partner has certain rights to Take Down (as defined below) the Partnership, which rights (including economic rights) are more particularly set forth in the Mack-Cali Rights Agreement and which rights become effective with respect to the Special General Partner's interest in the Partnership only upon the Special General Partner's exercise of its Take Down option with respect to the Partnership;

WHEREAS, in connection with the Redemption, the Partnership (among others) and MDLP entered into that certain License Agreement to provide for the use of the Marks (as defined below), without a fee, by the Partnership; and

WHEREAS, in connection with the Redemption, this Agreement is being amended to admit the Special General Partner as a general partner in the Partnership with a non-economic interest in the Partnership. For the avoidance of doubt, the parties hereto intend that the Special General Partner shall not be treated as a partner for tax purposes and the Partnership shall not be treated as a "partnership" for tax purposes, in each case, prior to the exercise of the Take Down.

NOW, THEREFORE, the Partners, by execution of this Agreement, desire to amend the Original Agreement and adopt this Agreement in its entirety, set forth their rights and obligations with respect to the Partnership as a limited partnership pursuant to and in accordance with the Delaware Revised Uniform Limited Partnership Act (6 Del. C.§ 17-101 et seq.) (as amended from time to time, the "**Act**"), and, in consideration of the mutual promises and covenants made herein, the Partners hereby agree as follows:

AGREEMENTS:

DEFINED TERMS

The following terms and variations thereof shall have the following meanings for purposes of this Agreement, unless the context otherwise clearly requires:

"**Act**" has the meaning set forth in the Recitals.

"**Affiliate(s)**" shall mean, with respect to any Person, (a) a Person who, directly or indirectly, controls, is under common control with, or is controlled by, that Person, (b) a Person who directly or indirectly owns twenty-five percent (25%) or more of the issued and outstanding securities or other ownership interests (whether voting or non-voting) of that Person, (c) any officer, director, trustee, manager, managing member, general partner or beneficiary of such Person, (d) any spouse, parent, sibling or descendant of any Person described in clause (b) and (c) above, and (e) any trust for the benefit of any Person described in clauses (b) through (d) above or for any spouse, issue or lineal descendant of any Person described in clauses (b)

through (d) above. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Aggregate Capital Contributions**" has the meaning set forth in the Recitals.

"**Agreement**" has the meaning set forth in the Preamble and includes the Original Agreement and all amendments hereto.

"**Amended Certificate**" has the meaning set forth in Section 2.1 hereof.

"Approval of the Partners" shall mean the approval in writing by the Partners and, unless otherwise expressly provided herein to the contrary, the Partners shall not unreasonably withhold, delay or condition such approval.

"**Arbitrators**" has the meaning set forth in Section 10.4(b) hereof.

"**Authority Agreement**" and "**Authority Agreements**" have the meaning set forth in Section 5.2(a)(v) hereof.

"Bankruptcy" means with respect to any Person, if such Person (a) makes an assignment for the benefit of creditors, (b) files a voluntary petition in bankruptcy, (c) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (d) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (e) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (f) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (g) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy," in conjunction with Section 8.2(c) of this Agreement, is intended to and shall supersede the events of withdrawal set forth in Sections 17-402(a)(4) and (5) of the Act.

"**C-D Ground Lease**" has the meaning set forth in the Recitals.

"**C-D Office Site**" has the meaning set forth in the Recitals.

"**Certificate**" has the meaning set forth in the Recitals.

"**Code**" means the Internal Revenue Code of 1986, as amended or recodified.

"**Covered Person**" or "**Covered Persons**" has the meaning set forth in Section 10.1(a) hereof.

"**Developer Partner**" or "**Developer Partners**" has the meaning set forth in the Preamble.

"**Direct Capital Contributions**" has the meaning set forth in the Recitals.

"**Disputes**" has the meaning set forth in Section 10.4(a) hereof.

"**Embargoed Person**" has the meaning set forth in Section 10.12(i) hereof.

"**ERISA**" means Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Plan**" means an employee benefit plan, as defined in ERISA Section 3(3), that is subject to ERISA, or a plan that is subject to Section 4975 of the Code.

"**Financial Closing**" has the meaning set forth in the Recitals.

"**Fiscal Year**" means the twelve month period ending December 31 of each year; provided that the first Fiscal Year shall be the period beginning on the date the Partnership is formed and ending on December 31, 2005, and the last Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Partnership is completed and ending on the date such final liquidation and termination is completed (to the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first or final Fiscal Year to reflect that such period is less than a full calendar year period).

"**General Partner**" means Meadowlands Mack-Cali GP, L.L.C. and any Person who becomes a successor or additional general partner pursuant to the terms of this Agreement, each in its capacity as a general partner of the Partnership.

"**GP Capital Contributions**" has the meaning set forth in the Recitals.

"**Ground Lease**" or "**Ground Leases**" has the meaning set forth in the Recitals.

"**Indirect Capital Contributions**" has the meaning set forth in the Recitals.

"**Interest**" means the entire ownership interest (which may be expressed as a percentage) of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled pursuant to this Agreement, the Mack-Cali Rights Agreement and under the Act, together with all obligations of such Partner to comply with the terms and provisions of this Agreement, the Mack-Cali Rights Agreement and the Act. The Interest of each Partner is set forth on **Exhibit B** hereto, as the same is amended from time to time.

"**License Agreement**" shall mean that certain License Agreement, dated on or about the date hereof, by and among MDLP, the Partnership, ERC Meadowlands Mills/Mack-Cali Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and Baseball Meadowlands Mills/Mack-Cali Limited Partnership.

"**Limited Partner**" has the meaning set forth in the Preamble and includes any Person who becomes a successor or additional limited partner pursuant to the terms of this Agreement, each in its capacity as a limited partner of the Partnership.

"**Mack-Cali Rights Agreement**" has the meaning set forth in the Recitals.

"**Marks**" has the meaning set forth in the License Agreement.

"**Major Decisions**" has the meaning set forth in Section 5.2.

"MC Entertainment" has the meaning set forth in the Recitals.

"MC Partners" has the meaning set forth in the Recitals.

"**MDLP**" means Meadowlands Developer Limited Partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) and any Person who becomes a successor or additional general partner pursuant to the terms of this Agreement, each in its capacity as a general partner of the Partnership.

"Meadowlands Xanadu" has the meaning set forth in the Recitals.

"**NJSEA**" has the meaning set forth in the Recitals.

"**Original Agreement**" has the meaning set forth in the Recitals.

"**Partner**" or **"Partners"** has the meaning set forth in the Preamble.

"**Partnership**" has the meaning set forth in the Recitals.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"**Premises**" has the meaning assigned to that term in the C-D Ground Lease.

"**Prepaid Rent Allocations**" has the meaning set forth in the Recitals.

"**Project**" shall have the meaning specified in the Redevelopment Agreement as it relates solely to the C-D Office Site.

"**Project Site**" has the meaning set forth in the Recitals.

"**Redemption**" has the meaning set forth in the Recitals.

"**Redevelopment Agreement**" has the meaning set forth in the Recitals.

"**ROFR Component Entity**" or **"ROFR Component Entities"** has the meaning set forth in the Mack-Cali Rights Agreement.

"**Securities Act**" has the meaning set forth in Section 10.12(e) hereof.

"**Securities Laws**" has the meaning set forth in Section 10.12(e) hereof.

"**Special General Partner**" has the meaning set forth in the Preamble and includes any Person who becomes a successor or additional special general partner pursuant to the terms of this Agreement, each in its capacity as a special general partner of the Partnership.

"**Take Down**" has the meaning ascribed to such term in the Mack-Cali Rights Agreement.

"**Tenant Partnerships**" has the meaning set forth in the Recitals.

"**Transfer**" has the meaning set forth in Section 7.1 hereof.

"**Transferor**" has the meaning set forth in Section 7.2(c)(i) hereof.

"**Transferee**" has the meaning set forth in Section 7.2(c)(i) hereof.

THE PARTNERSHIP; partners

Formation, Name and Existence. The Developer Partners, prepared, executed and filed a Certificate with the Secretary of State of Delaware on June 16, 2005 and the Partners prepared, executed and filed or caused to be filed an Amended and Restated Certificate of Limited Partnership of the Partnership on the date hereof (the "**Amended Certificate**"). The Partners hereby confirm and ratify the formation and existence of the Partnership under the name "C-D Office Meadowlands Limited Partnership", as a Delaware limited liability partnership, pursuant to the provisions of the Act and this Agreement. The existence of the Partnership as a separate legal entity shall continue until cancellation of the Amended Certificate as provided in the Act.

Partners. The names and Interests of the Partners are set forth in **Exhibit B** attached hereto.

Special General Partner. Special General Partner is admitted to the Partnership solely as a general partner without economic rights with respect to any capital, profit, loss, deductions, credits and allowances of the Partnership or any cash or other property distributable by the Partnership.

Purpose. The purposes and businesses of the Partnership shall be limited to the following: (a) acquiring and holding a leasehold interest in the Premises pursuant to the C-D Ground Lease; (b) designing, constructing, developing, leasing, operating, managing and disposing of the Premises or interests therein; (c) financing the Premises; and (d) transacting any and all lawful business for which a limited partnership may be organized under the laws of the State of Delaware that is incident, necessary and appropriate to accomplish the foregoing.

Tax Status. The Partners intend that the Partnership constitute an entity disregarded from its owner for federal income tax purposes and no Partner, or any transferee or successor thereto, shall take any action or report anything inconsistent with such intended tax status.

Principal Office and Place of Business. The principal office and place of business of the Partnership shall be the principal office of the General Partner or such other address as the General Partner directs. The Partnership may have such additional offices as the General Partner deems advisable.

Registered Agent. The registered agent of the Partnership shall be Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The General Partner shall have the right to change the registered agent of the Partnership at any time in compliance with the Act and the laws of all other jurisdictions in which the Partnership may elect to conduct business.

CONTRIBUTION BY THE PARTNERS

Initial Capital of the Partnership. As a result of the transactions described in the Recitals, the Developer Partners respectively each contributed a portion of the Aggregate Capital Contributions to the capital of the Partnership. No Partner shall be treated as having contributed to the Partnership any portion of the Prepaid Rent Allocations and no Partner shall receive any credit in its capital account for any portion of the Prepaid Rent Allocations.

Limitation on Withdrawal of Capital. Except as expressly provided in this Agreement, no Partner (a) shall have the right to withdraw or receive any return on its contributions or claim to any Partnership capital prior to termination of the Partnership pursuant to Article VIII hereof, (b) shall have any right to demand and receive property other than cash in return for its contributions, or (c) shall be liable to any other Partner for the return of such Partner's contributions to the Partnership, or any portion thereof, it being expressly understood that such return shall be made solely from Partnership assets.

PROFIT AND LOSSES; DISTRIBUTIONS

Profits and Losses. All income, profits, losses, deductions and credits of the Partnership shall be allocated to the Developer Partners.

Distributions. Any distributions made by the Partnership shall be made to the Developer Partners.

MANAGEMENT; LEGAL TITLE TO PROPERTY

Management Authority.

Except as otherwise expressly provided in this Agreement, the Mack-Cali Rights Agreement or in the Act, management decisions of the Partnership shall be made solely by the General Partner, which shall be solely responsible for the conduct of the Partnership's business subject to the provisions of this Agreement, the Mack-Cali Rights Agreement and applicable law. The General Partner shall have all of the rights, powers, duties and obligations of a general partner as provided in the Act and as otherwise provided by law, and any action taken by the General Partner that is not in violation of this Agreement, the Act or other applicable law shall constitute the act of and serve to bind the Partnership. Except as otherwise expressly provided herein, the Limited Partner shall not have or exercise any right in connection with the management of the Partnership's business.

The General Partner shall devote itself to the business and purpose of the Partnership, as set forth in Section 2.4 above, to the extent reasonably necessary for the efficient carrying on thereof (it being acknowledged, however, that the General Partner shall not be required to devote its time exclusively to the operation of the Partnership), without compensation. Whenever requested by any of the other Partners, the General Partner shall render a just and faithful account of all dealings and transactions relating to the business of the Partnership. The acts of the General Partner shall bind the Partnership when within the scope of the General Partner's authority expressly granted hereunder.

Major Decisions. Unless otherwise indicated, capitalized terms in this Section 5.2 that are not defined in this Agreement shall be defined as set forth in the Mack-Cali Rights Agreement. The Partners shall not take the following decisions (each a "**Major Decision**") without the prior written approvals as specified below. In the event of a failure to agree on a matter set forth in this Section 5.2, the matter shall be submitted to mediation and/or arbitration in accordance with Section 10.4 of this Agreement.

The following decisions or acts with respect to, or on the part of, the Partners shall require the prior written Approval of the other Partners, which Approval may not be unreasonably withheld, delayed or conditioned by a Partner. If a Partner (directly or through its authorized representative) shall request that another Partner provides such written approval, the requested Partner (directly or through its authorized representatives) shall have ten (10) Business Days after receipt of a written request from the requesting Partner to grant or deny such approval provided that the requested Partner shall have received information as reasonably required to render such decision. A failure of the requested Partner to provide such written approval or denial within such ten (10)

Business Day period shall be deemed to mean that the requested Partner shall have granted such written approval):

Any amendment to this Agreement or other organizational documents of the Partnership;

Entering into, or undertaking of, any agreement, transaction or action relating to the Project that (a) is not within the scope of this Agreement, or (b) is not contemplated by or within the scope of the Transaction Documents, or (c) is not related to the ownership, operation or management of any portion of the Project as contemplated by this Agreement and the Transaction Documents, in each case, if such action or undertaking would have an adverse effect on the Partnership or the Premises;

Adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of the Partnership, but only if and to the extent such adjustment, settlement or compromise would have an adverse effect on the Partnership;

To the extent applicable, establishing or adjusting the gross asset value for any contributed or distributed asset (other than cash) to or from the Partnership, except as provided herein;

Entering into any amendment to, or modification of, the Redevelopment Agreement, the Project Operating Agreement, the Construction Management Agreement, the Declaration, the Project Labor Agreement, the Ground Leases, the Right of Entry Agreement, the Access and Indemnity Agreement, the Master Plan, and any other agreement to be entered into with the NJSEA (any of which, an "**Authority Agreement**" and, together, the "**Authority Agreements**") which is inconsistent with any of the foregoing enumerated instruments but only if and to the extent adversely affecting the Partnership;

Entering into any agreement with The New York Football Giants or The New York Football Jets that adversely affects the Partnership;

Any transfer, assignment or pledge of the "Right of First Refusal" pursuant to the Redevelopment Agreement;

Any voluntary action or decision which, if undertaken or made, would violate Section 7 of the Mack-Cali Rights Agreement;

To the extent applicable, preparation or identification of (and any amendment, modification or revision to), for submission to the NJSEA, the Final Project Sequencing Plan, Final Traffic and Infrastructure Sequencing Plan, the Preliminary Traffic and Infrastructure

Improvements (including preparation of the estimated budget to permit, design and construct the Final Traffic and Infrastructure Improvements), marketing and publicity program referred to in Section 3.4(b) of the Redevelopment Agreement (regarding encouraging the use of the rail system by Project visitors), the written plan for the Job Skills Training referred to in Section 3.6(a) of the Redevelopment Agreement, the Small Business Marketing Plan referred to in Section 3.6(b) of the Redevelopment Agreement, or any other report, document or schedule pursuant to any Authority Agreement or the Cooperation Agreement but only if and to the extent that any of the foregoing actions or documents are inconsistent with the Authority Agreements or the Cooperation Agreement or adversely affect the Partnership or the Premises;

[Intentionally Omitted];

To the extent applicable, designation or selection of the Stakeholders Liaison (as such term is defined in the Redevelopment Agreement);

To the extent applicable, enforcement or written waiver of any claim or determination related to the assertion of an Authority Interference which Authority Interference has an adverse impact on the Partnership or the Premises and which assertion occurs prior to four (4) years after the Grand Opening Date;

Making any distribution or payment by the Partnership to any Person (including any party hereto or any Affiliate of any party hereto) that is not expressly contemplated by this Agreement;

Causing or permitting the Partnership to be in Bankruptcy;

Causing the Partnership to incur or obtain bond debt or other public financing vehicle(s) other than bond debt or other public financing vehicle(s) that is not secured by a mortgage, deed of trust or other security instrument encumbering the Premises intended to fund Infrastructure Improvement Costs and Program Costs, as well as a debt service reserve fund for such loan, capitalized interest and other issuance costs related to the loan, as described in the Authority Agreements, and having commercially reasonable terms and conditions at least as favorable as follows:

a. Loan Term: not less than 10 years;
b. Amortization Period: not less than 20 years;
c. Interest Rate: fixed rate of not greater than 8.5% per annum or variable rate of LIBOR plus 300 basis points;
d. Maximum Net Proceeds: $160,000,000;
e. The Partnership shall only be responsible on a nonrecourse basis for its proportionate share of the proceeds and such obligations are several; and
f. No guaranty by the Special General Partner or its Affiliates and no substitute or additional collateral (for example, a letter of credit) to be provided by the Special General Partner or its Affiliates.

The granting of any mortgage, deed of trust or other security instrument encumbering the Premises other than to secure a loan from a third party that provides for the release of the Premises from the lien of the mortgage, deed of trust or other security instrument in connection with the Take Down of the Partnership as contemplated in Section 10 of the Mack-Cali Rights Agreement provided that such release does not require any additional payment of principal and interest or any payments, including fees or points, other than reimbursement of reasonable legal fees to effectuate the same;

[Intentionally Omitted]; and

To the extent applicable, adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of the Partnership in excess of the greater of (a) $1,000,000 in the aggregate, or (b) five percent (5%) of stabilized net operating income of the Partnership (with such stabilized net operating income being defined to mean the net operating income for the third full Fiscal Year after Completion (as defined in the Redevelopment Agreement) shall have occurred with respect to the Premises).

The following decisions and acts with respect to, or on the part of, a Partner shall require the prior written Approval of the Partners, which approval may be granted or withheld in the other Partners' sole and absolute discretion. If a Partner (directly or through its authorized representative) shall request that another Partner provides such written approval, the requested Partner (directly or through its authorized representatives) shall have ten (10) Business Days after receipt of a written request from the requesting Partner to grant or deny such approval provided that the requested Partner shall have received information as reasonably required to render such decision. A failure of the requested Partner to provide such written approval or denial within such ten (10) Business Day period shall be deemed to mean that the requested Partner shall have granted such written approval):

The undertaking of any of the following acts if and to the extent inconsistent with this Agreement or the Partnership's organizational documents or any of the Authority Agreements that would: (a) cause the Partnership's dissolution or termination other than contemporaneous with or subsequent to the sale or other disposition of all or substantially all of

the Partnership's assets, or (b) cause the Partnership to become an entity other than a "limited partnership" organized under the Act (including, without limitation, under any conversion statute);

Possessing any Partnership or Partner property, or assigning any rights in specific property for other than an entity purpose;

Except as otherwise permitted by this Agreement, admitting or permitting or causing the Partnership to admit new or substitute partners, causing the Partnership to redeem or repurchase all or any of a Partner's Interest, agreeing to issue, directly or indirectly, any Interests in the Partnership, or granting, issuing or agreeing to grant or issue, directly or indirectly, any right, option or warrant to subscribe for, purchase, or otherwise acquire Interests in the Partnership;

Changing the name of the Partnership or the name under which any such entity does business from the name(s) set forth in such entity's organizational documents;

Authorizing or effectuating a merger or consolidation of the Partnership with or into one or more other entities;

Authorizing or effectuating a dissolution, liquidation, termination or winding up of the Partnership other than contemporaneous with or subsequent to a sale or other disposition of all or substantially all of the Partnership's assets;

Making the election (or otherwise doing anything else) which would result in the Partnership being treated as anything other than a "partnership" for federal, state, local and, as applicable, foreign tax purposes;

Taking any affirmative action not contemplated in this Agreement with the intent that the Special General Partner shall have personal liability for any of the expenses, debts, obligations, liabilities, contracts, judgments or other obligations of the Partnership; and

Development or construction of any office or hotel within Meadowlands Xanadu.

Title to Land. Legal title to the Premises and other property of the Partnership shall be taken and at all times held in the name of the Partnership.

Section 5.4 No Contracts with Affiliates. Except as otherwise provided herein, no Partner shall enter into any agreement or other arrangement for the furnishing to or by the Partnership of goods or services or leases, subleases, licenses, concessions or other agreements with any Person who is an Affiliate of such Partner (including leases of space to Affiliate businesses) unless goods or services are provided to the Partnership of such lease or other payments are at market rates of compensation and the terms and conditions thereof are approved by Special General Partner.

Section 5.5 Notice of Lawsuits, Liens, Defaults under Loans, etc. **Each of the Partners shall notify the other Partners as soon as reasonably possible upon receipt of any written notice of: (i) the filing or threatened filing of any action in law or in equity naming the Partnership, as a party relating in any material way to any portion of the C-D Office Site; or (ii) any actions to impose material liens of any kind whatsoever or of the imposition of any lien whatsoever against its assets including the C-D Ground Lease or any portion thereof, that may have a material adverse effect on the Partnership.**

FISCAL YEAR, BOOKS AND RECORDS, BANK ACCOUNTS

Fiscal Year. The Fiscal Year of the Partnership shall be the calendar year.

Books and Records.

There shall be kept and maintained at the Partnership's principal place of business full and accurate books and records showing all receipts and expenditures, assets and liabilities, profits, losses and distributions, and all other records necessary for recording the Partnership's business and affairs.

The books of the Partnership shall be kept on the accounting method determined by the General Partner and shall show at all times each and every item of income and expense.

Each Partner shall have the right at all reasonable times and upon reasonable advance notice, during usual business hours, to audit, examine, and make copies of extracts from the books of account of the Partnership. Such right may be exercised through any agent, employee, or independent public accountant designated by such Partner. Each Partner shall bear all expenses incurred in any examination made for such Partner's account.

Bank Accounts. The funds of the Partnership shall be deposited in such bank account or accounts of the Partnership as the General Partner determines are required, and the General Partner shall arrange for the appropriate conduct of such accounts.

Tax Returns and Financial Statements. Tax returns and the annual financial statements of the Partnership shall be prepared by, or at the direction of, the General Partner as soon as practicable after the expiration of a tax year and copies of the same shall be delivered to the Partners within a reasonable time thereafter.

SALE, TRANSFER OR MORTGAGE OF INTERESTS

General. Except as expressly permitted in Sections 7.2 and 7.3 of this Agreement or as otherwise expressly permitted in this Agreement, no Partner shall directly or indirectly sell, assign, transfer, pledge, mortgage, convey, charge or otherwise encumber or contract to do or permit any of the foregoing, whether voluntarily or by operation of law (herein sometimes collectively called a "**Transfer**"), or suffer any Affiliate or other third party to Transfer, any part or all of its Interest or its share of capital, profits, losses, allocations or distributions hereunder without the express prior written consent of Special General Partner, which consent may be withheld for any or no reason whatsoever. Any attempt to Transfer in violation of this Article VII shall be null and void. The giving of consent in any one or more instances of Transfer shall not limit or waive the need for such consent in any other or subsequent instances. Transfers of ownership interests in Special General Partner or any of its Affiliates (including Mack-Cali Realty Corporation or Mack-Cali Realty, L.P.) or Developer Partners or any of their respective Affiliates (including Meadowlands Limited Partnership, Colony Investors VII, LP, Dune Capital Management LP, Kan Am Limited Partnership, The Mills Corporation or The Mills Limited Partnership) shall not constitute a "Transfer" hereunder.

Permitted Transfers.

Transfers By Special General Partner. Without the consent of any other Partner, Special General Partner may from time to time (i) Transfer its Interest, in whole or in part (A) to an Affiliate of such Transferor or (B) from an Affiliate to another Affiliate of such Transferor, (ii) Transfer the aggregate Interests held by such Transferor and its Affiliates to a Person other than an Affiliate so long as (A) such Transferor has the right to control the day to day operations of such Person and (B) such Transferor or its Affiliate owns at least fifty percent (50%) of the beneficial interest in such Person, or (iii) mortgage, pledge or hypothecate all or any portion of such Interest so long as the Person to which such Interest is mortgaged, pledged or hypothecated cannot foreclose or otherwise realize upon such collateral and elect to become a substitute Partner.

Transfer By the Developer Partner. Without the consent of any other Partner, each Developer Partner may from time to time (i) Transfer its Interest, in whole or in part (A) to an Affiliate of such Transferor or (B) from an Affiliate to another Affiliate of such Transferor, (ii) Transfer the aggregate Interests held by such Transferor and its Affiliates to a Person other than an Affiliate so long as (A) such Transferor has the right to control the day to day operations of such Person and (B) such Transferor or its Affiliate owns at least fifty percent (50%) of the beneficial interest in such Person, or (iii) mortgage, pledge or hypothecate all or any portion of such Interest so long as the Person to which such Interest is mortgaged, pledged or hypothecated cannot foreclose or otherwise realize upon such collateral and elect to become a substitute Partner.

Agreements with Transferees.

If pursuant to the provisions of Sections 7.2(a) or (b), any Partner ("**Transferor**") shall purport to make a Transfer of any part of its Interest to any Person ("**Transferee**"), no such Transfer shall entitle Transferee to any benefits or rights hereunder until:

Transferee agrees in writing to assume and be bound by all the obligations of Transferor and be subject to all the restrictions to which Transferor is subject under the terms of this Agreement and any agreements with respect to the Project to which Transferor is then subject or is then required to be a party; and

Transferor and Transferee enter into a written agreement with the Partnership which provides (x) in the case of a partial transfer of Interests, that Transferor is irrevocably designated the proxy of Transferee to exercise all voting and other approval rights appurtenant to the Interest acquired by Transferee, (y) that Transferor shall remain liable for all obligations arising under this Agreement prior to or after such Transfer in respect of the Interest so transferred; provided, however, that as to any Transfer to a non-Affiliate of the Transferor, Transferor shall only be liable for all obligations arising under this Agreement and any agreements with respect to the Project to which Transferor is then subject or is then required to be a party from and after such Transfer in respect of the Interest so transferred; and (z) that Transferee shall indemnify the Partners from and against all claims, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and court costs) which may arise as a result of any breach by Transferee of its obligations hereunder.

No Transferee of any Interest shall make any further disposition except in accordance with the terms and conditions hereof.

All costs and expenses incurred by the Partnership, or the non-transferring Partners, in connection with any Transfer of a Interest, including any filing or recording costs and the fees and disbursements of counsel, shall be paid by Transferor.

Take Down by Special General Partner. Notwithstanding anything herein to the contrary, if the Special General Partner exercises a Take Down, the provisions of Section 11 of that certain Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership, dated November 25, 2003, shall be incorporated herein or any amendment or restatement hereof pursuant to and in accordance with Section 10.6 of the Mack-Cali Rights Agreement.

Sale Rights of Special General Partner and Developer Partners; Right of First Offer. Except as provided in Section 7.2, no Partner may sell all or any portion of its or its Affiliates' Interest at any time prior to the date that is three (3) years after the date of issuance of the certificate of occupancy for the core and shell of the Project.

Restraining Order. If any Partner shall at any time Transfer or attempt to Transfer its Interest or part thereof in violation of the provisions of this Agreement and any rights hereby granted, then the other Partners shall, in addition to all rights and remedies at law and in equity, be entitled to a decree or order restraining and enjoining such Transfer and the offending Partner shall not plead in defense thereto that there would be an adequate remedy at law; it being hereby expressly acknowledged and agreed that damages at law will be an inadequate remedy for a breach or threatened breach of the violation of the provisions concerning Transfer set forth in this Agreement.

ERISA. No Partner shall Transfer all or any part of its Interests to any party, including another Partner, whether or not the Transfer would otherwise be permitted hereunder, if the Transfer would result in the assets of the Partnership being deemed to include assets of an ERISA Plan. At the request of such other Partners and as a condition of the consummation of any Transfer of all or part of a Interest to any party, including another Partner, the Partner proposing to Transfer all or any part of its Interest shall, at its cost, provide an unqualified opinion of counsel, which must be reasonably satisfactory to each such other Partners, that the Transfer would not result in the assets of the Partnership being deemed to include assets of an ERISA Plan, and in addition to such other Partner's rights under Section 7.4, the Partner proposing to Transfer shall indemnify and hold harmless such other Partners (except any Partner that is the proposed purchaser), from and against any and all loss, cost, tax, liability or expense (including but not limited to reasonable attorneys' fees and court costs) which such other Partners may suffer if the Transfer would cause the assets of the Partnership being deemed to include assets of any ERISA Plan.

Admission of Additional Partners.

No Person may be admitted as an additional Partner of the Partnership (in contrast with admission as a substitute Partner in connection with a Permitted Transfer) without the consent of the General Partner and the Special General Partner.

Any additional or substitute Partner admitted to the Partnership shall execute and deliver documentation in form satisfactory to the General Partner accepting and agreeing to be bound by this Agreement, and such other documentation as the General Partner shall reasonably require in order to effect such Person's admission as an additional Partner. The admission of any Person as an additional Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership following the consent of the General Partner to such admission.

Override on Permitted Transfers.

It is expressly understood and agreed that any Transfer permitted pursuant to this Article VII shall in all instances be prohibited (and, if consummated, shall be void *ab initio*) if such Transfer does not comply with all applicable laws, rules and regulations and other requirements of governmental authorities, including, without limitation, Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof.

Each admitted Partner shall be required to make the representations and warranties set forth in Section 10.12 of this Agreement to the other Partner(s) and the Partnership as of the date of such Partner's admission into the Partnership. Each Partner shall be deemed to make the representations and warranties set forth in Section 10.12(h)-(k) of this Agreement to the Partners and the Partnership on behalf of any Person that acquires a beneficial ownership interest in such Partner as of the date of such acquisition.

TERM, DISSOLUTION AND TERMINATION

Term. The Partnership shall have perpetual existence, unless sooner dissolved and liquidated in accordance with the provisions hereof.

Dissolution in Certain Events.

The Partnership shall be dissolved, and its affairs shall be wound up, upon the first to occur of the following: (i) (A) all of the Partners of the Partnership approve in writing, or (B) the Partnership sells or otherwise disposes of its interest in all or substantially all of its assets or (ii) (A) the occurrence of an event of withdrawal (as defined in the Act) with respect to a General Partner, other than an event of withdrawal set forth in Section 17-402(a)(4) or (5) of the Act; provided, the Partnership shall not be dissolved and required to be wound up in connection with any of the events described in this clause (ii)(A) if (1) at the time of the occurrence of any such event there is at least one remaining General Partner of the Partnership who is hereby authorized to and shall carry on the business of the Partnership, or (2) if at such time there is no remaining General Partner, if within ninety (90) days after such event of withdrawal, the Limited Partner agrees in writing or votes to continue the business of the Partnership and to appoint, effective as of the day of withdrawal, one or more additional General Partners, or (3) the Partnership is continued without dissolution in a manner permitted by the Act or this Agreement, (B) there are no limited partners of the Partnership unless the business of the Partnership is continued in accordance with the Act and this Agreement or (C) the entry of a decree of judicial dissolution under Section 17-802 of the Act.

Upon the occurrence of any event that results in the General Partner ceasing to be a General Partner of the Partnership under the Act, if at the time of the occurrence of such event there is at least one remaining General Partner of the Partnership, such remaining General Partner of the Partnership is hereby authorized to and, to the fullest extent permitted by law, shall, carry on the business of the Partnership. Upon the occurrence of any event that causes the last remaining General Partner of the Partnership to cease to be a General Partner of the Partnership, to the fullest extent permitted by law, all the Partners agree that the “personal representative” of such general partner is hereby authorized to, and shall, within ninety (90) days after the occurrence of

the event that terminated the continued membership of such General Partner in the Partnership, agree in writing (i) to continue the Partnership and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute General Partner of the Partnership, effective as of the occurrence of the event that terminated the continued membership of the last remaining General Partner of the Partnership in the Partnership.

Upon the occurrence of any event that causes the last remaining Limited Partner of the Partnership to cease to be a Limited Partner of the Partnership, to the fullest extent permitted by law, all the Partners agree that the personal representative of such Limited Partner is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such Limited Partner in the Partnership, agree in writing (i) to continue the Partnership and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute limited partner of the Partnership, effective as of the occurrence of the event that terminated the continued membership of the last remaining Limited Partner of the Partnership in the Partnership.

Notwithstanding any other provision of this Agreement to the contrary, the Bankruptcy of, or the occurrence of any event set in Sections 17-402(a)(4) and (5) of the Act with respect to, the General Partner shall not cause the General Partner to cease to be a General Partner of the Partnership, and upon the occurrence of such an event, the Partnership shall continue without dissolution.

The death, incompetency, Bankruptcy, dissolution or other cessation to exist as a legal entity of a Limited Partner shall not, in and of itself, dissolve the Partnership. In any such event, the personal representative (as defined in the Act) of such Limited Partner may exercise all of the rights of such. Limited Partner for the purpose of settling such Limited Partner's estate or administering its property, subject to the terms and conditions of this Agreement.

Procedures upon Dissolution. Upon dissolution of the Partnership, the Partnership shall be terminated and the General Partner shall liquidate the assets of the Partnership. The proceeds of liquidation shall be applied and distributed in the following order or priority:

first, to the satisfaction (whether by payment or the making of reasonable provision for payment thereof) of the debts and liabilities of the Partnership and the expenses of liquidation; and

thereafter, to the Developer Partners in proportion to their respective Interests in the Partnership.

A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities. During the period beginning with the dissolution of the Partnership and ending with its liquidation and termination of the Agreement pursuant to this Section 8.3, the business affairs of the Partnership shall be conducted by the General Partner. During such period, the business and affairs of the Partnership shall be conducted so as to preserve the assets of the Partnership and maintain the status thereof which existed immediately prior to such termination.

USE OF MARK AND MACK-CALI PARTNERS' NAMES

Section 9.1 Use of Mark by Partnership**. MDLP, the Partnership and the other signatories thereto will enter into, on or about the date hereof, into the License Agreement which shall provide for the use of the Marks, without a fee, by the signatories thereto.**

Section 9.2 Use of Special General Partner's Name**. Special General Partner and its Affiliates shall in their sole discretion determine whether to permit the use of their names in connection with the Partnership. The Developer Partners and their respective Affiliates acknowledge and agree that the name of Special General Partner and any of its Affiliates may not be used by the Developer Partners, any of their respective Affiliates or the Partnership in connection with the Partnership without the prior written consent of Special General Partner.**

Section 9.3 No Use of Related Mark**. Neither Special General Partner nor its Affiliates shall be permitted to use the word "Xanadu" in any manner except as provided in the License Agreement.**

MISCELLANEOUS

Liability Among Partners; Exculpation and Indemnification.

No Partner shall be liable to any other Partners or to the Partnership by reason of its actions or omission in connection with the Partnership except in the case of actual fraud, gross negligence or willful misconduct. Neither the Partners, nor any officer, director, manager, member employee, representative, agent or affiliate of the Partners, nor any of their respective officers, directors, managers or members (each a "**Covered Person**," and collectively, the "**Covered Persons**") shall be liable to the Partnership or any other Person who has an interest in or claim against the Partnership for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's fraud, gross negligence or willful misconduct.

To the fullest extent permitted by applicable law, each Covered Person shall be entitled to indemnification from the Partnership for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's fraud, gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 9.1 by the Partnership shall be provided out of and to the extent of Partnership assets only, and the Partners shall not have personal liability on account thereof

To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 10.1.

A Covered Person shall be fully protected in relying in good faith upon the records of the Partnership and upon such information, opinions, reports or statements presented to the Partnership by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Partnership, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Partners might properly be paid.

To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Partnership or to any other Covered Person for its good faith reliance on the provisions of this Agreement or any approval or authorization granted by the Partnership or any other Covered Person. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such Covered Person.

Except as otherwise expressly provided in this Agreement, each Partner shall look solely to the assets of the Partnership for all distributions contemplated by this Agreement or otherwise with respect to the Partnership and, if applicable, such Partner's capital contributions in the Partnership (including return thereof), and such Partner's share of profits or losses thereof, and shall have no recourse therefor (upon dissolution or otherwise) against any other Partner. Notwithstanding anything to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not be required to make a distribution to any Partner contemplated by this Agreement if such distribution would violate the Act or other applicable law.

The indemnification rights contained in this Section 10.1 shall be cumulative of, and in addition to, any and all rights, remedies and recourses to which the Covered Persons shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

The foregoing provisions of this Section 10.1 shall survive any termination of this Agreement.

[Intentionally Omitted]

Take Down. Pursuant to the Mack-Cali Rights Agreement, the Partners acknowledge and agree that the Special General Partner has certain Take Down rights with respect to the Partnership as more particularly set forth in the Mack-Cali Rights Agreement and incorporated by reference herein. Upon the exercise of the Special General Partner's option to Take Down, the General Partner shall cause the Partnership to issue limited partnership interests to the

Special General Partner, and/or its Affiliate(s), in consideration for its obligations following a Take-Down and this Agreement shall be amended and restated in accordance with this Section 10.3 and with the terms and conditions the Mack-Cali Rights Agreement. If the Special General Partner does not exercise its Take Down option, as more fully described in the Mack-Cali Rights Agreement within the time periods and on the conditions described therein then the interest of the Special General Partner in the Partnership shall immediately terminate and the Special General Partner shall cease to be a partner in the Partnership for all purposes, all as more fully described in the Mack-Cali Rights Agreement.

Mediation and Arbitration. Unless otherwise indicated, capitalized terms in this Section 10.4 that are not defined in this Agreement shall be defined as set forth in the Mack-Cali Rights Agreement.

Unless otherwise expressly provided herein, it is understood and agreed by the Partners that, in the event any dispute, disagreement, claim or controversy arises between any of the Partners, arising under or related to this Agreement or relating to any approvals or agreements required to be given or made by the parties hereto under this Agreement, including a dispute, disagreement, claim or controversy in connection with a Major Decision (the "**Disputes**"), then, at the request of any of the Partners, the disputing parties shall resolve the Dispute promptly through confidential mediation with a mediator jointly selected by the disputing parties. If the disputing parties are unable to agree on the mediator within two (2) days after written notice from one disputing party to the other demanding mediation, the disputing parties shall each select one (1) mediator and those two (2) mediators shall jointly select a third mediator as soon as practicable and such third mediator shall act as mediator hereunder. All mediators selected shall be licensed attorneys experienced in complex real estate and partnership transactions and the tax consequences thereof. Each party shall bear its own fees and expenses attributable to the mediation, provided, however, that the costs, fees and expenses attributable to the independent mediator shall be borne equally among the disputing parties.

In the event that the disputing parties are unable to settle their Dispute through mediation within ten (10) Business Days after the mediator has been selected as provided above, any unresolved Dispute shall be submitted to binding arbitration in the State of New York, within five (5) Business Days from the date the disputing parties were unable to settle their dispute through mediation, with each party to bear its own fees and expenses attributable thereto, before a panel of three (3) neutral arbitrators from the Large Complex Case Panel of the American Arbitration Association (the "**Arbitrators**"), said Arbitrators to be attorneys with at least ten (10) years experience in complex real estate and partnership transactions and the tax consequences thereof. The arbitration shall be conducted in accordance with the then-current commercial Arbitration Rules of the American Arbitration Association. The Arbitrators shall render their decision within ten (10) Business Days after the Dispute is submitted to the arbitration panel. In furtherance of the foregoing, it is understood and agreed that the decision rendered by the Arbitrators hereunder shall be binding and absolutely conclusive upon the parties hereto and may be enforced by entry of a judgment in any court having jurisdiction. The fees and expenses of Arbitrators shall be borne equally among the disputing parties. To the extent, if any, that the party or parties prevailing in any such arbitration proceedings are required to seek judicial confirmation or enforcement of the Arbitrators' award, the non-prevailing party or parties shall be obligated to pay for such prevailing party's or parties' reasonable and actual fees, costs, expenses and disbursements incurred in connection with such judicial confirmation and/or enforcement. Notwithstanding the foregoing, a party may seek a preliminary injunction or other preliminary judicial relief if in its judgment such action is necessary to avoid irreparable damage. Despite such action, the parties hereto will continue to participate in good faith in the procedures specified in this Section 10.4(b). All applicable statutes of limitation shall be tolled while the procedures specified in this Section 10.4(b) are pending. The parties hereto will take such action, if any, required to effectuate such tolling.

No Agency Created. Nothing herein contained shall be construed to constitute any Partner (or any Affiliate thereof) the agent of another Partner or to limit the Partners (or any Affiliates thereof) in any manner in the carrying on of their own respective businesses or activities. Except as provided in this Agreement, each Partner acknowledges and agrees that none of the Partnership or any Partner (or any Affiliate of any Partner) shall have any right, by virtue of this Agreement, either to participate in, or to share in, any now existing ventures or any of the other Partners or their respective Affiliates, or in the income or proceeds derived from such ventures. Any Partner may engage in and/or possess any interest in any other business or real estate venture of any nature and description, independently, or with others, including but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property; and neither the Partnership nor any other Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Approvals. Except as otherwise provided herein, all approvals or consents permitted or required to be given under this Agreement shall be reasonably given and not unreasonably delayed or withheld. In the event that a Partner having a right of approval takes no action within a reasonable time (or, if a time is specified in this Agreement, then within such specified time) subsequent to receipt of the documents or agreements subject to said approval or consent, the approval or consent of said Partner shall be deemed to have been given.

References. References herein to the singular shall include the plural and to the plural shall include the singular, and references to one gender shall include the other, except where the same shall be not appropriate.

Effect of Consent or Waiver. No consent or waiver, express or implied, by any Partner to or of any breach or default by any other Partner in the performance by such other Partner of its obligations hereunder shall be deemed to be or construed to be a consent or waiver to or of any other breach or default by such other Partner in the performance by such other Partner of the same or any other obligations of such Partner hereunder. Failure on the part of any of the other Partners to declare any of the other Partners in default, irrespective of how long such failure continues, shall not constitute a waiver by any such Partner of its rights hereunder.

Enforceability. If any provisions of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Titles and Captions. Section titles or captions contained in this Agreement are for convenience only and shall not be deemed a part of the contents of this Agreement.

Binding Agreement and Express Third Party Beneficiaries. Subject to the restrictions on transfer and encumbrances set forth herein, this Agreement shall inure to the benefit of and be binding upon the undersigned Partners and their heirs, executors, legal representatives, successors and assigns. Whenever in this instrument a reference to any Partner is made, such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of such Partner.

Governing Law. This Agreement is made and shall be construed under and in accordance with the laws of the State of Delaware (without regard to the conflict of laws provisions thereof).

Notices. Any notice, consent, approval, or other communication which is provided for or required by this Agreement must be in writing and may be delivered in person to any Partner or may be sent by a facsimile transmission, telegram, expedited courier or registered or certified U.S. mail, with postage prepaid, return receipt requested. Any such notice or other written communications shall be deemed received by the Partner to whom it is sent (i) in the case of personal delivery, on the date of delivery to the Partner to whom such notice is addressed as evidenced by a written receipt signed on behalf of such Partner, (ii) in the case of facsimile transmission or telegram, the next business day after the date of transmission, (iii) in the case of courier delivery, the date receipt is acknowledged or rejected by the Partner to whom such notice is addressed as evidenced by a written receipt signed on behalf of such Partner, and (iv) in the case of registered or certified mail, the date receipt is acknowledged or rejected on the return receipt for such notice. For purposes of notices, the addresses of the Partners hereto shall be as follows, which addresses may be changed at any time by written notice given in accordance with this provision:

If to General Partner or Limited Partner:

c/o Colony Xanadu, LLC
660 Madison Avenue, Suite 1600
New York, NY 10021
Attn: Richard Saltzman
Telephone: 212-832-0500
Facsimile No.: 212-593-5433

And

c/o Colony Xanadu, LLC
1999 Avenue of the Stars, Suite 1200
Los Angeles, CA 90067
Attn: Joy Mallory
Telephone: 310-282-8820
Facsimile No.: 310-282-8808

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

White & Case LLP
1155 Avenue of the Americas
New York, NY 10036-2787
Attn: John Reiss
Attn: Steven Teichman
Facsimile No.: 212-354-8113

If to Special General Partner:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-787
Attn: Mitchell E. Hersh, President and Chief Executive Officer
Facsimile No.: 732-205-9040

And: c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-7817
Attn: Roger W. Thomas, Executive Vice President and General Counsel
Facsimile No.: 732-205-9015

For courier or overnight delivery to Special General Partner

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, NJ 08837-2206

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

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Attn: John P. Napoli
Attn: Stephen Epstein
Facsimile No.: 212-218-5527

Failure of, or delay in delivery of any copy of a notice or other written communication shall not impair the effectiveness of such notice or written communication given to any party to this Agreement as specified herein.

Covenants, Representations and Warranties of the Partners. Each Partner represents and warrants to the other Partners as follows:

it is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement and to conduct the business of the Partnership;

this Agreement constitutes the legal, valid and binding obligation of the Partner enforceable in accordance with its terms, subject to the application of principles of equity and laws governing insolvency and creditors' rights generally;

no consents or approvals (which have not been obtained) are required from any governmental authority or other Person for the Partner to enter into this Agreement and be admitted to the Partnership. All action on the part of the Partner (and its direct or indirect equity owners) necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken;

the execution and delivery of this Agreement by the Partner, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organic documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulations, order or decree to which it or its properties are subject;

each Partner is acquiring its Interest for investment, solely for its own account, with the intention of holding such interest for investment and not with a view to, or for resale in connection with, any distribution or public offering or resale of any portion of such interest within the meaning of the Securities Act of 1933, as amended from time to time (the "**Securities Act**"), or any other applicable federal or state security law, rule or regulations ("**Securities Laws**");

each Partner acknowledges that it is aware that its Interest has not been registered under the Securities Act or under any other Security Law in reliance upon

exemptions contained therein. Each Partner understands and acknowledges that its representations and warranties contained herein are being relied upon by the Partnership, the other Partner and the constituent owners of such other Partner as the basis for exemption of the issuance of interests in the Partnership from registration requirements of the Securities Act and other Securities Laws. Each Partner acknowledges that the Partnership will not and has no obligation to register any interest in the Partnership under the Securities Act or other Securities Laws;

each Partner acknowledges that prior to its execution of this Agreement, it received a copy of this agreement and that it examined this documents or caused this document to be examined by its representative or attorney. Each Partner does hereby further acknowledge that it or its representative or attorney is familiar with this Agreement, and with the business and affairs of the Partnership, and that except as otherwise specifically provided in this Agreement, it does not desire any further information or data relating to the Partnership, and subsidiary of the Partnership, the Premises or the other Partners. Each Partner does hereby acknowledge that it understands that the acquisition of its Interest is a speculative investment involving a high degree of risks and does hereby represent that is has a net worth sufficient to bear the economic risk of its investment in the Partnership and to justify its investing in a highly speculative venture of this type;

the Partner is in compliance with Executive Order 132324 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof;

at all times, including after giving effect to any Transfers permitted pursuant to this Agreement, (a) none of the funds or other assets of the Partner constitutes property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law (including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder) (any such person, entity or government, an "**Embargoed Person**") with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof; (b) no Embargoed Person has any interest of any nature whatsoever in the Partner with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable law, regulation, order or decree is in violation thereof; and (c) none of the funds of the Partner have been derived from any unlawful activity with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable, law, rule, regulations, order or decree is in violation thereof;

if applicable to such Partner, the Partner has implemented a corporate anti-money laundering plan that is reasonably designed to ensure compliance with applicable foreign and U.S. anti-money laundering law; and

the Partner is familiar with the "U.S. Government Blacklists" maintained by applicable U.S. Federal agencies and none of its partners, members, shareholders, officers or directors are on the "U.S. Government Blacklists".

Entire Agreement. This Agreement, unless subsequently amended with the consent of all of the Partners, contains the final and entire Agreement among the parties hereto, and they shall not be bound by any terms, conditions, statements or representations, oral or written, not herein contained.

Amendment. This Agreement may be amended or modified by (and only by) a written instrument signed by all of the Partners, which need not be executed or approved by any other Person.

Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature pages and the Agreement may be executed by the affixing of the signatures of each of the Partners to one of such counterpart signature pages; all of such signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single solitary page.

[The remainder of this page is left intentionally blank; signature pages follow]

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

GENERAL PARTNER:

MEADOWLANDS MACK-CALI GP, L.L.C.

By: Meadowlands Developer Limited Partnership, a Delaware limited partnership, its sole member

By: Meadowlands Limited Partnership, a Delaware limited partnership, its general partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its managing general partner

By: _____
Name: _____
Title: _____

LIMITED PARTNER

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP

By: Meadowlands Limited Partnership, a Delaware limited partnership, its general partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its managing general partner

By: _____
Name: _____
Title: _____

SPECIAL GENERAL PARTNER

MACK-CALI MEADOWLANDS SPECIAL L.L.C

By: Mack-Cali Realty, L.P., a Delaware limited Partnership, its sole member

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

By: _____
Name: _____
Title: _____

PARTNERS AND PARTNER INFORMATION

GENERAL PARTNER INTEREST	
MEADOWLANDS MACK-CALI GP, L.L.C.	0.01%
LIMITED PARTNER	
MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP	99.99%
SPECIAL GENERAL PARTNER	
MACK-CALI MEADOWLANDS SPECIAL L.L.C.	0.00%
	100%

SCHEDULE 1

TENANT PARTNERSHIPS

ERC Meadowlands Mills/Mack-Cali Limited Partnership

Baseball Meadowlands Mills/Mack-Cali Limited Partnership

A-B Office Meadowlands Mack-Cali Limited Partnership

C-D Office Meadowlands Mack-Cali Limited Partnership

Hotel Meadowlands Mack-Cali Limited Partnership

EXHIBIT F

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
HOTEL MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF HOTEL MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (the "**Agreement**") is made as of November 22, 2006 by and among MEADOWLANDS MACK-CALI GP, L.L.C., a Delaware limited liability company (f/k/a Meadowlands Mills/Mack-Cali GP, L.L.C.) ("**General Partner**"), MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) ("**Limited Partner**" or "**MDLP**" and together with General Partner, each shall sometimes be referred to herein as a "**Developer Partner**" and collectively as, the "**Developer Partners**"), and MACK-CALI MEADOWLANDS SPECIAL L.L.C., a New Jersey limited liability company ("**Special General Partner**" and together with Limited Partner and General Partner, the "**Partners**").

RECITALS:

WHEREAS, the Developer Partners prepared, executed and filed a Certificate of Limited Partnership for Hotel Meadowlands Mack-Cali Limited Partnership (f/k/a Hotel Meadowlands Mack-Cali/Mills Limited Partnership) (the "**Partnership**") with the Secretary of State of Delaware on June 16, 2005, (as amended from time to time, the "**Certificate**"). Upon filing the Certificate, the Partnership was assigned file number 3986638;

WHEREAS, MDLP was formed to develop portions of the site surrounding the Continental Airlines Arena (as defined in the Redevelopment Agreement (as hereinafter defined)) site with an entertainment, sports, recreation and retail complex, together with office and hotel components, at the Meadowlands Sports Complex and sometimes commonly referred to as "**Meadowlands Xanadu**";

WHEREAS, the Partnership was one of five Delaware limited partnerships set forth on **Schedule 1** attached hereto (the "**Tenant Partnerships**") formed by the Developer Partners to acquire a leasehold interest in a portion of Meadowlands Xanadu;

WHEREAS, the Developer Partners entered into that certain Limited Partnership Agreement of the Partnership dated as of June 16, 2005 (the "**Original Agreement**");

WHEREAS, prior to the date hereof, MDLP entered into: (i) that certain Redevelopment Agreement, dated as of December 3, 2003, with the New Jersey Sports and Exposition Authority (the "**NJSEA**") pursuant to which, among other things, MDLP is entitled, on the terms and conditions set forth therein, to redevelop Meadowlands Xanadu; and (ii) the following amendments to the Redevelopment Agreement: (a) that certain First Amendment to Redevelopment Agreement dated as of October 5, 2004, (b) that certain Second Amendment to Redevelopment Agreement dated as of March 15, 2005, (c) that certain Third Amendment to Redevelopment Agreement dated as of May 23, 2005 to be effective as of March 30, 2005, and (d) that certain Fourth Amendment to Redevelopment Agreement dated as of June 30, 2005 (such Redevelopment Agreement, together with such amendments, being collectively referred to herein as the "**Redevelopment Agreement**");

WHEREAS, the real property that is subject to the Redevelopment Agreement and upon which MDLP has commenced construction of Meadowlands Xanadu is referred to in the Redevelopment Agreement and herein as the "**Project Site**";

WHEREAS, the Redevelopment Agreement contemplates that certain agreements were to be executed, and certain funds were to be paid (including the Development Rights Fee (as defined in the Redevelopment Agreement)), and certain actions were to be taken, upon the occurrence of the Development Rights Fee Funding Date (as defined in the Redevelopment Agreement), and that the Development Rights Fee Funding Date was to occur on June 30, 2005;

WHEREAS, the Development Rights Fee Funding Date occurred on June 30, 2005 in connection with the closing of the transactions contemplated in the Redevelopment Agreement that were to occur on the Development Rights Fee Funding Date (such closing is commonly referred to by the NJSEA and MDLP, and referred to herein, as the "**Financial Closing**");

WHEREAS, in connection with the Financial Closing, the following documents (in addition to certain other documents not herein described), each dated as of June 30, 2005, were executed and delivered on behalf of the Partnership: (i) Ground Lease ("**Hotel Ground Lease**") by and among the NJSEA and the Partnership for the portion of the Project Site commonly known as the Hotel Site ("**Hotel Site**"); (ii) Assignment and Assumption Agreement (referred to in the Redevelopment Agreement as a "Component Agreement") wherein MDLP assigned certain of its rights and obligations under the Redevelopment Agreement relating to the Hotel Site to the Partnership; and (iii) a memoranda of lease relating to the Hotel Ground Lease;

WHEREAS, in connection with the Financial Closing, the following documents (in addition to those documents listed in the previous recital and in addition to certain other documents not herein described), each dated as of June 30, 2005, were executed and delivered on behalf of other Tenant Partnerships: (i) ground leases (each a "**Ground Lease**" and together with the Hotel Ground Lease the "**Ground Leases**") relating to each Component (as defined in the Redevelopment Agreement) portion of the Project Site; (ii) four Component Agreements (as defined in the Redevelopment Agreement) wherein the Partnership assigned certain of its rights and obligations under the Redevelopment Agreement to the Component Entities; and (iii) four memoranda of lease for each of the other Ground Leases;

WHEREAS, the Development Rights Fee (as defined in the Redevelopment Agreement), an amount equal to $160,000,000, is deemed under the Redevelopment Agreement and the Ground Leases to constitute prepaid rent under all of the Ground Leases with respect to the first fifteen (15) years of each of the Ground Leases;

WHEREAS, the Ground Leases allocate the amount of the Development Rights Fee to prepaid rent under the Ground Leases for the first fifteen (15) years of each of the Ground Leases, and treat the payment of such amounts as made by the corresponding Tenant Partnerships ("**Prepaid Rent Allocations**"), with $8,480,000 of such amount allocated to the Hotel Ground Lease;

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid by MDLP to NJSEA, it was the intent of the partners of MDLP that the aggregate amount of the Development Rights Fee be allocated to prepaid rent among each of the Ground Leases in an amount equal to the Prepaid Rent Allocations, and treated as the payment of such amounts by the corresponding Tenant Partnerships;

WHEREAS, at the time of the Financial Closing, notwithstanding that the Development Rights Fee was paid directly by MDLP to NJSEA, it was the intent of the partners of MDLP that the following be deemed to have occurred immediately prior to such payment of the Development Rights Fee to the NJSEA: (i) on June 30, 2005, MDLP contributed, as capital contributions to the Tenant Partnerships and General Partner, cash in an aggregate amount equal to the Development Rights Fee (the "**Aggregate Capital Contributions**"), with 99.99% of such Aggregate Capital Contributions being made directly to the Tenant Partnerships (such capital contributions, the "**Direct Capital Contributions**") and 0.01% of such Aggregate Capital Contributions being made to General Partner (such capital contributions, the "**Indirect Capital Contributions**"), (ii) General Partner, on June 30, 2005 and immediately after the Partnership's contribution of the Indirect Capital Contributions to General Partner, contributed, as capital contributions to the Tenant Partnerships, cash in an aggregate amount equal to the Indirect Capital Contributions (such capital contributions, the "**GP Capital Contributions**"), (iii) the portions of the Direct Capital Contributions and the GP Capital Contributions were on such date allocated to each Component Entity based upon the allocation of the Development Rights Fee to each Ground Lease as set forth in Exhibit B of the Mack-Cali Rights Agreement (as defined below), and (iv) each of the Tenant Partnerships paid their respective portion of the Development Rights Fee to NJSEA;

WHEREAS, simultaneously herewith, MDLP caused all of the MDLP partnership interests held by Special General Partner, a general partner in MDLP, and its Affiliate, Mack-Cali Meadowlands Entertainment L.L.C., a Delaware limited liability company ("**MC Entertainment**" and together with Special General Partner the "**MC Partners**"), a limited partner in MDLP, to be redeemed pursuant to that certain Redemption Agreement dated as of the date hereof by and among MDLP, Special General Partner, MC Entertainment and other signatories thereto, whereby the MC Partners' partnership interests in MDLP were fully and completely redeemed (the "**Redemption**");

WHEREAS, simultaneously herewith the Partners and the Partnership, along with certain other entities have entered into that certain Mack-Cali Rights, Obligations and Option Agreement dated as of the date hereof (the "**Mack-Cali Rights Agreement**") which sets forth certain rights and obligations with respect to the Partnership, a copy of which Mack-Cali Rights Agreement is annexed hereto as **Exhibit A**;

WHEREAS, in connection with the Redemption, MDLP distributed to Special General Partner, among other consideration, a special, non-economic general partnership interest in the Partnership;

WHEREAS, simultaneously herewith the name of Limited Partner has been changed to "Meadowlands Developer Limited Partnership" and the name of the General Partner has been changed to "Meadowlands Mack-Cali GP, L.L.C.";

WHEREAS, pursuant to the Mack-Cali Rights Agreement, the Special General Partner has certain rights to Take Down (as defined below) the Partnership, which rights (including economic rights) are more particularly set forth in the Mack-Cali Rights Agreement and which rights become effective with respect to the Special General Partner's interest in the Partnership only upon the Special General Partner's exercise of its Take Down option with respect to the Partnership;

WHEREAS, in connection with the Redemption, the Partnership (among others) and MDLP entered into that certain License Agreement to provide for the use of the Marks (as defined below), without a fee, by the Partnership; and

WHEREAS, in connection with the Redemption, this Agreement is being amended to admit the Special General Partner as a general partner in the Partnership with a non-economic interest in the Partnership. For the avoidance of doubt, the parties hereto intend that the Special General Partner shall not be treated as a partner for tax purposes and the Partnership shall not be treated as a "partnership" for tax purposes, in each case, prior to the exercise of the Take Down.

NOW, THEREFORE, the Partners, by execution of this Agreement, desire to amend the Original Agreement and adopt this Agreement in its entirety, set forth their rights and obligations with respect to the Partnership as a limited partnership pursuant to and in accordance with the Delaware Revised Uniform Limited Partnership Act (6 Del. C.§ 17-101 et seq.) (as amended from time to time, the "**Act**"), and, in consideration of the mutual promises and covenants made herein, the Partners hereby agree as follows:

AGREEMENTS:

DEFINED TERMS

The following terms and variations thereof shall have the following meanings for purposes of this Agreement, unless the context otherwise clearly requires:

"**Act**" has the meaning set forth in the Recitals.

"**Affiliate(s)**" shall mean, with respect to any Person, (a) a Person who, directly or indirectly, controls, is under common control with, or is controlled by, that Person, (b) a Person who directly or indirectly owns twenty-five percent (25%) or more of the issued and outstanding securities or other ownership interests (whether voting or non-voting) of that Person, (c) any officer, director, trustee, manager, managing member, general partner or beneficiary of such Person, (d) any spouse, parent, sibling or descendant of any Person described in clause (b) and (c) above, and (e) any trust for the benefit of any Person described in clauses (b) through (d) above or for any spouse, issue or lineal descendant of any Person described in clauses (b) through (d) above. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Aggregate Capital Contributions**" has the meaning set forth in the Recitals.

"**Agreement**" has the meaning set forth in the Preamble and includes the Original Agreement and all amendments hereto.

"**Amended Certificate**" has the meaning set forth in Section 2.1 hereof.

"Approval of the Partners" shall mean the approval in writing by the Partners and, unless otherwise expressly provided herein to the contrary, the Partners shall not unreasonably withhold, delay or condition such approval.

"**Arbitrators**" has the meaning set forth in Section 10.4(b) hereof.

"**Authority Agreement**" and "**Authority Agreements**" have the meaning set forth in Section 5.2(a)(v) hereof.

"Bankruptcy" means with respect to any Person, if such Person (a) makes an assignment for the benefit of creditors, (b) files a voluntary petition in bankruptcy, (c) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (d) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (e) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (f) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (g) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy," in conjunction with Section 8.2(c) of this Agreement, is intended to and shall supersede the events of withdrawal set forth in Sections 17-402(a)(4) and (5) of the Act.

"**Certificate**" has the meaning set forth in the Recitals.

"**Code**" means the Internal Revenue Code of 1986, as amended or recodified.

"**Covered Person**" or "**Covered Persons**" has the meaning set forth in Section 10.1(a) hereof.

"**Developer Partner**" or "**Developer Partners**" has the meaning set forth in the Preamble.

"**Direct Capital Contributions**" has the meaning set forth in the Recitals.

"**Disputes**" has the meaning set forth in Section 10.4(a) hereof.

"**Embargoed Person**" has the meaning set forth in Section 10.12(i) hereof.

"**ERISA**" means Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Plan**" means an employee benefit plan, as defined in ERISA Section 3(3), that is subject to ERISA, or a plan that is subject to Section 4975 of the Code.

"**Financial Closing**" has the meaning set forth in the Recitals.

"**Fiscal Year**" means the twelve month period ending December 31 of each year; provided that the first Fiscal Year shall be the period beginning on the date the Partnership is formed and ending on December 31, 2005, and the last Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Partnership is completed and ending on the date such final liquidation and termination is completed (to the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first or final Fiscal Year to reflect that such period is less than a full calendar year period).

"**General Partner**" means Meadowlands Mack-Cali GP, L.L.C. and any Person who becomes a successor or additional general partner pursuant to the terms of this Agreement, each in its capacity as a general partner of the Partnership.

"**GP Capital Contributions**" has the meaning set forth in the Recitals.

"**Ground Lease**" or "**Ground Leases**" has the meaning set forth in the Recitals.

"**Hotel Ground Lease**" has the meaning set forth in the Recitals.

"**Hotel Site**" has the meaning set forth in the Recitals.

"**Indirect Capital Contributions**" has the meaning set forth in the Recitals.

"**Interest**" means the entire ownership interest (which may be expressed as a percentage) of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled pursuant to this Agreement, the Mack-Cali Rights Agreement and under the Act, together with all obligations of such Partner to comply with the terms and provisions of this Agreement, the Mack-Cali Rights Agreement and the Act. The Interest of each Partner is set forth on **Exhibit B** hereto, as the same is amended from time to time.

"**License Agreement**" shall mean that certain License Agreement, dated on or about the date hereof, by and among MDLP, the Partnership, ERC Meadowlands Mills/Mack-Cali Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Office Meadowlands Mack-Cali Limited Partnership and Baseball Meadowlands Mills/Mack-Cali Limited Partnership.

"**Limited Partner**" has the meaning set forth in the Preamble and includes any Person who becomes a successor or additional limited partner pursuant to the terms of this Agreement, each in its capacity as a limited partner of the Partnership.

"**Mack-Cali Rights Agreement**" has the meaning set forth in the Recitals.

"**Marks**" has the meaning set forth in the License Agreement.

"**Major Decisions**" has the meaning set forth in Section 5.2.

"MC Entertainment" has the meaning set forth in the Recitals.

"MC Partners" has the meaning set forth in the Recitals.

"**MDLP**" means Meadowlands Developer Limited Partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) and any Person who becomes a successor or additional general partner pursuant to the terms of this Agreement, each in its capacity as a general partner of the Partnership.

"Meadowlands Xanadu" has the meaning set forth in the Recitals.

"**NJSEA**" has the meaning set forth in the Recitals.

"**Original Agreement**" has the meaning set forth in the Recitals.

"**Partner**" or **"Partners"** has the meaning set forth in the Preamble.

"**Partnership**" has the meaning set forth in the Recitals.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"**Premises**" has the meaning assigned to that term in the Hotel Ground Lease.

"**Prepaid Rent Allocations**" has the meaning set forth in the Recitals.

"**Project**" shall have the meaning specified in the Redevelopment Agreement as it relates solely to the Hotel Site.

"**Project Site**" has the meaning set forth in the Recitals.

"**Redemption**" has the meaning set forth in the Recitals.

"**Redevelopment Agreement**" has the meaning set forth in the Recitals.

"**ROFR Component Entity**" or **"ROFR Component Entities"** has the meaning set forth in the Mack-Cali Rights Agreement.

"**Securities Act**" has the meaning set forth in Section 10.12(e) hereof.

"**Securities Laws**" has the meaning set forth in Section 10.12(e) hereof.

"**Special General Partner**" has the meaning set forth in the Preamble and includes any Person who becomes a successor or additional special general partner pursuant to the terms of this Agreement, each in its capacity as a special general partner of the Partnership.

"**Take Down**" has the meaning ascribed to such term in the Mack-Cali Rights Agreement.

"**Tenant Partnerships**" has the meaning set forth in the Recitals.

"**Transfer**" has the meaning set forth in Section 7.1 hereof.

"**Transferor**" has the meaning set forth in Section 7.2(c)(i) hereof.

"**Transferee**" has the meaning set forth in Section 7.2(c)(i) hereof.

THE PARTNERSHIP; partners

Formation, Name and Existence. The Developer Partners, prepared, executed and filed a Certificate with the Secretary of State of Delaware on June 16, 2005 and the Partners prepared, executed and filed or caused to be filed an Amended and Restated Certificate of Limited Partnership of the Partnership on the date hereof (the "**Amended Certificate**"). The Partners hereby confirm and ratify the formation and existence of the Partnership under the name "Hotel Meadowlands Limited Partnership", as a Delaware limited liability partnership, pursuant to the provisions of the Act and this Agreement. The existence of the Partnership as a separate legal entity shall continue until cancellation of the Amended Certificate as provided in the Act.

Partners. The names and Interests of the Partners are set forth in **Exhibit B** attached hereto.

Special General Partner. Special General Partner is admitted to the Partnership solely as a general partner without economic rights with respect to any capital, profit, loss, deductions, credits and allowances of the Partnership or any cash or other property distributable by the Partnership.

Purpose. The purposes and businesses of the Partnership shall be limited to the following: (a) acquiring and holding a leasehold interest in the Premises pursuant to the Hotel Ground Lease; (b) designing, constructing, developing, leasing, operating, managing and disposing of the Premises or interests therein; (c) financing the Premises; and (d) transacting any and all lawful business for which a limited partnership may be organized under the laws of the State of Delaware that is incident, necessary and appropriate to accomplish the foregoing.

Tax Status. The Partners intend that the Partnership constitute an entity disregarded from its owner for federal income tax purposes and no Partner, or any transferee or successor thereto, shall take any action or report anything inconsistent with such intended tax status.

Principal Office and Place of Business. The principal office and place of business of the Partnership shall be the principal office of the General Partner or such other address as the General Partner directs. The Partnership may have such additional offices as the General Partner deems advisable.

Registered Agent. The registered agent of the Partnership shall be Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The General Partner shall have the right to change the registered agent of the Partnership at any time in compliance with the Act and the laws of all other jurisdictions in which the Partnership may elect to conduct business.

CONTRIBUTION BY THE PARTNERS

Initial Capital of the Partnership. As a result of the transactions described in the Recitals, the Developer Partners respectively each contributed a portion of the Aggregate Capital Contributions to the capital of the Partnership. No Partner shall be treated as having contributed to the Partnership any portion of the Prepaid Rent Allocations and no Partner shall receive any credit in its capital account for any portion of the Prepaid Rent Allocations.

Limitation on Withdrawal of Capital. Except as expressly provided in this Agreement, no Partner (a) shall have the right to withdraw or receive any return on its contributions or claim to any Partnership capital prior to termination of the Partnership pursuant to Article VIII hereof, (b) shall have any right to demand and receive property other than cash in return for its contributions, or (c) shall be liable to any other Partner for the return of such Partner's contributions to the Partnership, or any portion thereof, it being expressly understood that such return shall be made solely from Partnership assets.

PROFIT AND LOSSES; DISTRIBUTIONS

Profits and Losses. All income, profits, losses, deductions and credits of the Partnership shall be allocated to the Developer Partners.

Distributions. Any distributions made by the Partnership shall be made to the Developer Partners.

MANAGEMENT; LEGAL TITLE TO PROPERTY

Management Authority.

Except as otherwise expressly provided in this Agreement, the Mack-Cali Rights Agreement or in the Act, management decisions of the Partnership shall be made solely by the General Partner, which shall be solely responsible for the conduct of the Partnership's business subject to the provisions of this Agreement, the Mack-Cali Rights Agreement and applicable law. The General Partner shall have all of the rights, powers, duties and obligations of a general partner as provided in the Act and as otherwise provided by law, and any action taken by the General Partner that is not in violation of this Agreement, the Act or other applicable law shall constitute the act of and serve to bind the Partnership. Except as otherwise expressly provided herein, the Limited Partner shall not have or exercise any right in connection with the management of the Partnership's business.

The General Partner shall devote itself to the business and purpose of the Partnership, as set forth in Section 2.4 above, to the extent reasonably necessary for the efficient carrying on thereof (it being acknowledged, however, that the General Partner shall not be required to devote its time exclusively to the operation of the Partnership), without compensation. Whenever requested by any of the other Partners, the General Partner shall render a just and faithful account of all dealings and transactions relating to the business of the Partnership. The acts of the General Partner shall bind the Partnership when within the scope of the General Partner's authority expressly granted hereunder.

Major Decisions. Unless otherwise indicated, capitalized terms in this Section 5.2 that are not defined in this Agreement shall be defined as set forth in the Mack-Cali Rights Agreement. The Partners shall not take the following decisions (each a "**Major Decision**") without the prior written approvals as specified below. In the event of a failure to agree on a matter set forth in this Section 5.2, the matter shall be submitted to mediation and/or arbitration in accordance with Section 10.4 of this Agreement.

The following decisions or acts with respect to, or on the part of, the Partners shall require the prior written Approval of the other Partners, which Approval may not be unreasonably withheld, delayed or conditioned by a Partner. If a Partner (directly or through its authorized representative) shall request that another Partner provides such written approval, the requested Partner (directly or through its authorized representatives) shall have ten (10) Business Days after receipt of a written request from the requesting Partner to grant or deny such approval provided that the requested Partner shall have received information as reasonably required to render such decision. A failure of the requested Partner to provide such written approval or denial within such ten (10) Business Day period shall be deemed to mean that the requested Partner shall have granted such written approval):

Any amendment to this Agreement or other organizational documents of the Partnership;

Entering into, or undertaking of, any agreement, transaction or action relating to the Project that (a) is not within the scope of this Agreement, or (b) is not contemplated by or within the scope of the Transaction Documents, or (c) is not related to the ownership, operation or management of any portion of the Project as contemplated by this Agreement and the Transaction Documents, in each case, if such action or undertaking would have an adverse effect on the Partnership or the Premises;

Adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of the Partnership, but only if and to the extent such adjustment, settlement or compromise would have an adverse effect on the Partnership;

To the extent applicable, establishing or adjusting the gross asset value for any contributed or distributed asset (other than cash) to or from the Partnership, except as provided herein;

Entering into any amendment to, or modification of, the Redevelopment Agreement, the Project Operating Agreement, the Construction Management Agreement, the Declaration, the Project Labor Agreement, the Ground Leases, the Right of Entry Agreement, the Access and Indemnity Agreement, the Master Plan, and any other agreement to be entered into with the NJSEA (any of which, an "**Authority Agreement**" and, together, the "**Authority Agreements**") which is inconsistent with any of the foregoing enumerated instruments but only if and to the extent adversely affecting the Partnership;

Entering into any agreement with The New York Football Giants or The New York Football Jets that adversely affects the Partnership;

Any transfer, assignment or pledge of the "Right of First Refusal" pursuant to the Redevelopment Agreement;

Any voluntary action or decision which, if undertaken or made, would violate Section 7 of the Mack-Cali Rights Agreement;

To the extent applicable, preparation or identification of (and any amendment, modification or revision to), for submission to the NJSEA, the Final Project Sequencing Plan, Final Traffic and Infrastructure Sequencing Plan, the Preliminary Traffic and Infrastructure Improvements (including preparation of the estimated budget to permit, design and construct the Final Traffic and Infrastructure Improvements), marketing and publicity program referred to in Section 3.4(b) of the Redevelopment Agreement (regarding encouraging the use of the rail system by Project visitors), the written plan for the Job Skills Training referred to in Section 3.6(a) of the Redevelopment Agreement, the Small Business Marketing Plan referred to in Section 3.6(b) of the Redevelopment Agreement, or any other report, document or schedule pursuant to any Authority Agreement or the Cooperation Agreement but only if and to the extent that any of the foregoing actions or documents are inconsistent with the Authority Agreements or the Cooperation Agreement or adversely affect the Partnership or the Premises;

[Intentionally Omitted];

To the extent applicable, designation or selection of the Stakeholders Liaison (as such term is defined in the Redevelopment Agreement);

To the extent applicable, enforcement or written waiver of any claim or determination related to the assertion of an Authority Interference which Authority Interference has an adverse impact on the Partnership or the Premises and which assertion occurs prior to four (4) years after the Grand Opening Date;

Making any distribution or payment by the Partnership to any Person (including any party hereto or any Affiliate of any party hereto) that is not expressly contemplated by this Agreement;

Causing or permitting the Partnership to be in Bankruptcy;

Causing the Partnership to incur or obtain bond debt or other public financing vehicle(s) other than bond debt or other public financing vehicle(s) that is not secured by a mortgage, deed of trust or other security instrument encumbering the Premises intended to fund Infrastructure Improvement Costs and Program Costs, as well as a debt service reserve fund for such loan, capitalized interest and other issuance costs related to the loan, as described in the Authority Agreements, and having commercially reasonable terms and conditions at least as favorable as follows:

a. Loan Term: not less than 10 years;
b. Amortization Period: not less than 20 years;
c. Interest Rate: fixed rate of not greater than 8.5% per annum or variable rate of LIBOR plus 300 basis points;
d. Maximum Net Proceeds: $160,000,000;
e. The Partnership shall only be responsible on a nonrecourse basis for its proportionate share of the proceeds and such obligations are several; and
f. No guaranty by the Special General Partner or its Affiliates and no substitute or additional collateral (for example, a letter of credit) to be provided by the Special General Partner or its Affiliates.

The granting of any mortgage, deed of trust or other security instrument encumbering the Premises other than to secure a loan from a third party that provides for the release of the Premises from the lien of the mortgage, deed of trust or other security instrument in connection with the Take Down of the Partnership as contemplated in Section 10 of the Mack-Cali Rights Agreement provided that such release does not require any additional payment of principal and interest or any payments, including fees or points, other than reimbursement of reasonable legal fees to effectuate the same;

[Intentionally Omitted];

To the extent applicable, adjusting, settling or compromising any claim, obligation, debt, demand, suit or judgment against or on behalf of the Partnership in excess of the greater of (a) $1,000,000 in the aggregate, or (b) five percent (5%) of stabilized net operating income of the Partnership (with such stabilized net operating income being defined to mean the net operating income for the third full Fiscal Year after Completion (as defined in the Redevelopment Agreement) shall have occurred with respect to the Premises);

To the extent applicable, approval of the operator of the Premises; and

To the extent applicable, approval of the management agreement or operating lease with the operator respecting the operation of the Premises.

The following decisions and acts with respect to, or on the part of, a Partner shall require the prior written Approval of the Partners, which approval may be granted or withheld in the other Partners' sole and absolute discretion. If a Partner (directly or through its authorized representative) shall request that another Partner provides such written approval, the requested Partner (directly or through its authorized representatives) shall have ten (10) Business Days after receipt of a written request from the requesting Partner to grant or deny such approval provided that the requested Partner shall have received information as reasonably required to render such decision. A failure of the requested Partner to provide such written approval or denial within such ten (10) Business Day period shall be deemed to mean that the requested Partner shall have granted such written approval):

The undertaking of any of the following acts if and to the extent inconsistent with this Agreement or the Partnership's organizational documents or any of the Authority Agreements that would: (a) cause the Partnership's dissolution or termination other than contemporaneous with or subsequent to the sale or other disposition of all or substantially all of the Partnership's assets, or (b) cause the Partnership to become an entity other than a "limited partnership" organized under the Act (including, without limitation, under any conversion statute);

Possessing any Partnership or Partner property, or assigning any rights in specific property for other than an entity purpose;

Except as otherwise permitted by this Agreement, admitting or permitting or causing the Partnership to admit new or substitute partners, causing the Partnership to redeem or repurchase all or any of a Partner's Interest, agreeing to issue, directly or indirectly, any Interests in the Partnership, or granting, issuing or agreeing to grant or issue, directly or indirectly, any right, option or warrant to subscribe for, purchase, or otherwise acquire Interests in the Partnership;

Changing the name of the Partnership or the name under which any such entity does business from the name(s) set forth in such entity's organizational documents;

Authorizing or effectuating a merger or consolidation of the Partnership with or into one or more other entities;

Authorizing or effectuating a dissolution, liquidation, termination or winding up of the Partnership other than contemporaneous with or subsequent to a sale or other disposition of all or substantially all of the Partnership's assets;

Making the election (or otherwise doing anything else) which would result in the Partnership being treated as anything other than a "partnership" for federal, state, local and, as applicable, foreign tax purposes;

Taking any affirmative action not contemplated in this Agreement with the intent that the Special General Partner shall have personal liability for any of the expenses, debts, obligations, liabilities, contracts, judgments or other obligations of the Partnership; and

Development or construction of any office or hotel within Meadowlands Xanadu.

Title to Land. Legal title to the Premises and other property of the Partnership shall be taken and at all times held in the name of the Partnership.

Section 5.4 No Contracts with Affiliates. **Except as otherwise provided herein, no Partner shall enter into any agreement or other arrangement for the furnishing to or by the Partnership of goods or services or leases, subleases, licenses, concessions or other agreements with any Person who is an Affiliate of such Partner (including leases of space to Affiliate businesses) unless goods or services are provided to the Partnership of such lease or other payments are at market rates of compensation and the terms and conditions thereof are approved by Special General Partner.**

Section 5.5 Notice of Lawsuits, Liens, Defaults under Loans, etc. **Each of the Partners shall notify the other Partners as soon as reasonably possible upon receipt of any written notice of: (i) the filing or threatened filing of any action in law or in equity naming the Partnership, as a party relating in any material way to any portion of the Hotel Site; or (ii) any actions to impose material liens of any kind whatsoever or of the imposition of any lien whatsoever against its assets including the Hotel Ground Lease or any portion thereof, that may have a material adverse effect on the Partnership.**

FISCAL YEAR, BOOKS AND RECORDS, BANK ACCOUNTS

Fiscal Year. The Fiscal Year of the Partnership shall be the calendar year.

Books and Records.

There shall be kept and maintained at the Partnership's principal place of business full and accurate books and records showing all receipts and expenditures, assets and liabilities, profits, losses and distributions, and all other records necessary for recording the Partnership's business and affairs.

The books of the Partnership shall be kept on the accounting method determined by the General Partner and shall show at all times each and every item of income and expense.

Each Partner shall have the right at all reasonable times and upon reasonable advance notice, during usual business hours, to audit, examine, and make copies of extracts from the books of account of the Partnership. Such right may be exercised through any agent, employee, or independent public accountant designated by such Partner. Each Partner shall bear all expenses incurred in any examination made for such Partner's account.

Bank Accounts. The funds of the Partnership shall be deposited in such bank account or accounts of the Partnership as the General Partner determines are required, and the General Partner shall arrange for the appropriate conduct of such accounts.

Tax Returns and Financial Statements. Tax returns and the annual financial statements of the Partnership shall be prepared by, or at the direction of, the General Partner as soon as practicable after the expiration of a tax year and copies of the same shall be delivered to the Partners within a reasonable time thereafter.

SALE, TRANSFER OR MORTGAGE OF INTERESTS

General. Except as expressly permitted in Sections 7.2 and 7.3 of this Agreement or as otherwise expressly permitted in this Agreement, no Partner shall directly or indirectly sell, assign, transfer, pledge, mortgage, convey, charge or otherwise encumber or contract to do or permit any of the foregoing, whether voluntarily or by operation of law (herein sometimes collectively called a "**Transfer**"), or suffer any Affiliate or other third party to Transfer, any part or all of its Interest or its share of capital, profits, losses, allocations or distributions hereunder without the express prior written consent of Special General Partner, which consent may be withheld for any or no reason whatsoever. Any attempt to Transfer in violation of this Article VII shall be null and void. The giving of consent in any one or more instances of Transfer shall not limit or waive the need for such consent in any other or subsequent instances. Transfers of ownership interests in Special General Partner or any of its Affiliates (including Mack-Cali Realty Corporation or Mack-Cali Realty, L.P.) or Developer Partners or any of their respective Affiliates (including Meadowlands Limited Partnership, Colony Investors VII, LP, Dune Capital Management LP, Kan Am Limited Partnership, The Mills Corporation or The Mills Limited Partnership) shall not constitute a "Transfer" hereunder.

Permitted Transfers.

Transfers By Special General Partner. Without the consent of any other Partner, Special General Partner may from time to time (i) Transfer its Interest, in whole or in part (A) to an Affiliate of such Transferor or (B) from an Affiliate to another Affiliate of such Transferor, (ii) Transfer the aggregate Interests held by such Transferor and its Affiliates to a Person other than an Affiliate so long as (A) such Transferor has the right to control the day to day operations of such Person and (B) such Transferor or its Affiliate owns at least fifty percent (50%) of the beneficial interest in such Person, or (iii) mortgage, pledge or hypothecate all or any portion of such Interest so long as the Person to which such Interest is mortgaged, pledged or hypothecated cannot foreclose or otherwise realize upon such collateral and elect to become a substitute Partner.

Transfer By the Developer Partner. Without the consent of any other Partner, each Developer Partner may from time to time (i) Transfer its Interest, in whole or in part (A) to an Affiliate of such Transferor or (B) from an Affiliate to another Affiliate of such Transferor, (ii) Transfer the aggregate Interests held by such Transferor and its Affiliates to a Person other than an Affiliate so long as (A) such Transferor has the right to control the day to day operations of such Person and (B) such Transferor or its Affiliate owns at least fifty percent (50%) of the beneficial interest in such Person, or (iii) mortgage, pledge or hypothecate all or any portion of such Interest so long as the Person to which such Interest is mortgaged, pledged or hypothecated cannot foreclose or otherwise realize upon such collateral and elect to become a substitute Partner.

Agreements with Transferees.

If pursuant to the provisions of Sections 7.2(a) or (b), any Partner ("**Transferor**") shall purport to make a Transfer of any part of its Interest to any Person ("**Transferee**"), no such Transfer shall entitle Transferee to any benefits or rights hereunder until:

Transferee agrees in writing to assume and be bound by all the obligations of Transferor and be subject to all the restrictions to which Transferor is subject under the terms of this Agreement and any agreements with respect to the Project to which Transferor is then subject or is then required to be a party; and

Transferor and Transferee enter into a written agreement with the Partnership which provides (x) in the case of a partial transfer of Interests, that Transferor is irrevocably designated the proxy of Transferee to exercise all voting and other approval rights appurtenant to the Interest acquired by Transferee, (y) that Transferor shall remain liable for all obligations arising under this Agreement prior to or after such Transfer in respect of the Interest so transferred; provided, however, that as to any Transfer to a non-Affiliate of the Transferor, Transferor shall only be liable for all obligations arising under this Agreement and any agreements with respect to the Project to which Transferor is then subject or is then required to be a party from and after such Transfer in respect of the Interest so transferred; and (z) that Transferee shall indemnify the Partners from and against all claims, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and court costs) which may arise as a result of any breach by Transferee of its obligations hereunder.

No Transferee of any Interest shall make any further disposition except in accordance with the terms and conditions hereof.

All costs and expenses incurred by the Partnership, or the non-transferring Partners, in connection with any Transfer of a Interest, including any filing or recording costs and the fees and disbursements of counsel, shall be paid by Transferor.

Take Down by Special General Partner. Notwithstanding anything herein to the contrary, if the Special General Partner exercises a Take Down, the provisions of Section 11 of that certain Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership, dated November 25, 2003, shall be incorporated herein or any amendment or restatement hereof pursuant to and in accordance with Section 10.6 of the Mack-Cali Rights Agreement.

Sale Rights of Special General Partner and Developer Partners; Right of First Offer. Except as provided in Section 7.2, no Partner may sell all or any portion of its or its Affiliates' Interest at any time prior to the date that is three (3) years after the date of issuance of the certificate of occupancy for the core and shell of the Project.

Restraining Order. If any Partner shall at any time Transfer or attempt to Transfer its Interest or part thereof in violation of the provisions of this Agreement and any rights hereby granted, then the other Partners shall, in addition to all rights and remedies at law and in equity, be entitled to a decree or order restraining and enjoining such Transfer and the offending Partner shall not plead in defense thereto that there would be an adequate remedy at law; it being hereby expressly acknowledged and agreed that damages at law will be an inadequate remedy for a breach or threatened breach of the violation of the provisions concerning Transfer set forth in this Agreement.

ERISA. No Partner shall Transfer all or any part of its Interests to any party, including another Partner, whether or not the Transfer would otherwise be permitted hereunder, if the Transfer would result in the assets of the Partnership being deemed to include assets of an ERISA Plan. At the request of such other Partners and as a condition of the consummation of any Transfer of all or part of a Interest to any party, including another Partner, the Partner proposing to Transfer all or any part of its Interest shall, at its cost, provide an unqualified opinion of counsel, which must be reasonably satisfactory to each such other Partners, that the Transfer would not result in the assets of the Partnership being deemed to include assets of an ERISA Plan, and in addition to such other Partner's rights under Section 7.4, the Partner proposing to Transfer shall indemnify and hold harmless such other Partners (except any Partner that is the proposed purchaser), from and against any and all loss, cost, tax, liability or expense (including but not limited to reasonable attorneys' fees and court costs) which such other Partners may suffer if the Transfer would cause the assets of the Partnership being deemed to include assets of any ERISA Plan.

Admission of Additional Partners.

No Person may be admitted as an additional Partner of the Partnership (in contrast with admission as a substitute Partner in connection with a Permitted Transfer) without the consent of the General Partner and the Special General Partner.

Any additional or substitute Partner admitted to the Partnership shall execute and deliver documentation in form satisfactory to the General Partner accepting and agreeing to be bound by this Agreement, and such other documentation as the General Partner shall reasonably require in order to effect such Person's admission as an additional Partner. The admission of any Person as an additional Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership following the consent of the General Partner to such admission.

Override on Permitted Transfers.

It is expressly understood and agreed that any Transfer permitted pursuant to this Article VII shall in all instances be prohibited (and, if consummated, shall be void *ab initio*) if such Transfer does not comply with all applicable laws, rules and regulations and other requirements of governmental authorities, including, without limitation, Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof.

Each admitted Partner shall be required to make the representations and warranties set forth in Section 10.12 of this Agreement to the other Partner(s) and the Partnership as of the date of such Partner's admission into the Partnership. Each Partner shall be deemed to make the representations and warranties set forth in Section 10.12(h)-(k) of this Agreement to the Partners and the Partnership on behalf of any Person that acquires a beneficial ownership interest in such Partner as of the date of such acquisition.

Term. The Partnership shall have perpetual existence, unless sooner dissolved and liquidated in accordance with the provisions hereof.

Dissolution in Certain Events.

The Partnership shall be dissolved, and its affairs shall be wound up, upon the first to occur of the following: (i) (A) all of the Partners of the Partnership approve in writing, or (B) the Partnership sells or otherwise disposes of its interest in all or substantially all of its assets or (ii) (A) the occurrence of an event of withdrawal (as defined in the Act) with respect to a General Partner, other than an event of withdrawal set forth in Section 17-402(a)(4) or (5) of the Act; provided, the Partnership shall not be dissolved and required to be wound up in connection with any of the events described in this clause (ii)(A) if (1) at the time of the occurrence of any such event there is at least one remaining General Partner of the Partnership who is hereby authorized to and shall carry on the business of the Partnership, or (2) if at such time there is no remaining General Partner, if within ninety (90) days after such event of withdrawal, the Limited Partner agrees in writing or votes to continue the business of the Partnership and to appoint, effective as of the day of withdrawal, one or more additional General Partners, or (3) the Partnership is continued without dissolution in a manner permitted by the Act or this Agreement, (B) there are no limited partners of the Partnership unless the business of the Partnership is continued in accordance with the Act and this Agreement or (C) the entry of a decree of judicial dissolution under Section 17-802 of the Act.

Upon the occurrence of any event that results in the General Partner ceasing to be a General Partner of the Partnership under the Act, if at the time of the occurrence of such event there is at least one remaining General Partner of the Partnership, such remaining General Partner of the Partnership is hereby authorized to and, to the fullest extent permitted by law, shall, carry on the business of the Partnership. Upon the occurrence of any event that causes the last remaining General Partner of the Partnership to cease to be a General Partner of the Partnership, to the fullest extent permitted by law, all the Partners agree that the "personal representative" of such general partner is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such General Partner in the Partnership, agree in writing (i) to continue the Partnership and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute General Partner of the Partnership, effective as of the occurrence of the event that terminated the continued membership of the last remaining General Partner of the Partnership in the Partnership.

Upon the occurrence of any event that causes the last remaining Limited Partner of the Partnership to cease to be a Limited Partner of the Partnership, to the fullest extent permitted by law, all the Partners agree that the personal representative of such Limited Partner is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such Limited Partner in the Partnership, agree in writing (i) to continue the Partnership and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute limited partner of the Partnership, effective as of the occurrence of the event that terminated the continued membership of the last remaining Limited Partner of the Partnership in the Partnership.

Notwithstanding any other provision of this Agreement to the contrary, the Bankruptcy of, or the occurrence of any event set in Sections 17-402(a)(4) and (5) of the Act with respect to, the General Partner shall not cause the General Partner to cease to be a General Partner of the Partnership, and upon the occurrence of such an event, the Partnership shall continue without dissolution.

The death, incompetency, Bankruptcy, dissolution or other cessation to exist as a legal entity of a Limited Partner shall not, in and of itself, dissolve the Partnership. In any such event, the personal representative (as defined in the Act) of such Limited Partner may exercise all of the rights of such. Limited Partner for the purpose of settling such Limited Partner's estate or administering its property, subject to the terms and conditions of this Agreement.

Procedures upon Dissolution. Upon dissolution of the Partnership, the Partnership shall be terminated and the General Partner shall liquidate the assets of the Partnership. The proceeds of liquidation shall be applied and distributed in the following order or priority:

first, to the satisfaction (whether by payment or the making of reasonable provision for payment thereof) of the debts and liabilities of the Partnership and the expenses of liquidation; and

thereafter, to the Developer Partners in proportion to their respective Interests in the Partnership.

A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities. During the period beginning with the dissolution of the Partnership and ending with its liquidation and termination of the Agreement pursuant to this Section 8.3, the business affairs of the Partnership shall be conducted by the General Partner. During such period, the business and affairs of the Partnership shall be conducted so as to preserve the assets of the Partnership and maintain the status thereof which existed immediately prior to such termination.

Section 9.1 Use of Mark by Partnership**. MDLP, the Partnership and the other signatories thereto will enter into, on or about the date hereof, into the License Agreement which shall provide for the use of the Marks, without a fee, by the signatories thereto.**

Section 9.2 Use of Special General Partner's Name**. Special General Partner and its Affiliates shall in their sole discretion determine whether to permit the use of their names in connection with the Partnership. The Developer Partners and their respective Affiliates acknowledge and agree that the name of Special General Partner and any of its Affiliates may not be used by the Developer Partners, any of their respective Affiliates or the Partnership in connection with the Partnership without the prior written consent of Special General Partner.**

Section 9.3 No Use of Related Mark**. Neither Special General Partner nor its Affiliates shall be permitted to use the word "Xanadu" in any manner except as provided in the License Agreement.**

MISCELLANEOUS

Liability Among Partners; Exculpation and Indemnification.

No Partner shall be liable to any other Partners or to the Partnership by reason of its actions or omission in connection with the Partnership except in the case of actual fraud, gross negligence or willful misconduct. Neither the Partners, nor any officer, director, manager, member employee, representative, agent or affiliate of the Partners, nor any of their respective officers, directors, managers or members (each a "**Covered Person**," and collectively, the "**Covered Persons**") shall be liable to the Partnership or any other Person who has an interest in or claim against the Partnership for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's fraud, gross negligence or willful misconduct.

To the fullest extent permitted by applicable law, each Covered Person shall be entitled to indemnification from the Partnership for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's fraud, gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 9.1 by the Partnership shall be provided out of and to the extent of Partnership assets only, and the Partners shall not have personal liability on account thereof

To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 10.1.

A Covered Person shall be fully protected in relying in good faith upon the records of the Partnership and upon such information, opinions, reports or statements presented to the Partnership by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Partnership, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Partners might properly be paid.

To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Partnership or to any other Covered Person for its good faith reliance on the provisions of this Agreement or any approval or authorization granted by the Partnership or any other Covered Person. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such Covered Person.

Except as otherwise expressly provided in this Agreement, each Partner shall look solely to the assets of the Partnership for all distributions contemplated by this Agreement or otherwise with respect to the Partnership and, if applicable, such Partner's capital contributions in the Partnership (including return thereof), and such Partner's share of profits or losses thereof, and shall have no recourse therefor (upon dissolution or otherwise) against any other Partner. Notwithstanding anything to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not be required to make a distribution to any Partner contemplated by this Agreement if such distribution would violate the Act or other applicable law.

The indemnification rights contained in this Section 10.1 shall be cumulative of, and in addition to, any and all rights, remedies and recourses to which the Covered Persons shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

The foregoing provisions of this Section 10.1 shall survive any termination of this Agreement.

[Intentionally Omitted]

Take Down. Pursuant to the Mack-Cali Rights Agreement, the Partners acknowledge and agree that the Special General Partner has certain Take Down rights with respect to the Partnership as more particularly set forth in the Mack-Cali Rights Agreement and incorporated by reference herein. Upon the exercise of the Special General Partner's option to Take Down, the General Partner shall cause the Partnership to issue limited partnership interests to the Special General Partner, and/or its Affiliate(s), in consideration for its obligations following a Take-Down and this Agreement shall be amended and restated in accordance with this Section 10.3 and with the terms and conditions the Mack-Cali Rights Agreement. If the Special General Partner does not exercise its Take Down option, as more fully described in the Mack-Cali Rights Agreement within the time periods and on the conditions described therein then the interest of the Special General Partner in the Partnership shall immediately terminate and the Special General Partner shall cease to be a partner in the Partnership for all purposes, all as more fully described in the Mack-Cali Rights Agreement.

Mediation and Arbitration. Unless otherwise indicated, capitalized terms in this Section 10.4 that are not defined in this Agreement shall be defined as set forth in the Mack-Cali Rights Agreement.

Unless otherwise expressly provided herein, it is understood and agreed by the Partners that, in the event any dispute, disagreement, claim or controversy arises between any of the Partners, arising under or related to this Agreement or relating to any approvals or agreements required to be given or made by the parties hereto under this Agreement, including a dispute, disagreement, claim or controversy in connection with a Major Decision (the "**Disputes**"), then, at the request of any of the Partners, the disputing parties shall resolve the Dispute promptly through confidential mediation with a mediator jointly selected by the disputing parties. If the disputing parties are unable to agree on the mediator within two (2) days after written notice from one disputing party to the other demanding mediation, the disputing parties shall each select one (1) mediator and those two (2) mediators shall jointly select a third mediator as soon as practicable and such third mediator shall act as mediator hereunder. All mediators selected shall be licensed attorneys experienced in complex real estate and partnership transactions and the tax consequences thereof. Each party shall bear its own fees and expenses attributable to the mediation, provided, however, that the costs, fees and expenses attributable to the independent mediator shall be borne equally among the disputing parties.

In the event that the disputing parties are unable to settle their Dispute through mediation within ten (10) Business Days after the mediator has been selected as provided above, any unresolved Dispute shall be submitted to binding arbitration in the State of New York, within five (5) Business Days from the date the disputing parties were unable to settle their dispute through mediation, with each party to bear its own fees and expenses attributable thereto, before a panel of three (3) neutral arbitrators from the Large Complex Case Panel of the American Arbitration Association (the "**Arbitrators**"), said Arbitrators to be attorneys with at least ten (10) years experience in complex real estate and partnership transactions and the tax consequences thereof. The arbitration shall be conducted in accordance with the then-current commercial Arbitration Rules of the American Arbitration Association. The Arbitrators shall render their decision within ten (10) Business Days after the Dispute is submitted to the arbitration panel. In furtherance of the foregoing, it is understood and agreed that the decision rendered by the Arbitrators hereunder shall be binding and absolutely conclusive upon the parties hereto and may be enforced by entry of a judgment in any court having jurisdiction. The fees and expenses of Arbitrators shall be borne equally among the disputing parties. To the extent, if any, that the party or parties prevailing in any such arbitration proceedings are required to seek judicial confirmation or enforcement of the Arbitrators' award, the non-prevailing party or parties shall be obligated to pay for such prevailing party's or parties' reasonable and actual fees, costs, expenses and disbursements incurred in connection with such judicial confirmation and/or enforcement. Notwithstanding the foregoing, a party may seek a preliminary injunction or other preliminary judicial relief if in its judgment such action is necessary to avoid irreparable damage. Despite such action, the parties hereto will continue to participate in good faith in the procedures specified in this Section 10.4(b). All applicable statutes of limitation shall be tolled while the procedures specified in this Section 10.4(b) are pending. The parties hereto will take such action, if any, required to effectuate such tolling.

No Agency Created. Nothing herein contained shall be construed to constitute any Partner (or any Affiliate thereof) the agent of another Partner or to limit the Partners (or any Affiliates thereof) in any manner in the carrying on of their own respective businesses or activities. Except as provided in this Agreement, each Partner acknowledges and agrees that none of the Partnership or any Partner (or any Affiliate of any Partner) shall have any right, by virtue of this Agreement, either to participate in, or to share in, any now existing ventures or any of the other Partners or their respective Affiliates, or in the income or proceeds derived from such ventures. Any Partner may engage in and/or possess any interest in any other business or real estate venture of any nature and description, independently, or with others, including but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property; and neither the Partnership nor any other Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Approvals. Except as otherwise provided herein, all approvals or consents permitted or required to be given under this Agreement shall be reasonably given and not unreasonably delayed or withheld. In the event that a Partner having a right of approval takes no action within a reasonable time (or, if a time is specified in this Agreement, then within such specified time) subsequent to receipt of the documents or agreements subject to said approval or consent, the approval or consent of said Partner shall be deemed to have been given.

References. References herein to the singular shall include the plural and to the plural shall include the singular, and references to one gender shall include the other, except where the same shall be not appropriate.

Effect of Consent or Waiver. No consent or waiver, express or implied, by any Partner to or of any breach or default by any other Partner in the performance by such other Partner of its obligations hereunder shall be deemed to be or construed to be a consent or waiver to or of any other breach or default by such other Partner in the performance by such other Partner of the same or any other obligations of such Partner hereunder. Failure on the part of any of the other Partners to declare any of the other Partners in default, irrespective of how long such failure continues, shall not constitute a waiver by any such Partner of its rights hereunder.

Enforceability. If any provisions of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Titles and Captions. Section titles or captions contained in this Agreement are for convenience only and shall not be deemed a part of the contents of this Agreement.

Binding Agreement and Express Third Party Beneficiaries. Subject to the restrictions on transfer and encumbrances set forth herein, this Agreement shall inure to the benefit of and be binding upon the undersigned Partners and their heirs, executors, legal representatives, successors and assigns. Whenever in this instrument a reference to any Partner is made, such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of such Partner.

Governing Law. This Agreement is made and shall be construed under and in accordance with the laws of the State of Delaware (without regard to the conflict of laws provisions thereof).

Notices. Any notice, consent, approval, or other communication which is provided for or required by this Agreement must be in writing and may be delivered in person to any Partner or may be sent by a facsimile transmission, telegram, expedited courier or registered or certified U.S. mail, with postage prepaid, return receipt requested. Any such notice or other written communications shall be deemed received by the Partner to whom it is sent (i) in the case of personal delivery, on the date of delivery to the Partner to whom such notice is addressed as evidenced by a written receipt signed on behalf of such Partner, (ii) in the case of facsimile transmission or telegram, the next business day after the date of transmission, (iii) in the case of courier delivery, the date receipt is acknowledged or rejected by the Partner to whom such notice is addressed as evidenced by a written receipt signed on behalf of such Partner, and (iv) in the case of registered or certified mail, the date receipt is acknowledged or rejected on the return receipt for such notice. For purposes of notices, the addresses of the Partners hereto shall be as follows, which addresses may be changed at any time by written notice given in accordance with this provision:

If to General Partner or Limited Partner:

c/o Colony Xanadu, LLC
660 Madison Avenue, Suite 1600
New York, NY 10021
Attn: Richard Saltzman
Telephone: 212-832-0500
Facsimile No.: 212-593-5433

And

c/o Colony Xanadu, LLC
1999 Avenue of the Stars, Suite 1200
Los Angeles, CA 90067
Attn: Joy Mallory
Telephone: 310-282-8820
Facsimile No.: 310-282-8808

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

White & Case LLP
1155 Avenue of the Americas
New York, NY 10036-2787
Attn: John Reiss
Attn: Steven Teichman
Facsimile No.: 212-354-8113

If to Special General Partner:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-787
Attn: Mitchell E. Hersh, President and Chief Executive Officer
Facsimile No.: 732-205-9040

And: c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-7817
Attn: Roger W. Thomas, Executive Vice President and General Counsel
Facsimile No.: 732-205-9015

For courier or overnight delivery to Special General Partner

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, NJ 08837-2206

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

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Attn: John P. Napoli
Attn: Stephen Epstein
Facsimile No.: 212-218-5527

Failure of, or delay in delivery of any copy of a notice or other written communication shall not impair the effectiveness of such notice or written communication given to any party to this Agreement as specified herein.

Covenants, Representations and Warranties of the Partners. Each Partner represents and warrants to the other Partners as follows:

it is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement and to conduct the business of the Partnership;

this Agreement constitutes the legal, valid and binding obligation of the Partner enforceable in accordance with its terms, subject to the application of principles of equity and laws governing insolvency and creditors' rights generally;

no consents or approvals (which have not been obtained) are required from any governmental authority or other Person for the Partner to enter into this Agreement and be admitted to the Partnership. All action on the part of the Partner (and its direct or indirect equity owners) necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken;

the execution and delivery of this Agreement by the Partner, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organic documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulations, order or decree to which it or its properties are subject;

each Partner is acquiring its Interest for investment, solely for its own account, with the intention of holding such interest for investment and not with a view to, or for resale in connection with, any distribution or public offering or resale of any portion of such interest within the meaning of the Securities Act of 1933, as amended from time to time (the "**Securities Act**"), or any other applicable federal or state security law, rule or regulations ("**Securities Laws**");

each Partner acknowledges that it is aware that its Interest has not been registered under the Securities Act or under any other Security Law in reliance upon exemptions contained therein. Each Partner understands and acknowledges that its representations and warranties contained herein are being relied upon by the Partnership, the other Partner and the constituent owners of such other Partner as the basis for exemption of the issuance of interests in the Partnership from registration requirements of the Securities Act and other Securities Laws. Each Partner acknowledges that the Partnership will not and has no obligation to register any interest in the Partnership under the Securities Act or other Securities Laws;

each Partner acknowledges that prior to its execution of this Agreement, it received a copy of this agreement and that it examined this documents or caused this document to be examined by its representative or attorney. Each Partner does hereby further acknowledge that it or its representative or attorney is familiar with this Agreement, and with the business and affairs of the Partnership, and that except as otherwise specifically provided in this Agreement, it does not desire any further information or data relating to the Partnership, and subsidiary of the Partnership, the Premises or the other Partners. Each Partner does hereby acknowledge that it understands that the acquisition of its Interest is a speculative investment involving a high degree of risks and does hereby represent that is has a net worth sufficient to bear the economic risk of its investment in the Partnership and to justify its investing in a highly speculative venture of this type;

the Partner is in compliance with Executive Order 132324 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof;

at all times, including after giving effect to any Transfers permitted pursuant to this Agreement, (a) none of the funds or other assets of the Partner constitutes property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law (including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder) (any such person, entity or government, an "**Embargoed Person**") with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof; (b) no Embargoed Person has any interest of any nature whatsoever in the Partner with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable law, regulation, order or decree is in violation thereof; and (c) none of the funds of the Partner have been derived from any unlawful activity with the result that the investment in the Partner (whether directly or indirectly), is prohibited by any applicable, law, rule, regulations, order or decree is in violation thereof;

if applicable to such Partner, the Partner has implemented a corporate anti-money laundering plan that is reasonably designed to ensure compliance with applicable foreign and U.S. anti-money laundering law; and

the Partner is familiar with the "U.S. Government Blacklists" maintained by applicable U.S. Federal agencies and none of its partners, members, shareholders, officers or directors are on the "U.S. Government Blacklists".

Entire Agreement. This Agreement, unless subsequently amended with the consent of all of the Partners, contains the final and entire Agreement among the parties hereto, and they shall not be bound by any terms, conditions, statements or representations, oral or written, not herein contained.

Amendment. This Agreement may be amended or modified by (and only by) a written instrument signed by all of the Partners, which need not be executed or approved by any other Person.

Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature pages and the Agreement may be executed by the affixing of the signatures of each of the Partners to one of such counterpart signature pages; all of such signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single solitary page.

[The remainder of this page is left intentionally blank; signature pages follow]

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

GENERAL PARTNER:

MEADOWLANDS MACK-CALI GP, L.L.C.

By: Meadowlands Developer Limited Partnership, a Delaware limited partnership, its sole member

By: Meadowlands Limited Partnership, a Delaware limited partnership, its general partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its managing general partner

By: _____
Name: _____
Title: _____

LIMITED PARTNER

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP

By: Meadowlands Limited Partnership, a Delaware limited partnership, its general partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its managing general partner

By: _____
Name: _____
Title: _____

[signature page attached to Hotel Meadowlands Mack-Cali Limited Partnership Limited Partnership Agreement]

SPECIAL GENERAL PARTNER

MACK-CALI MEADOWLANDS SPECIAL L.L.C

By: Mack-Cali Realty, L.P., a Delaware limited Partnership, its sole member

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

By: _____
Name: _____
Title: _____

PARTNERS AND PARTNER INFORMATION

GENERAL PARTNER INTEREST	
MEADOWLANDS MACK-CALI GP, L.L.C.	0.01%
LIMITED PARTNER	
MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP	99.99%
SPECIAL GENERAL PARTNER	
MACK-CALI MEADOWLANDS SPECIAL L.L.C.	0.00%
	100%

SCHEDULE 1

TENANT PARTNERSHIPS

ERC Meadowlands Mills/Mack-Cali Limited Partnership

Baseball Meadowlands Mills/Mack-Cali Limited Partnership

A-B Office Meadowlands Mack-Cali Limited Partnership

C-D Office Meadowlands Mack-Cali Limited Partnership

Hotel Meadowlands Mack-Cali Limited Partnership

EXHIBIT G

TRADEMARK LICENSE AGREEMENT

THIS TRADEMARK LICENSE AGREEMENT (this "Agreement"), dated as of November 22, 2006 (the "Effective Date"), is entered into by and among Meadowlands Developer Limited Partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership), a Delaware limited partnership ("Licensor"), and the parties listed on Schedule 1 (each a "Licensee" and together the "Licensees").

WHEREAS, one of the purposes of Licensor is to, directly or indirectly, hold, own, develop, operate, maintain, improve, lease, finance, refinance, mortgage, sell, convey, exchange, transfer and otherwise use the Meadowlands Xanadu development project located in Bergen County, New Jersey (the "Project");

WHEREAS, prior to the execution of this Agreement, The Mills Limited Partnership, a Delaware limited partnership, assigned to Meadowlands Limited Partnership (f/k/a Meadowlands Mills Limited Partnership), a Delaware limited partnership, all of its rights, title and interest in, to and under the trademarks and trademark applications set forth in the attached Schedule A (the "Marks");

WHEREAS, immediately thereafter, Meadowlands Limited Partnership assigned all of its rights, title and interest in, to and under the Marks to Licensor; and

WHEREAS, pursuant to that certain Transaction Agreement, dated as of the date hereof, by and among certain of Licensees and other signatories thereto, Licensor and Licensees are to enter into a license agreement whereby Licensor will grant Licensees the right, privilege and license to use the Marks on or in connection with the Project, including the Arena ROFR and the Hotel ROFR (each as defined in the Rights Agreement (as defined herein)) (the "Licensed Property").

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, the parties hereof, each intending to be legally bound hereby, do promise and agree as follows:

1. LICENSE

Subject to the terms and conditions of this Agreement, Licensor hereby grants to each Licensee for the term of this Agreement a non-exclusive, perpetual, royalty-free license to use the Marks in connection with the ownership, operation, marketing, promotion, manufacturing, distribution, sale, and services in connection with the Licensed Property. It is understood and agreed that Licenses granted under this Agreement shall pertain only to the Marks for use in connection with the Licensed Property and do not extend to any other mark, product, or service. Each of Licensees and its Affiliates shall be permitted to use the Marks in public filings as required by applicable laws. Each Licensee may, with the prior approval of Licensor, grant sublicenses hereunder to third parties for use of the Marks solely in connection with the Licensed Property; provided, that each such sublicense shall (i) not permit further sublicense; (ii) be in writing and signed by the parties thereto; and (iii) each such sublicense shall be granted expressly subject to the terms and conditions hereof and any commercially reasonable additional conditions required by Licensor. If Licensee grants a sublicense to a third party in accordance with the terms of this Section 1, Licensee shall provide Licensor with a copy of such sublicense. Each sublicense agreement entered into with a Licensee shall terminate or expire upon the termination or expiration of this Agreement with respect to such Licensee.

2. TERM OF THIS AGREEMENT

This Agreement and the provisions hereof, except as otherwise provided herein, shall be in full force and effect commencing on the Effective Date and shall continue for one (1) year (the "Initial Term"). This Agreement shall thereafter be automatically renewed for an unlimited number of additional consecutive one (1) year terms (each a "Renewal Term"); provided, however, that the term of this Agreement shall not renew with respect to a Licensee if Licensor notifies such Licensee in writing at least thirty (30) days prior to the expiration of the Initial Term or a Renewal Term, as the case may be, that Licensor does not wish to renew the term of this Agreement; provided, further, however, that subject to Section 5, Licensor shall not have the right to terminate this Agreement without the consent of Licensee during the construction, development and operations of the Licensed Property as contemplated under: (i) that certain Mack-Cali Rights, Obligations and Option Agreement, dated as of November 22, 2006 (the "Rights Agreement"), by and among Licensor, certain Licensees and the other signatories thereto; (ii) the Amended and Restated Limited Partnership Agreement of A-B Office Meadowlands Mack-Cali Limited Partnership, dated as of November 22, 2006; (iii) the Amended and Restated Limited Partnership Agreement of C-D Office Meadowlands Mack-Cali Limited Partnership, dated as of November 22, 2006; (iv) the Amended and Restated Limited Partnership Agreement of Hotel Meadowlands Mack-Cali Limited Partnership, dated as of November 22, 2006; and (iii) that certain Amended and Restated Limited Partnership Agreement of Meadowlands Limited Partnership, dated as of November 22, 2006, by and among Kan Am USA XX Limited Partnership, a Delaware limited partnership, Kan Am USA XX Limited Partnership, a Delaware limited partnership, Kan Am USA XVI Limited Partnership, a Delaware limited partnership, Kan Am USA XV Limited Partnership, a Delaware limited partnership, Kan Am USA XXIII Limited Partnership, Kan Am Limited Partnership, The Mills Corporation, certain of Licensees and other signatories thereto (as each such agreement may hereinafter be amended, modified or supplemented from time to time).

3. NOTICES, QUALITY CONTROL, AND SAMPLES

A. Licensees each acknowledge that the Marks and all trademark applications or registrations relating thereto are the property of Licensor, and that all uses of the Marks shall inure to the benefit of Licensor, that Licensees shall acquire no right or interest in the Marks, by virtue of this Agreement or by virtue of the use of the Marks, except the right to use the Marks in accordance with the provisions of this Agreement and that each such Licensee will not use the Marks except as provided in this Agreement.

B. Licensees each agree that Licensor shall maintain and exercise effective and exclusive quality control over any goods and services to which the Marks are affixed; provided, however, such controls are reasonable and are no greater than those quality controls imposed on other licensees.

C. Licensees agrees that the quality of the Licensed Property, and any goods or services provided in connection therewith and suitable for their intended purpose, will be of the quality and conform to the quality standards set by Licensor. Licensee agrees to comply with all federal, state, local or foreign statutes, laws, codes or rules. Licensee further agrees to adhere to any other terms and conditions that Licensor may provide regarding use of the Marks and the quality of the goods or services provided by Licensee in connection with the Marks. Licensor reserves the right to revise the quality standards referred to in this Agreement from time to time. Licensor shall have the right to inspect each Licensee's facilities, operations, designs and any materials to which the Marks are affixed, and to inspect the quality of each Licensee's goods and services provided in connection with the Licensed Property. Each Licensee shall supply Licensor with specimens of all uses of the Marks upon Licensor's written request. If Licensor in good faith reasonably determines that its quality standards are not being met by a Licensee, then Licensor will give such Licensee written notice thereof, and if such Licensee fails to correct any defects or other failures to meet the established quality standard within one (1) month of such written notice, then Licensor may terminate this License Agreement with respect to such Licensee.

D. Licensees each warrant that the Licensed Property will be in compliance with all applicable laws and regulations. Each Licensee shall deliver to Licensor notice of any actions filed against each such Licensee wherein it is alleged that the Licensed Property is deficient or defective.

E. Licenses granted hereunder to a Licensee are conditioned upon such Licensee's full and complete compliance with the marking provisions of the trademark, patent and copyright laws of the United States and as otherwise instructed by Licensor.

F. The Licensed Property, as well as all goods, services and promotional, packaging, and advertising material or similar matter where the Licensed Property is referenced, shall include all appropriate legal notices as required by Licensor.

4. INTELLECTUAL PROPERTY RIGHTS

A. Each Licensee acknowledges Licensor's exclusive rights in the Marks and, further, acknowledges that Licensor is the owner thereof. Licensees shall not, to the extent permitted under applicable law, at any time during or after the effective term of this Agreement, dispute or contest, directly or indirectly, Licensor's exclusive right and title to the Marks or the validity thereof.

B. Each Licensee acknowledges that the Marks are associated exclusively with Licensor.

C. Each Licensee agrees that it is prohibited from using the Marks or any marks or terms confusingly similar to the Marks unless expressly permitted under this Agreement.

D. Licensor shall have the right, but, not the obligation to file and prosecute applications for registration of the Marks and to maintain any registrations for the Marks. Licensee shall provide full cooperation to Licensor in connection with the registration and maintenance of the Marks. Each Licensee agrees not to file any applications in its own name or in the name of any of its Affiliates (defined below) to register the Marks in the United States or in foreign countries. Licensees shall not incorporate, organize limited liability companies, register trade or fictitious names, or register domain names using names that include the Marks, without prior written permission of Licensor. "Affiliate" shall mean, with respect to any party hereto, any other person or entity directly or indirectly controlling, controlled by, or under common control with such party; provided, that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to an entity, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

E. Each Licensee agrees to promptly notify Licensor in writing of any and all infringing marks, colorable imitations or other unauthorized uses of the Marks. In the event that any of the Marks is infringed by a third party, Licensor shall have the sole authority to conduct an action for infringement or cancellation, opposition or other inter partes proceeding involving rights in and to the Marks. When requested, a Licensee shall fully cooperate with Licensor in preventing such infringements and unauthorized uses, at the expense of Licensor. Each Licensee further agrees to promptly notify Licensor in writing of any legal action or threatened legal action which it receives or becomes aware of involving the Marks. Licensor shall have the right to control the prosecution and defense of any such action or threat at its expense. The costs of any litigation or inter partes proceeding shall be paid by Licensor and any proceeds shall be retained by Licensor.

5. TERMINATION

Notwithstanding anything herein to the contrary, the following termination rights are in addition to the termination rights that may be provided elsewhere in this Agreement:

A. Licensor shall have the right to immediately terminate this Agreement and revoke any licenses hereunder with respect to a Licensee by giving written notice to such Licensee in the event that such Licensee files a petition in bankruptcy or is adjudicated bankrupt or insolvent, or an arrangement pursuant to any bankruptcy law, or if such Licensee discontinues or dissolves its business or if a receiver is appointed for such Licensee or for such Licensee's business and such receiver is not discharged within 180 days.

B. Licensor may terminate this Agreement with respect to a Licensee on fifteen (15) business days written notice to such Licensee in the event of a breach of any material

provision of this Agreement by such Licensee; provided, that such Licensee has failed to cure such breach within such fifteen (15) business day period.

6. POST TERMINATION RIGHTS

Upon the expiration or termination of this Agreement with respect to a Licensee, all rights granted to such Licensee under this Agreement shall forthwith terminate and immediately revert to Licensor and such Licensee shall discontinue all use and further reference to the Marks. Such Licensee shall thereupon promptly turn over to Licensor all materials which reproduce the Marks or, if requested by Licensor, shall give Licensor satisfactory evidence of their destruction and shall complete any formal assignments of rights not already completed. Such Licensee shall be responsible to Licensor for any damage caused by unauthorized use by such Licensee or others of such reproduction materials which are not turned over or destroyed.

7. INDEMNITY

A. Each Licensee severally, and not jointly, agrees to defend, indemnify and hold harmless Licensor, and its Affiliates, officers, directors, agents, and employees, against all third party suits and claims and all judgments, costs, expenses, and losses related thereto (including reasonable attorneys' fees and costs) ("Losses") arising by reason of or in connection with any material breach under this Agreement by such Licensee, its Affiliates, officers, directors, agents or employees, but not any infringement or related intellectual property claims based on Licensee's use of the Marks in accordance with this Agreement. Such Licensee shall be fully responsible for and agrees to pay the cost of all investigations, defense, legal fees and settlements or judgments resulting from any complaint, demand, claim or legal action encompassed by the foregoing indemnity, but shall have no liability for lost profits or indirect, punitive, special or consequential damages, even if notified of the possibility of such damages. For purposes of this Section 7.A. only, the term "material" shall mean any single breach under this Agreement that, in and of itself, results in Losses in excess of Twenty-Five Thousand Dollars ($25,000.00). For the avoidance of doubt, Losses shall not be aggregated for purposes of determining whether or not a breach is "material".

B. Licensor agrees to defend, indemnify and hold harmless each Licensee and its Affiliates, officers, directors, agents and employees, against all Losses made by a third party alleging that such Licensee's use of the Marks in accordance with this Agreement infringes or violates the intellectual property of any third party. Licensor shall be fully responsible for and agrees to pay the cost of all investigations, defense, legal fees, and settlements or judgments resulting from any complaint, demand, claim or legal action encompassed by the foregoing indemnity, but shall have no liability for lost profits or indirect, punitive, special or consequential damages, even if notified of the possibility of such damages.

C. Licensor will control any matter relating to the validity, enforceability or scope of the Marks.

8. REMEDIES

It is agreed that the rights and obligations conveyed and incurred in this Agreement are unique and special and that the breach thereof will not give rise to readily calculable monetary damages. Upon breach of this Agreement by a Licensee, Licensor shall be entitled to seek specific performance, injunctive relief and such other relief (in law or in equity) as any court with jurisdiction may deem best and proper and, in the event Licensor seeks temporary or preliminary injunctive relief, Licensor shall not be required to post a bond or prove insufficiency of monetary damages.

9. NOTICES

All notices, demands, requests, consents, approvals or other communications required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and shall be personally served, delivered overnight by reputable air courier service with charges prepaid, or transmitted by hand delivery, telegram, telex or facsimile, addressed to the last known address of such party or to such other address as such party shall have specified most recently by written notice. Notice shall be deemed given on the date of service or transmission if personally served or transmitted by telex or facsimile. Notice otherwise sent as provided herein shall be deemed given on the next business day following delivery of such notice to a reputable air courier services. For purposes of notices, the addresses of the parties hereto shall be as follows, which addresses may be changed at any time by written notice given in accordance with this provisions:

If to Licensor, to:

c/o Colony Xanadu, LLC
660 Madison Avenue, Suite 1600
New York, NY 10021
Attn: Richard Saltzman
Telephone: (212) 832-0500
Fax: (212) 593-5433

and

c/o Colony Xanadu, LLC
1999 Avenue of the Stars, Suite 1200
Los Angeles, CA 90067
Attn: Joy Mallory
Telephone: (310) 282-8820
Fax: (310) 282-8808

with a copy to (which shall not constitute notice)

White & Case LLP
1155 Avenue of the Americas
New York, NY 10036
Attn: John Reiss, Esq.
Attn: Steven Teichman, Esq.
Telephone: (212) 819-8200
Fax: (212) 354-8113

If to any of the Licensees to which Mack-Cali Realty Corporation or any of its affiliates holds an equity interest in such Licensee, to:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-7817
Attn: Mitchell E. Hersh, President and Chief Executive Officer
Fax: (732) 205-9040

And

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, NJ 08818-7817
Attn: Roger W. Thomas, Executive Vice President
and General Counsel
Fax: (732) 205-9015

For courier and overnight delivery to any of the Licensees, to:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, NJ 08837-2206

with a copy to (which shall not constitute notice)

Seyfarth Shaw LLP
1270 Avenue of the Americas
Suite 2500
New York, NY 10020-1801
Attn: John P. Napoli, Esq.
Fax: (212) 218-5527

10. GOVERNING LAW

This Agreement and the rights and obligations of the parties hereto shall be governed in all respects by and constructed in accordance with and subject to the laws of the State of New York, as such law is applied to agreements between New York residents entered into and performed entirely in the State of New York.

11. FORUM

Any judicial proceeding brought against any of the parties hereto on any dispute arising out of this Agreement or any matter related hereto may be brought in the courts of the State of New York, or in the United States District Court for the Southern District of New York, and, by execution and delivery of this Agreement, each of the parties hereto accepts the exclusive jurisdiction of such courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. The foregoing consents to jurisdiction shall not constitute general consents to service of process in the State of New York for any purpose except as provided above and shall not be deemed to confer rights on any person other than the respective parties hereto. Each party hereto agrees that service of any process, summons, notice or document by U.S. registered mail to such party's address in accordance with Section 9 shall be effective service of process for any action, suit or proceeding in New York with respect to any matters for which it has submitted to jurisdiction pursuant to this Section 11. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY HERETO WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.

12. RELATIONSHIP

This Agreement does not create a partnership or a joint venture between the parties hereto and no party hereto shall have any power hereunder to obligate or bind the other. Licensees shall act hereunder as independent contractors and shall not be deemed expressly or by implication to be an agent, employee, or servant of Licensor or the other Licensees for any purpose whatsoever. In the performance of this Agreement, Licensees shall comply with all applicable state, federal and local laws and Licensor shall not be responsible for the consequences of any violation thereof.

13. AGREEMENT BINDING ON SUCCESSORS; THIRD PARTY BENEFICIARIES

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns, heirs, executors and administrators and nothing in this Agreement, express or implied, is intended to confer upon any other party (other than the parties hereto or their respective successors and permitted assigns, heirs, executors and administrators) any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in Section 7.

14. WAIVER

No waiver by a party hereto of any default shall be deemed as a waiver of prior or subsequent default of the same or other provisions of this Agreement.

15. SEVERABILITY

If any term, clause, or provision hereof is held invalid, void or unenforceable by a court or governmental agency of competent jurisdiction, such decision shall not affect the validity or operation of any other term, clause, or provision and such invalid, void or unenforceable portion shall be deemed to be severed from this Agreement.

16. ASSIGNABILITY

This Agreement and Licenses granted hereunder to each Licensee are personal to such Licensee and shall not be assigned by any act of such Licensee or by operation of law or otherwise without the express written consent of Licensor; provided that this Agreement and Licenses granted hereunder may be pledged as collateral to a Licensee's financing sources, so long as such financing is related solely to the development, operation, maintenance, improvement or use of the Project. Licensor shall have the right at any time to assign this Agreement to any person or entity, whether by contract, operation of law or otherwise, upon fifteen (15) days prior written notice to Licensees. Any assignment in violation of this Section 16 shall by null and void *ab initio*.

17. INTEGRATION

This Agreement, including Schedules, constitutes the entire understanding of the parties hereto with regard to the subject matter hereof and this Agreement supersedes all previous representations, understandings or agreements, oral or written, between the parties hereto with respect to the subject matter hereof. This Agreement shall not be modified or amended except in writing signed by the parties hereto and specifically referring to this Agreement.

Remainder of Page Intentionally Left Blank

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

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP

By: Meadowlands Limited Partnership, its managing general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name:
Title:

A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP

By: Meadowlands Mills/Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name:
Title:

BASEBALL MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP

By: Meadowlands Mills/Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name:
Title:

C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP

By: Meadowlands Mills/Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name:
Title:

COLONY XANADU, LLC

By: _____
Name:
Title:

COLONY XANADU II, LLC

By: _____
Name:
Title:

COLONY XANADU III, LLC

By: _____
Name:
Title:

COLONY XANADU HOLDINGS, LLC

By: _____
Name:
Title:

COLONY XANADU STOCK II, LLC

By: _____
Name:
Title:

COLONY XANADU STOCK III, LLC

By: _____
Name:
Title:

ERC 16W LIMITED PARTNERSHIP

By: 16W ERC GP, LLC, its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its managing general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name:
Title:

HOTEL MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP

By: Meadowlands Mills/Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name:
Title:

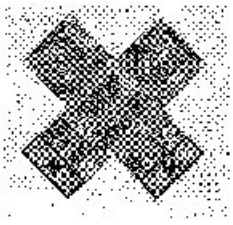
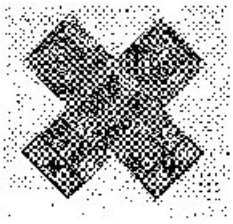
SCHEDULE 1

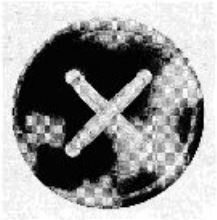
LICENSEES

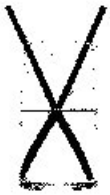
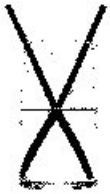
A-B Office Meadowlands Mack-Cali Limited Partnership, a Delaware limited partnership
Baseball Meadowlands Mills/Mack-Cali Limited Partnership, a Delaware limited partnership (on or about the date hereof it shall change its name to Baseball Meadowlands Limited Partnership)
C-D Office Meadowlands Mack-Cali Limited Partnership, a Delaware limited partnership
Colony Xanadu, LLC, a Delaware limited liability company (solely for use of the name "Xanadu" in its legal name)
Colony Xanadu II, LLC, a Delaware limited liability company (solely for use of the name "Xanadu" in its legal name)
Colony Xanadu III, LLC, a Delaware limited liability company (solely for use of the name "Xanadu" in its legal name)
Colony Xanadu Holdings, LLC, a Delaware limited liability company (solely for use of the name "Xanadu" in its legal name)
Colony Xanadu Stock II, LLC, a Delaware limited liability company (solely for use of the name "Xanadu" in its legal name)
Colony Xanadu Stock III, LLC, a Delaware limited liability company (solely for use of the name "Xanadu" in its legal name)
ERC 16W Limited Partnership
Hotel Meadowlands Mack-Cali Limited Partnership, a Delaware limited partnership

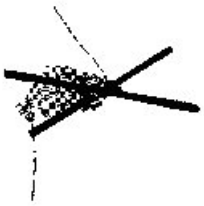
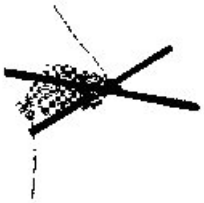
SCHEDULE 2

MARKS

Mark	Application No.	Class / Goods and Services	Owner
COMING SOON and MISCELLANEOUS DESIGN 	76/660,661	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
COMING SOON and MISCELLANEOUS DESIGN (tickets) 	76/658,336	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
HOT and DESIGN 	76/658,335	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
HOT and DESIGN 	76/660,643	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
MEADOWLANDS MILLS	76/640,838	Class 35 - Shopping center services, namely, business management services for shopping malls and promoting the goods and services of others by means of operating a shopping mall. Class 36 - Shopping center services, namely, leasing of shopping mall space.	The Mills Limited Partnership
MEADOWLANDS MILLS and DESIGN 	76/640,839	Class 35 - Shopping center services, namely, business management services for shopping malls and promoting the goods and services of others by means of operating a shopping mall. Class 36 - Shopping center services, namely, leasing of shopping mall space.	The Mills Limited Partnership
MEADOWLANDS XANADU	76/663,096	Class 35 - Shopping center services, namely, business management services for shopping malls and promoting the goods and services of others by means of operating a shopping mall. Class 36 - Shopping center services, namely, leasing of shopping mall space.	The Mills Limited Partnership
MEADOWLANDS XANADU	76/461,912	Class 37 - Real estate development featuring planned entertainment mixed use and retail mixed use.	The Mills Limited Partnership

MEADOWLANDS XANADU (Stylized)	76/978,281	Class 37 - Real estate development featuring planned entertainment mixed use and retail mixed use.	The Mills Limited Partnership
MEADOWLANDS XANADU (Stylized)	76/608,360	Class 36 - Shopping center services and leasing of real property for retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (airplane with X propeller) 	76/658,334	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (Airplane) 	76/660,657	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (Boy) 	76/660,644	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (elated boy) 	76/658,339	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (Button) 	76/660,646	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (crossed thread in button) 	76/658,337	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership

MISCELLANEOUS DESIGN (Cheerleader) 	76/660,645	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (outstretched cheerleader with pom-poms) 	76/658,331	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (crossed golf clubs) 	76/658,340	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (crossed straws in a glass) 	76/658,338	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (glass with straws) 	76/660,659	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (Dancer in X) 	76/658,333	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (Dancer) 	76/660,660	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership

MISCELLANEOUS DESIGN (skier with crossed skis) 	76/658,332	Class 36 - Leasing of real property for commercial, retail, entertainment, dining and office space.	The Mills Limited Partnership
MISCELLANEOUS DESIGN (Skier) 	76/660,658	Class 37 - Real estate development services featuring commercial, retail, entertainment, residential and mixed use.	The Mills Limited Partnership
X (Stylized) 	76/978,308	Class 37 - Real estate development featuring planned entertainment mixed use and retail mixed use.	The Mills Limited Partnership
X (Stylized) 	76/608,353	Class 35 - Shopping center services, namely, business management services for shopping malls and promoting the goods and services of others by means of operating a shopping mall. Class 36 - Shopping center services, namely, leasing of shopping mall space.	The Mills Limited Partnership

Marks in Use for Which Registration Has Not Been Sought

Mark	Nature of Use
THE ULTIMATE SKYBOX	Sports district at the Project
THE TOTAL HOME	Food and home district at the Project
THE WORLD OF STYLE	Fashion district at the Project
THE MULTIMEDIA PLAYGROUND	Entertainment district at the Project
THE DIGITAL PLAYGROUND	Entertainment district at the Project Note: Was used in the leasing brochures already printed, but is not currently being used online.
A PLAYHOUSE WITH NO LIMITS	Children's education district at the Project
IMAGINARIUM	Children's education district at the Project Note: The mark IMAGINARIUM may only be used in the leasing brochures that have already been printed, until supply is exhausted.

EXPLORATORIUM	Children’s education district at the Project Note: The mark EXPLORATORIUM may only be used in the leasing brochures that have already been printed, until supply is exhausted.

EXHIBIT H

ASSIGNMENT AND ASSUMPTION OF PARTNERSHIP INTEREST

The undersigned ("**Assignor**"), holder of a general partnership interest in Meadowlands Developer Limited Partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) ("**Assignee**"), a Delaware limited partnership, for and in consideration of One Dollars ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby transfers, assigns and sets over to Assignee or Assignee's nominee or nominees, pursuant to and in accordance with the terms and conditions of that certain Redemption Agreement (the "**Redemption Agreement**"), dated November 22, 2006, by and among Assignee, Meadowlands Developer Holding Corp. ("**MDHC**"), Assignor, Mack-Cali Meadowlands Special L.L.C. ("**MC Special**") and Meadowlands Limited Partnership ("**MLP**") and the Mack-Cali Rights, Obligations and Option Agreement to be entered into on the date hereof by and among Assignee, MLP, Meadowlands Mack-Cali GP, L.L.C., MDHC, MC Special, Baseball Meadowlands Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Limited Partnership, all of Assignor's right, title and interest in, and to, Assignee (the "**Assigned Interest**"), which Assignor represents to be free and clear of all liens, pledges, encumbrances, claims, charges, equities, agreements, rights, options or restrictions of any kind, nature or description whatsoever.

Assignee hereby accepts the assignment and transfer of the Assigned Interest and Assignee hereby assumes the Assigned Interest and the obligations and liabilities relating thereto and performance thereof arising from and after the time of closing pursuant to that certain Redemption Agreement (the "**Closing**").

To have and to hold the same unto Assignee, Assignee's successors and assigns, from and after the Closing.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this instrument as of the 22nd day of November, 2006.

ASSIGNOR:

MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C., a New Jersey limited liability company

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its sole member

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

By: _____
Name:
Title:

ASSIGNEE:

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Limited Partnership, a Delaware limited partnership, its Managing General Partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its Managing General Partner

By: _____
Name:
Title:

By: Mack-Cali Meadowlands Special L.L.C., a New Jersey limited liability company, a General Partner

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its Sole Member

By: Mack-Cali Realty Corporation, a Maryland corporation, its General Partner

By: _____
Name:
Title:

EXHIBIT I

MACK-CALI RIGHTS, OBLIGATIONS AND OPTION AGREEMENT

Memorandum for Recordation

MEMORANDUM OF
MACK-CALI RIGHTS, OBLIGATIONS AND OPTION AGREEMENT

THIS MEMORANDUM OF MACK-CALI RIGHTS, OBLIGATIONS AND OPTION AGREEMENT ("**Memorandum**") is made as of the 22nd day of November, 2006 by and among (i) MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership), a Delaware limited partnership ("**MDLP**"), (ii) MEADOWLANDS LIMITED PARTNERSHIP (f/k/a Meadowlands Mills Limited Partnership), a Delaware limited partnership ("**JV GP**"), (iii) MEADOWLANDS DEVELOPER HOLDING CORP., a Delaware limited partnership ("**JV Holding**"), (iv) MEADOWLANDS MACK-CALI GP, L.L.C., a Delaware limited liability company ("**GP LLC**"), (v) MACK-CALI MEADOWLANDS SPECIAL L.L.C., a New Jersey limited liability company ("**Special General Partner**"), (vi) MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C., a New Jersey limited liability company ("**MC Entertainment**"), (vii) BASEBALL MEADOWLANDS LIMITED PARTNERSHIP (f/k/a Baseball Meadowlands Mills/Mack-Cali Limited Partnership), a Delaware limited partnership ("**Baseball LP**"), (viii) A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (f/k/a A-B Office Meadowlands Mack-Cali/Mills Limited Partnership), a Delaware limited partnership ("**A-B Office LP**"), (ix) C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (f/k/a C-D Office Meadowlands Mack-Cali/Mills Limited Partnership), a Delaware limited partnership ("**C-D Office LP**"), (x) HOTEL MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP (f/k/a Hotel Meadowlands Mack-Cali/Mills Limited Partnership), a Delaware limited partnership ("**Hotel LP**") and (xi) ERC MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership ("**ERC LP**") (MDLP, JV, JV GP, JV Holding, GP LLC, Special General Partner, MC Entertainment, Baseball LP, A-B Office LP, C-D Office LP, Hotel LP and ERC LP collectively referred to herein as the "**Parties**").

W I T N E S S E T H :

WHEREAS, the MDLP, GP LLC and Special General Partner each have an interest in that certain real property commonly referred to as the Hotel Component and the Office Component, as more particularly described on **Exhibit "A"** annexed hereto (the "**Property**"); and

WHEREAS, the Parties have entered into that certain Mack-Cali Rights, Obligations and Option Agreement, dated of even date herewith (the "**Agreement**"), setting forth certain rights and obligations of the Parties respecting, among other things, the Property; and

WHEREAS, the Parties desire to record this Memorandum in the public records of the County of Bergen, State of New Jersey.

NOW, THEREFORE, the Parties agree as follows:

Section 24. TERM OF AGREEMENT. The Agreement shall commence on November 22, 2006, and shall continue in accordance with the terms of the Agreement.

Section 25. EFFECT OF MEMORANDUM OF AGREEMENT. This Memorandum is entered into by the Parties, and is to be recorded to set forth the Agreement as a matter of record in order, among other things, that third parties may have notice of the existence of the Agreement. All of the terms, conditions, provisions and covenants of the Agreement are incorporated in this Memorandum by reference as though written out at length herein, and the Agreement and this Memorandum shall be deemed to constitute a single instrument or document. Nothing contained in this Memorandum shall be deemed to modify, amend, alter, limit or otherwise change any of the provisions of the Agreement itself or the rights and obligations of the parties thereto as provided therein. In the event of any conflict or ambiguity between the terms of this Memorandum or the terms of the Agreement, the terms of the Agreement shall prevail.

Section 26. BINDING EFFECT. The respective rights and obligations of the Parties set forth herein and in the Agreement, to the extent provided herein and therein, shall be binding upon and inure to the benefit of such Parties and their respective heirs, successors and permitted assigns.

Section 27. NO OTHER LIENS. Except as otherwise allowed, provided and/or contemplated under the Agreement and the Transaction Documents (as defined in the Agreement), no mortgage, lien, security interest or other encumbrance, shall be placed on the Property.

Section 28. EXECUTION OF AGREEMENT. This document may be executed in any number of separate counterparts, each of which shall, collectively, constitute one agreement.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the day and year first above written.

MDLP:

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Limited Partnership,
its managing general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

JV GP:

MEADOWLANDS LIMITED PARTNERSHIP, a Delaware limited partnership

By: Colony Xanadu, LLC,
its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

JV HOLDING:

MEADOWLANDS DEVELOPER HOLDING CORP., a Delaware limited partnership

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Meadowlands Developer Holding Corp., and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

GP LLC:

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

By: Meadowlands Developer Limited Partnership, its sole member

By: Meadowlands Limited Partnership, its general partner

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

[signature page to Memorandum of Mack-Cali Rights, Obligations and Option Agreement]

SPECIAL GENERAL PARTNER:

MACK-CALI MEADOWLANDS SPECIAL L.L.C.,
a New Jersey limited liability company

By: Mack-Cali Realty, L.P., its sole member

By: Mack-Cali Realty Corporation, its
general partner

B y :

_____

Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same i n his/her capacity as an officer of Mack-Cali Realty Corporation, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

MC ENTERTAINMENT:

MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C., a New Jersey limited liability company

By: Mack-Cali Realty, L.P., its sole member

By: Mack-Cali Realty Corporation, its general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Mack-Cali Realty Corporation, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

BASEBALL LP:

BASEBALL MEADOWLANDS LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Baseball Holding, LLC, its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

A-B OFFICE LP:

A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

C-D OFFICE LP:

C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

HOTEL OFFICE LP:

HOTEL OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

[signature page continued on next page]

ERC LP:

ERC MEADOWLANDS MILLS/MACK-CALI LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Mack-Cali GP, L.L.C., its general partner

By: Meadowlands Developer Limited Partnership, its sole member

By: Colony Xanadu, LLC, its managing general partner

By: _____
Name: _____
Title: _____

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

On the ____ day of November, 2006, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as an officer of Colony Xanadu, LLC, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT J

ASSIGNMENT AND ASSUMPTION OF PARTNERSHIP INTEREST

The undersigned ("**Assignor**"), holder of a general partnership interest in Meadowlands Developer Limited Partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) ("**Assignee**"), a Delaware limited partnership, for and in consideration of One Dollars ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby transfers, assigns and sets over to Assignee or Assignee's nominee or nominees, pursuant to and in accordance with the terms and conditions of that certain Redemption Agreement (the "Redemption Agreement"), dated November 22, 2006, by and among Assignee, Meadowlands Developer Holding Corp. ("**MDHC**"), Assignor, Mack-Cali Meadowlands Special L.L.C. ("**MC Special**") and Meadowlands Limited Partnership ("**MLP**") and the Mack-Cali Rights, Obligations and Option Agreement to be entered into on the date hereof by and betweenamong Assignee, MLP, Meadowlands Mack-Cali GP, L.L.C., MDHC, MC Entertainment, Baseball Meadowlands Mills/Mack-Cali Limited Partnership, A-B Office Meadowlands Mack-Cali/Mills Limited Partnership, C-D Meadowlands Mack-Cali/Mills Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Limited Partnership, all of Assignor's right, title and interest in, and to, Assignee (the "**Assigned Interest**"), which Assignor represents to be free and clear of all liens, pledges, encumbrances, claims, charges, equities, agreements, rights, options or restrictions of any kind, nature or description whatsoever.

Assignee hereby accepts the assignment and transfer of the Assigned Interest and Assignee hereby assumes the Assigned Interest and the obligations and liabilities relating thereto and performance thereof arising from and after the time of closing pursuant to that certain Redemption Agreement (the "**Closing**").

To have and to hold the same unto Assignee, Assignee's successors and assigns, from and after the Closing.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this instrument as of the 22nd day of November, 2006.

ASSIGNOR:

MACK-CALI MEADOWLANDS SPECIAL L.L.C., a New Jersey limited liability company

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its sole member

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

By: _____
Name:
Title:

ASSIGNEE:

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Limited Partnership, a Delaware limited partnership, its Managing General Partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its Managing General Partner

By: _____
Name:
Title:

By: Mack-Cali Meadowlands Special L.L.C., a New Jersey limited liability company, a General Partner

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its Sole Member

By: Mack-Cali Realty Corporation, a Maryland corporation, its General Partner

By: _____
Name:
Title:

EXHIBIT K

ASSIGNMENT AND ASSUMPTION OF PARTNERSHIP INTEREST

The undersigned ("**Assignor**"), holder of a general partnership interest in Meadowlands Developer Limited Partnership (f/k/a Meadowlands Mills/Mack-Cali Limited Partnership) ("**Assignee**"), a Delaware limited partnership, for and in consideration of One Dollars ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby transfers, assigns and sets over to Assignee or Assignee's nominee or nominees, pursuant to and in accordance with the terms and conditions of that certain Redemption Agreement (the "**Redemption Agreement**"), dated November 22, 2006, by and among Assignee, Meadowlands Developer Holding Corp. ("**MDHC**"), Assignor, Mack-Cali Meadowlands Special L.L.C. ("**MC Special**") and Meadowlands Limited Partnership ("**MLP**") and the Mack-Cali Rights, Obligations and Option Agreement to be entered into on the date hereof by and among Assignee, MLP, Meadowlands Mack-Cali GP, L.L.C., MDHC, MC Special, Baseball Meadowlands Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Limited Partnership, all of Assignor's right, title and interest in, and to, Assignee (the "**Assigned Interest**"), which Assignor represents to be free and clear of all liens, pledges, encumbrances, claims, charges, equities, agreements, rights, options or restrictions of any kind, nature or description whatsoever.

Assignee hereby accepts the assignment and transfer of the Assigned Interest and Assignee hereby assumes the Assigned Interest and the obligations and liabilities relating thereto and performance thereof arising from and after the time of closing pursuant to that certain Redemption Agreement (the "**Closing**").

To have and to hold the same unto Assignee, Assignee's successors and assigns, from and after the Closing.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this instrument as of the 22nd day of November, 2006.

ASSIGNOR:

MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C., a New Jersey limited liability company

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its sole member

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

By: _____
Name:
Title:

ASSIGNEE:

MEADOWLANDS DEVELOPER LIMITED PARTNERSHIP, a Delaware limited partnership

By: Meadowlands Limited Partnership, a Delaware limited partnership, its Managing General Partner

By: Colony Xanadu, LLC, a Delaware limited liability company, its Managing General Partner

By: _____
Name:
Title:

By: Mack-Cali Meadowlands Special L.L.C., a New Jersey limited liability company, a General Partner

By: Mack-Cali Realty, L.P., a Delaware limited partnership, its Sole Member

By: Mack-Cali Realty Corporation, a Maryland corporation, its General Partner

By: _____
Name:
Title:

Schedule 5.1(d)

None.

Schedule 5.2(d)

Required Consents

1. MC Entertainment - Consent of Sole Member

2. MC Special - Consent of Sole Member

Exhibit 10.117

MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT (this "Agreement"), dated as of December 28, 2006, by and among NKFGMS Owners, LLC, a Delaware limited liability company (the "Company"), The Gale Construction Services Company, L.L.C., a Delaware limited liability company (the "Mack-Cali Member"), NKFFM Limited Liability Company, a New Jersey limited liability company (the "Newmark Member"), Scott Panzer ("Panzer"), Ian Marlow ("Marlow"), Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, a New York corporation ("Newmark"), and Mack-Cali Realty, L.P., a Delaware limited partnership ("M-C Realty").

WHEREAS, the Mack-Cali Member owns all of the issued and outstanding membership interests (the "Gale Global Membership Interests") of Gale Global Facility Services, L.L.C. ("Gale Global");

WHEREAS, Gale Global is engaged in the Gale Global Business;

WHEREAS, the Mack-Cali Member desires to contribute to the Company the Gale Global Membership Interests in exchange, in part, for Company Membership Interests;

WHEREAS, the Newmark Member desires to contribute to the Company cash and perform certain services for the Company in exchange for Company Membership Interests;

WHEREAS, Marlow desires to contribute to the Company cash and perform professional services for the Company in exchange for Company Membership Interests; and

WHEREAS, Panzer desires to contribute to the Company cash in exchange for Company Membership Interests.

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

Article I

DEFINITIONS

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

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

"Affiliate" means, with respect to any Person (the "Subject Person"), any: (i) direct or indirect shareholder, partner, member, employee, officer, director, manager, owner, or agent of, or (in the case where such Subject Person is a Member, any Manager appointed by, such Subject Person) or, otherwise, any Person that has any direct or indirect (including, without limitation, voting) interest in, and/or any managerial control over, such Subject Person, or any other Person acting for or on behalf of such Subject Person; (ii) any member of the family of such Subject Person or any Person referred to in clause (i) above (within the meaning of Section 267(c)(4) of the Code, except that for this purpose, a legally adopted child of any individual shall be treated as a child of such individual by blood); (iii) Person that has any direct or indirect voting control (including by contractual arrangement) over such Subject Person or any Person referred to in clause (i) above; (iv) Person in which such Subject Person and/or any one or more of the Persons referred to in clauses (i) or (ii) above owns or possesses (including by contractual arrangement), directly or indirectly, any beneficial or voting interest; and (iv) any of the heirs, executors, administrators, personal or legal representatives, successors and assigns of any or all of the foregoing Persons referred to in clauses (i) through (iv) above, as well as any "Affiliate" thereof.

"Ancillary Agreements" means (i) the Loans, Sale and Services Agreement, and (ii) the Company Operating Agreement.

"Claim" means all actions, suits or claims or legal, administrative or arbitral proceedings or investigations.

"Company Interest" means a membership interest in the Company issued in accordance with, and subject to, the Company Operating Agreement.

"Company Member" shall mean a Person admitted as a Member of the Company in accordance with the Company Operating Agreement.

"Company Operating Agreement" means the Operating Agreement of the Company, dated as of December 28, 2006, by and among the Company, the Mack-Cali Member, the Newmark Member, Marlow and Panzer, as such agreement may be amended from time to time in accordance with its terms.

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

"Disclosure Schedule" means the Disclosure Schedule attached hereto and delivered in connection with this Agreement.

"Encumbrance" means any security interest, pledge, charge, option, right, hypothecation, mortgage, lien, claim or other encumbrance.

"Gale Global Business" means the business operated by Gale Global and the Gale Subsidiaries on the date hereof.

"Gale Subsidiaries" means the subsidiaries of Gale Global listed in Section 3.02(a) of the Disclosure Schedule.

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

"Knowledge of the Mack-Cali Member" means the knowledge of Mitchell Hersh, Barry Lefkowitz, Marlow and Roger Thomas.

"Knowledge of the Newmark Member" means the knowledge of Barry Gosin, Panzer and Joseph Rader.

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

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

"Loans, Sale and Services Agreement" means the Loans, Sale and Services Agreement, dated the date hereof, in the form executed by Newmark, the Company and the Mack-Cali Member.

"Marlow Certificate" means the certificate, dated the date hereof, executed and delivered by Marlow to the Mack-Cali Member, a copy of which is attached hereto as Exhibit A, upon which the Mack-Cali Member is relying in part in making the representations and warranties set forth in Article III hereof.

"Material Adverse Effect" means a material adverse effect on the results of the operation or financial condition of a Person and its Affiliates, taken as a whole.

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

"Original Gale Agreement" means the Membership Interest Purchase and Contribution Agreement, by and among Mr. Stanley C. Gale ("Stanley"), SCG Holding Corp. (together with Stanley, the "Gale Sellers"), Mack-Cali Realty Acquisition Corp., and Mack-Cali Realty L.P., dated as of March 7, 2006, as amended on March 31, 2006, May 9, 2006, August 3, 2006, September 25, 2006, October 11, 2006, November 15, 2006 and December 19, 2006, a full copy of which has been delivered to Newmark. Capitalized terms used in exhibits attached to this Agreement which include provisions of the Original Gale Agreement, and capitalized terms specifically referring to the Original Gale Agreement, shall have the meanings ascribed to such terms in the Original Gale Agreement.

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

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

"Subsidiary" means a Person in which another Person owns or controls, directly or indirectly, more than 50% of the beneficial or voting interest of such Person, or has the power to direct or cause the direction of the management and policies of such Person whether through the ownership of such voting securities, by contract or otherwise.

Article II

PURCHASE AND SALE

Section 2.01 Contributions and Consideration.

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, the Mack-Cali Member shall contribute, sell, assign, transfer and deliver to the Company all of the Gale Global Membership Interests, and the Company shall accept as a capital contribution from the Mack-Cali Member all of the Gale Global Membership Interests, free and clear of all Encumbrances. In consideration for such contribution, the Mack-Cali Member shall receive from the Company, at the Closing, $600,000 in cash plus a Company Interest equal to 40% of all of the Company Interests issued and outstanding on the Closing Date, which Company Interests may be reduced, from time to time, to no less than 35% of all issued and outstanding Company Interests, in accordance with the terms and conditions of the Company Operating Agreement.

(b) Upon the terms and subject to the conditions of this Agreement, at the Closing, the Newmark Member shall contribute and deliver to the Company $400,000 in cash, and agree to perform certain services for the Company in accordance with the Loans, Sale and Services Agreement. In consideration for such contributions, the Newmark Member shall receive from the Company, at the Closing, a Company Interest equal to 40% of all of the Company Interests issued and outstanding on the Closing Date, which Company Interests may be reduced, from time to time, to no less than 35% of all issued and outstanding Company Interests, in accordance with the terms and conditions of the Company Operating Agreement.

(c) Upon the terms and subject to the conditions of this Agreement, at the Closing, Marlow shall contribute and deliver to the Company $100,000 in cash, and execute and deliver to the Company the Marlow Employment Agreement. In consideration thereof, Marlow shall receive from the Company, at the Closing, a Company Interest equal to 10% of all of the Company Interests issued and outstanding on the Closing Date. The parties hereto acknowledge and agree that, in accordance with the provisions of the Marlow Employment Agreement and the Company Operating Agreement, Marlow has the opportunity to earn Company Interests of up to an additional 10% of the Company Interests, which Company Interests shall be transferred from each of the Mack-Cali Member and the Newmark Member, pari passu, in accordance with the terms and conditions of the Company Operating Agreement.

(d) Upon the terms and subject to the conditions of this Agreement, at the Closing, Panzer shall contribute and deliver to the Company $100,000 in cash. In consideration for such contribution, Panzer shall receive from the Company, at the Closing, a Company Interest equal to 10% of all of the Company Interests issued and outstanding on the Closing date.

Section 2.02 Closing. Upon the terms of this Agreement and subject to the satisfaction or waiver of the conditions of this Agreement, a closing of the contributions contemplated by Section 2.01 above, and the issuance of the Company Interests in consideration thereof, shall take place on December 28, 2006 or such other dates as shall be determined by the parties hereto (the "Closing Date"), at the offices of Newmark, 125 Park Avenue, New York, New York (the "Closing").

Section 2.03 Closing Deliveries. At or prior to the Closing, the parties hereto shall deliver, or cause to be delivered, to each other, as applicable, the following:

(a) an Assignment of the Gale Global Membership Interests by the Mack-Cali Member to the Company, in the form attached hereto as Exhibit B;

(b) the Loans, Sale and Services Agreement, executed by each of the parties thereto;

(c) the Marlow Employment Agreement, executed by Marlow and the Company;

(d) the Company Operating Agreement, executed by each of the Mack-Cali Member, the Newmark Member, Marlow and Panzer;

(e) true and complete copies of resolutions of each of the Mack-Cali Member, M-C Realty, the Newmark Member and Newmark evidencing their respective authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, each such certificate executed by an authorized officer of each entity;

(f) a certificate of a duly authorized officer of each of the Mack-Cali Member, M-C Realty, the Newmark Member and Newmark certifying (i) the names and signatures of the officer of each who is authorized to sign this Agreement and any other agreement delivered in connection with the transactions contemplated hereby, and (ii) that the representations and warranties of each party set forth in this Agreement are true and correct, except in any case where the failure to be true and correct would not have a Material Adverse Effect; and

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

Article III

REPRESENTATIONS AND WARRANTIES
OF THE MACK-CALI MEMBER

Preliminary Matters. Reference is made to the Original Gale Agreement, and the representations and warranties contained in Article III thereof, a copy of which is attached hereto and made a part hereof as Exhibit C (the "Gale Representations and Warranties"). The Mack-Cali Member represents and warrants to Newmark that, to the Knowledge of the Mack-Cali Member and except as set forth in the Marlow Certificate, the Gale Representations and Warranties, to the extent they relate to Gale Global and the Gale Subsidiaries, (i) are, as of the date hereof (or if a representation and warranty is made as of a specified date, as of such date), true and correct in all material respects, and any breaches or violations of any such representations and warranties arising from or relating to events that occurred after May 9, 2006 would not have a Material Adverse Effect on Gale Global and the Gale Subsidiaries, (the "Post May 9th Representations"), and (ii) were, as of May 9, 2006 (or, if a representation and warranty is made as of a specified date, as of such date), true and correct in all material respects, any breaches or violations of any such representations and warranties arising from or relating to events that occurred on or before May 9, 2006 would not have a Material Adverse Effect on Gale Global and the Gale Subsidiaries (the "Gale Closing Date Representations"). To the extent the representations and warranties set forth in Sections 3.01 through 3.10 hereof are inconsistent with the Gale Representations and Warranties, the representations and warranties set forth in Sections 3.01 through 3.10 shall control. Newmark acknowledges that (x) in respect of the Post May 9th Representations, the Mack-Cali Member is relying solely on the Knowledge of the Mack-Cali Member and the Marlow Certificate, and (y) in respect of the Gale Closing Date Representations, is relying on the Marlow Certificate and the Gale Sellers in making the Gale Representations and Warranties pursuant to the Original Gale Agreement, and, in each such case, has undertaken no independent investigation or other affirmative action to verify the Post May 9th Representations or the Gale Closing Date Representations.

Subject to the foregoing limitations and qualifications, the Mack-Cali Member hereby represents and warrants to the Company, Newmark and the Newmark Member, as of the date hereof or, if a representation or warranty is made as of a specified date, as of such date, the following:

Section 3.01 Organization, Authority and Qualification.

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

(b) Gale Global (i) is duly organized and validly existing as a limited liability company and is in good standing under the laws of its jurisdiction of organization, (ii) has all necessary power and authority to own, operate or lease the properties and assets owned, operated or leased by such company and to carry on its business as it is currently conducted, and (iii) is duly licensed or qualified to do business and is in good standing in each jurisdiction requiring it to be licensed or qualified, except for licenses and qualifications to do business, the loss of which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect.

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

Section 3.02 Subsidiaries.

(a) Section 3.02(a) of the Disclosure Schedule sets forth a list of the Gale Subsidiaries. Other than the Gale Subsidiaries, there are no other corporations, partnerships, limited liability companies, joint ventures, associations or other entities in which Gale Global or the Gale Subsidiaries own, of record or beneficially, any direct or indirect equity or other interest or any right (contingent or otherwise) to acquire the same. Other than the Gale Subsidiaries, Gale Global is not a member of any partnership, joint venture or similar arrangement nor is Gale Global nor any of the Gale Subsidiaries a participant in any partnership, joint venture or similar arrangement.

(b) Each Gale Subsidiary that is a corporation (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has all necessary power and authority to carry on its business as is currently conducted by such Gale Subsidiary, and (iii) is duly licensed or qualified to do business and is in good standing in each jurisdiction requiring it to be licensed or qualified except for licenses and qualifications to do business, the loss of which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect.

(c) Each Gale Subsidiary that is a partnership or limited liability company (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has all necessary power and authority to carry on its business as it is currently conducted by such Gale Subsidiary and (iii) is duly licensed or qualified to do business and is in good standing in each jurisdiction requiring it to be licensed or qualified except for licenses and qualifications to do business, the loss of which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect.

Section 3.03 Ownership of the Membership Interests and Subsidiaries. As of the date hereof, the Mack-Cali Member has good and marketable title to, and is the lawful record and beneficial owner of, 100% of the Gale Global Membership Interests, free and clear of all Encumbrances, and the Gale Global Membership Interests represent all of the beneficial, voting, management, contingent, economic interest and other right, title and interest in and to Gale Global.

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

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

Section 3.04 Financial Statements. The Mack-Cali Member has delivered to Newmark copies of the financial information for 2003, 2004, 2005, as described on Section 3.04 of the Disclosure Schedule, in the form delivered to the Mack-Cali Member by the Gale Sellers, and the financial information for the first six months of 2006 as described on Section 3.04 of the Disclosure Schedule.

Section 3.05 No Material Adverse Effect, Extraordinary Distributions, or Claims. Except as set forth on Section 3.05 of the Disclosure Schedule, to the Knowledge of the Mack-Cali Member, no event, circumstance or change since June 30, 2006 has occurred or is threatened against Gale Global or the Gale Subsidiaries, the Gale Global Business or the Gale Global Membership Interests that, individually or in the aggregate, has had or could reasonably be expected to have, a Material Adverse Effect. Neither the Mack-Cali Member nor any Affiliate of the Mack-Cali Member has (i) received any extraordinary distribution of cash or property since acquiring the Gale Global Membership Interests, or (ii) filed any claim for indemnification under the Original Gale Agreement.

Section 3.06 Compliance with Laws. Except as set forth on Section 3.06 of the Disclosure Schedule, Gale Global, to the Knowledge of the Mack-Cali Member (i) is not in violation of any applicable Order or any applicable Law of any Governmental Authority, which individually or in the aggregate, has had, will have, or reasonably could be expected to have, a Material Adverse Effect, and (ii) has not received written notice that any such violation is being or may be alleged.

Section 3.07 No Breach. The execution, delivery and performance of this Agreement and any Ancillary Agreements to which each of the Mack-Cali Member and Gale Global is a party, and the consummation of the transactions contemplated hereby and thereby, will not (i) violate any provision of its charter or bylaws or any other organizational document or any agreement, guarantee or financial obligation that it is a party to or for which it is liable; (ii) except as set forth on Section 3.07 of the Disclosure Schedule, otherwise violate, conflict with or result in the breach of any of the terms of, result in a material modification of the effect of, otherwise give any other contracting party the right to terminate, or constitute (or with notice or lapse of time or both constitute) a default under any agreement to which it is a party or by which it may be bound or subject; (iii) violate any Order of any Governmental Authority against, or binding upon, it or the Gale Global Business, or upon the Gale Global Membership Interests, except for violations which could not reasonably be expected to have a Material Adverse Effect; (iv) violate or result in the revocation, suspension, non-renewal or limitation of any Permit, the result of which would reasonably be expected to have a Material Adverse Effect; (v) to the Knowledge of the Mack-Cali member, violate any Law except for violations which could not reasonably be expected to have a Material Adverse Effect; or (vi) result in the creation of any Encumbrance on the Gale Global Membership Interests, except for Encumbrances which could not reasonably be expected to have a Material Adverse Effect.

Section 3.08 Claims and Proceedings. Except as set forth on Section 3.08 of the Disclosure Schedule, there are no material outstanding Orders of any Governmental Authority pending or, to the Knowledge of the Mack-Cali Member, threatened against or involving Gale Global or the Gale Global Business.

Section 3.09 Insurance. Section 3.09 of the Disclosure Schedule sets forth a list (specifying the insurer and the policy number or covering note number with respect to binders, describing any pending claim thereunder of more than $5,000) of all policies or binders of fire, liability, fidelity, workmen's compensation, vehicular and other insurance held by Gale Global for its own account to insure against its liability and property loss that relate to the Gale Global Business. Such policies and binders are in full force and effect. Gale Global is not in default in any material respect with respect to any provision contained in any such policy or binder and has not failed to give any notice or present any material claim under any such policy or binder. Gale Global has not received any written notice of cancellation or non-renewal of any such policy or binder nor has it received any written notice from any of insurance carrier that any insurance premiums or other amounts due under any such policy or binder (or replacement coverage, including renewals) will be materially increased in the future or that any insurance coverage will or may not be available in the future on reasonable commercial terms.

Section 3.10 Brokers and Finders. The Mack-Cali Member has not incurred any Liability for finder's brokerage, agent's or advisory fees or commissions in connection with this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby.

Section 3.11 Contracts. To the knowledge of the Mack-Cali Member, (i) each contract listed on Section 3.11 of the Disclosure Schedule (the "Contracts") was entered into in the ordinary course of the Gale Global Business, and is valid and binding on Gale Global or the Gale Global Subsidiaries, as the case may be, and (ii) subject to Section 3.07 of the Disclosure Schedule, neither the Company or any Gale Global Subsidiary, as the case may be, or any other party thereto, is in breach of, or default under, any Contract, except for breaches or defaults that would not have a material adverse effect on the Gale Global Business.

Article IIIA

REPRESENTATIONS AND WARRANTIES OF MARLOW

To the knowledge of Marlow, with respect to any agreements with subcontractors who provide services in connection with the Contracts and which provide for payments to a subcontractor of at least (i) $25,000 or (ii) $5,000 and provide for services to be rendered for pest control, construction, security, window cleaning or roofing (such agreements in sub-clause (i) and (ii) are collectively referred to herein as the "Subcontractor Agreements"), all such Subcontractor Agreements comply with the insurance requirements set forth in the respective Contracts. In the event that there is any uninsured liability to the Company as a result of (A) the failure of coverage under its own insurance policies and (B) a breach by any Subcontractor to comply with the insurance requirements of the Subcontractor Agreement (each, a "Subcontractor Liability"), Marlow hereby agrees and acknowledges that any such Subcontractor Liability shall be offset by Marlow's Company Membership Interests but in no event in an aggregate amount in excess of $100,0000. To the extent that the Company receives either an estoppel certificate or a confirmation of compliance of each Subcontractor Agreement with the requisite insurance requirements, Ian Marlow's liability for such Subcontractor Agreement shall be eliminated for that Subcontractor.

Article IV

REPRESENTATIONS AND WARRANTIES
OF NEWMARK AND THE NEWMARK MEMBER

Newmark and the Newmark Member hereby, jointly and severally, represent and warrant to the Company and the Mack-Cali Member, as of the date hereof or, if a representation or warranty is made as of a specified date, as of such date, the following:

Section 4.01 Organization, Authority and Qualification.

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

(b) Each of Newmark and the Newmark Member (i) has all necessary power and authority to own, operate or lease the properties and assets owned, operated or leased by such company and to carry on its business as is currently conducted by such company and (ii) is duly licensed or qualified to do business and is in good standing in each jurisdiction in which such qualification is necessary.

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

Section 4.02 Compliance.

(a) No Material Adverse Change. No event or circumstance has occurred or is threatened against Newmark or the Newmark Member since January 1, 2006 that, individually or in the aggregate, has had or could reasonably be expected to have, a Material Adverse Effect on Newmark or the Newmark Member.

(b) Compliance with Laws. Except as set forth on Section 4.02 of the Disclosure Schedule, each of Newmark and the Newmark Member, to the Knowledge of the Newmark Member (i) is not in violation of any applicable Order or any applicable Law of any Governmental Authority, which individually or in the aggregate, has had, will have, or reasonably could be expected to have, a Material Adverse Effect on the business of Newmark, and (ii) has not received written notice that any such violation is being or may be alleged.

(c) No Breach. The execution, delivery and performance of this Agreement and any Ancillary Agreements to which each of Newmark and the Newmark Member is a party, and the consummation of the transactions contemplated hereby and thereby, will not (i) violate any provision of its charter or bylaws or any other organizational document or any agreement, guarantee or financial obligation that it is a party to or for which it is liable; (ii) except as set forth on Section 4.02 of the Disclosure Schedule, otherwise violate, conflict with or result in the breach of any of the terms of, result in a material modification of the effect of, otherwise give any other contracting party the right to terminate, or constitute (or with notice or lapse of time or both constitute) a default under any agreement to which it is a party or by which it may be bound or subject; (iv) violate any Order of any Governmental Authority against, or binding upon, it; (v) violate or result in the revocation, suspension, non-renewal or limitation of any Permit, the result of which would have a Material Adverse Effect on Newmark; or (vi) to the Knowledge of the Newmark member, violate any Law.

Section 4.03 Brokers or Finder.

Each of the Newmark and the Newmark Member have not incurred any Liability for finder's brokerage, agent's or advisory fees or commissions in connection with this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby.

Article V

COVENANTS

Section 5.01 Excluded Assets. Reference is made to Sections 5.11(c) and (d) of the Original Gale Agreement, a copy of which is attached hereto and made a part hereof as Exhibit D (the "Excluded Assets Provisions"). The parties hereto affirmatively acknowledge the covenants set forth in the Excluded Assets Provisions, and agree to execute and deliver, or cause to be executed and delivered, such instruments, and to take such action as the Mack-Cali Member may reasonably request in order to comply with, and effectuate the intent of, the Excluded Assets Provisions, including, without in any way limiting the covenants set forth in the Excluded Assets Provisions, (a) to use all reasonable efforts to identify Excluded Assets and to assign, transfer and convey to the Gale Sellers, without consideration or other payment therefore any Excluded Assets, and (b) to use all reasonable efforts to identify Assets and to cause the Gale Sellers to assign, transfer or convey to the Company, if applicable, all Assets so identified. The covenants contained in Section 5.01 hereof shall survive the Closing until May 9, 2007.

Section 5.02 Bonus Payments.

M-C Realty hereby acknowledges and agrees that it shall retain the obligation to pay any bonus payments to employees of Gale Global who were employed as of December 27, 2006 for services rendered to Gale Global in 2006. The amounts and recipients of any such bonus payments shall be determined by M-C Realty in its sole discretion and, to the extent M-C Realty determines to make such bonus payments, it agrees to make such payments by March 31, 2007.

Article VI

INDEMNIFICATION AND SURVIVAL

Section 6.01 Survival of Representations and Warranties. Each of the parties hereto has the right to rely fully upon the representations and warranties of the other parties contained in this Agreement. The parties agree that (i) the Gale Closing Date Representations shall survive to the extent that the Gale Representations and Warranties survive, as set forth in Section 8.01 of Article VIII of the Original Gale Agreement, a copy of which is attached hereto and made a part hereof as Exhibit E (the "Gale Indemnity Provisions), (ii) the representations and warranties set forth in Section 3.03 shall survive through May 9, 2009, and (iii) the Post May 9th Representations, the other representations and warranties set forth in Article III, and the representations and warranties set forth in Article IV shall survive for a period of one year from the date hereof.

Section 6.02 Indemnification for Breach of the Representations and Warranties of the Mack-Cali Member and Newmark. Subject to the limitations set forth in this Article VI, each of the parties hereto agrees to indemnify, defend and hold harmless any other party to which its representations and warranties were directed (and its directors, representatives, officers, employees, affiliates, successors and assigns) from and against all losses, damages, claims, costs and expenses, awards, judgments and penalties (including reasonable attorneys' fees and expenses) actually suffered or incurred ("Losses") based upon, arising out of or otherwise in respect of, any inaccuracy in or any breach of any representation or warranty contained in this Agreement, provided that (i) no party shall be entitled to such indemnification until such time as such party has incurred Losses in excess of $250,000, (ii) the Mack-Cali Member shall be limited in the aggregate amount payable to the Company and the Newmark Member for Losses claimed under this indemnity relating to the Gale Closing Date Representations to no more than $4,000,000, (iii) the Mack-Cali Member shall be limited in the aggregate amount payable to the Company and the Newmark Member for Losses claimed under this indemnity relating to the Post May 9th Representations to no more than $1,500,000, (iv) except as otherwise provided in subparagraphs (ii) and (iii) above, each party shall be limited in the aggregate amount payable to the other party for Losses claimed under this indemnity to no more than $1,500,000, and (v) no party shall be entitled to indemnification herunder if the party knew of a breach of a representation and warranty at the time such representation and warranty was made. M-C Realty agrees to guaranty any obligations of the Mack-Cali Member to indemnify, defend and hold harmless Newmark, the Newmark Member or the Company from and against any Losses, in accordance with, and subject to the limitations of, the provisions of this Article VI.

Section 6.03 Notice to Indemnifying Party. If any party hereto (the "Indemnitee") receives written notice of any third party claim or potential claim or the commencement of any action or proceeding of any third party that could give rise to an obligation on the part of another party (the "Indemnifying Party") pursuant to this Agreement, the Indemnitee shall promptly give the Indemnifying Party notice thereof (the "Indemnification Notice"); provided, however, that the failure to give the Indemnification Notice promptly shall not impair the Indemnitee's right to indemnification in respect of such claim, action or proceeding unless, and only to the extent that, the lack of prompt notice adversely affects the ability of the Indemnifying Party to defend against or diminish the Losses arising out of such claim, action or proceeding. The Indemnification Notice shall contain factual information describing the asserted claim in reasonable detail (to the extent known to the Indemnitee) and shall include copies of any notice or other documents received from any third party in respect of any such asserted claim. The Indemnifying Party shall have the right to assume the defense of a third party claim or suit described in this Section 6.03 at its own cost and expense and with counsel of its own choosing; provided, however, that the Indemnifying Party acknowledges in writing (at the time it elects to assume the defense of such claim or suit, which shall be not later than thirty (30) days after the date of the Indemnification Notice) its obligation under this Section 6.03 to indemnify the Indemnitee with respect to such claim or suit; the Indemnitee is kept fully informed of all substantive developments and is furnished copies of all substantive papers; the Indemnitee is given the opportunity, at its option, to participate at its own cost and expense and with counsel of its own choosing in the defense of such claim or suit; and the Indemnifying Party diligently prosecutes the defense of such claim or suit. In the event that all of the conditions of the foregoing provision are not satisfied, the Indemnitee shall have the right, without impairing any of its rights to indemnification as provided herein, to assume and control the defense of such claim or suit and to settle such claim or suit. The Indemnifying Party shall make no settlement of any such third party claim or suit without the prior written consent of the Indemnitee (which shall not be unreasonably withheld or delayed). No settlement of any such third party claim or suit shall be made by the Indemnitee if the Indemnifying Party shall have assumed the defense thereof and shall be in substantial compliance with its obligations with respect thereto as set forth above in this Section 6.03. If the Indemnifying Party chooses to defend any claim, the Indemnitee shall make available to the Indemnifying Party, any books, records or other documents within its control that are necessary or appropriate for such defense. Notwithstanding the foregoing, the Indemnitee shall have the right to employ separate counsel at the Indemnifying Party's expense and to control its own defense of such asserted liability if in the written opinion of counsel to such Indemnitee a conflict or potential conflict exists between the Indemnifying Party and such Indemnitee that would make such separate representation advisable.

Section 6.04 Remedies for Breach of the Gale Closing Date Representations. Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 6.05, the parties hereto agree, that with respect to any Losses based upon, arising out of or otherwise in respect of, any breach of the Gale Closing Date Representations to the extent they relate to Gale Global and the Gale Subsidiaries (the "Gale Losses"), the parties shall look solely to the Gale Sellers in accordance with the Gale Indemnity Provisions, and neither Gale Global, the Mack-Cali Member, M-C Realty or their respective Affiliates shall have any liability for indemnification or recovery of Gale Losses. Upon receipt from the Newmark Member of a claim for Gale Losses (the "Gale Notice"), the Mack-Cali Member shall, provided such claim is in excess of $250,000, take such action to seek indemnification and recovery from the Gale Sellers for the Gale Losses (a "Gale Claim") in accordance with the terms of the Gale Indemnity Provisions. The prosecution of any Gale Claim made by Newmark or the Newmark Member shall be controlled by Newmark, provided that any and all communication with the Gale Sellers shall be through the Mack-Cali Member, and provided that the Company shall pay all costs and expenses of counsel in connection with a Gale Claim, which counsel shall be approved by the Mack-Cali Member, such approval not to be unreasonably withheld or delayed. Notwithstanding anything contained herein or the Gale Indemnity Provisions to the contrary, the Members and the Company shall be limited in the aggregate amount payable to it for Gale Losses claimed under this Section 6.04 to no more than $4,000,000, which amount shall be reduced proportionately by amounts payable to the Mack-Cali Member or its Affiliates in respect of Losses based upon, arising out of or otherwise in respect of, any breaches of the Gale Closing Date Representations to the extent they *do not* relate to Gale Global and the Gale Subsidiaries (the "Non-Gale Losses"); provided, however, subject to the provisions of Section 6.05, any such reductions shall not reduce the aggregate amount payable to the Company for Gale Losses claimed under this Section 6.04 to less than $1,500,000; provided, further, however, no party shall be entitled to indemnification herunder if the party knew of a breach of a representation and warranty at the time such representation and warranty was made. Newmark shall deliver to the Mack-Cali Member the Gale Notice with respect to Gale Losses or any third party claim or potential claim or the commencement of any action or proceeding of any third party that could give rise to an obligation of the Mack-Cali Member to commence a Gale Claim. The Gale Notice shall contain factual information describing the asserted breach of the Gale Closing Date Representations, as well as any claim in reasonable detail (to the extent known to the Newmark Member), and shall include copies of any relevant information, notices or other documents received from any third party in respect of any such asserted claim. Newmark and the Newmark Member also shall provide to the Mack-Cali Member such additional information as shall be reasonably requested by the Mack-Cali Member from time to time in order for the Mack-Cali Member to communicate with the Gale Sellers. Any recoveries from the Gale Sellers with respect to a Gale Claim shall be, subject to the terms of this Section 6.04, paid to the Company in accordance with and subject to the terms of the Gale Indemnity Provisions, as follows: (i) any cash amounts recovered from the Gale Sellers by the Mack-Cali Member in connection with a Gale Claim shall be paid to the Company, provided that any such amounts shall be paid in amounts proportionate with cash amounts recovered from the Gale Seller by the Mack-Cali Member in connection with any Non-Gale Losses, (ii) the amount of any offset against any payments to the Gale Sellers pursuant to the earnout provisions set forth in Exhibit D of the Original Gale Agreement retained by the Mack-Cali Member in full or partial satisfaction of a Gale Claim shall be paid in cash to the Company, or (iii) the surrender and cancellation of OP Units held by the Gale Sellers in full or partial satisfaction of a Gale Claim shall be paid in cash to the Company at a valuation of $44.50 per OP Unit. Each party shall keep the other parties fully informed of all substantive developments in respect of any Gale Claim.

Section 6.05 Arbitration. In the event that the Newmark Member delivers to the Mack-Cali Member a Gale Notice, and the claim for Gale Losses cannot be pursued or adjudicated, in whole or in part, due to the prior recovery from the Gale Sellers of the maximum aggregate amount recoverable under the Gale Indemnity Provisions, then, during the 30-day period following the delivery of the Gale Notice (the "Negotiation Period"), the parties shall meet to review the claim detailed in the Gale Notice and determine whether the Gale Sellers would have been liable for such claim and for what amount, had the maximum aggregate amount recoverable under the Gale Indemnity Provisions not been exhausted. If the parties do not reach an agreement within such 30-day period as to what, if any, amount should be allocated to the Gale Losses set forth in the Gale Notice, and paid to the Newmark Member by the Mack-Cali Member, the Newmark Member may, during the 30-day period following the end of the Negotiation Period, submit the matter to JAMS for arbitration in New York City, to determine whether the Gale Sellers would have been liable for the Gale Losses set forth in the Gale Notice and for what amount, and to determine a fair and equitable allocation among the amounts received by the Mack-Cali Member for its Non-Gale Losses, the amounts that the Company would have received for the Gale Losses had the Gale Indemnity Provisions not been exhausted, and the amounts, if any, that have already been received from the Gale Sellers for Losses relating to the Gale Closing Date Representations. In the event that the arbitrator rules in favor of the Newmark Member, the Mack-Cali Member shall pay to the Newmark Member, within 30 days following such arbitrator's decision, the amount, if any, determined by such arbitrator; provided, however, that in no event shall such amount exceed $1,500,000; and provided, further, however, that any amounts payable shall also be subject to the limitations set forth in Section 6.02 and Section 6.04. All fees, costs and expenses (including reasonable attorneys' fees and the costs of the arbitrator(s)) incurred in connection with such arbitration, shall be borne by the Company.

Article VII

CONDITIONS TO CLOSING

The obligation of each of each of the parties to enter into and complete the Closing is subject to the fulfillment on or prior to the Closing Date of the following conditions, any one or more of which may be waived by each in its sole discretion:

Section 7.01 Representations and Covenants. The representations and warranties of each of the parties contained in this Agreement shall be true, complete and accurate in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date. Each shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by each on or prior to the Closing Date.

Section 7.02 Governmental Permits and Approvals. Any and all Permits necessary for the consummation of the transactions contemplated hereby shall have been obtained.

Section 7.03 Legal Proceedings. No suit, action, claim, proceeding or investigation shall have been instituted or threatened by or before any court or any foreign, federal, state, county or local government or any other governmental, regulatory or administrative agency or authority seeking to restrain, prohibit or invalidate this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby.

Section 7.04 Transaction Documents. Each of the Ancillary Documents shall have been executed and delivered.

Section 7.05 Closing Deliverable. All of the deliverables set forth in Section 2.03 shall have been made to the appropriate party.

Section 7.06 Good Standing Certificates. Each party hereto not an individual shall have received from each other party hereto certificates from the Secretary of State or other appropriate official of the respective jurisdictions of incorporation or formation, as the case may be, to the effect that each entity is in good standing in such jurisdiction as of a date within thirty (30) days of the Closing Date.

Section 7.07 Contributions. The contributions by the parties set forth in Section 2.01 shall have been made.

Article VIII

MISCELLANEOUS PROVISIONS

Section 8.01 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No party shall have the right to assign this Agreement or its rights hereunder without the consent of the other parties.

Section 8.02 Further Assurances. Each party hereto agrees that it will, from time to time after the date of this Agreement, at its expense execute and deliver such other certificates, documents and instruments and take such other action as may be reasonably requested by the other party to carry out the transactions contemplated hereby.

Section 8.03 Remedies Limited; Non-Recourse. The full and exclusive rights, powers and remedies of the parties hereto, other than such injunctive or other equitable remedies as may be available to such party, for a breach of or a default under this Agreement (including without limitation, a breach of or default under any of the representations, warranties, covenants or agreements contained in this Agreement) shall be the indemnification afforded under Article VI hereof.

Section 8.04 Waiver. No waiver, amendment or supplement of or to the Agreement shall be effective unless in writing and signed by all of the parties hereto or, in the case of a waiver, by the party granting the waiver.

Section 8.05 Entire Agreement; Exhibits and Schedules. This Agreement and the Ancillary Agreements (together with the certificates, agreements, Exhibits, Schedules, instruments and other documents referred to herein) constitutes the entire agreement between the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, both written and oral, with respect to such subject matter. The Exhibits and Schedules to this Agreement are incorporated by reference herein and are made a part hereof as if they were fully set forth herein.

Section 8.06 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of New York applicable to agreements made and to be performed entirely within such state.

Section 8.07 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, transmitted by telecopy or mailed by registered or certified mail (return receipt requested) or by overnight delivery to the parties at the addresses set forth on Section 8.07 of the Disclosure Schedule (or at such other address for a party as may be specified by like notice). All notices shall be deemed to have been given upon receipt if delivered personally, by nationally recognized overnight courier or by telecopy, or five days after mailing, if mailed. Refusal to accept delivery shall constitute receipt for purposes of the foregoing.

Section 8.08 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.09 Counterparts. This Agreement may be executed in multiple counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.

Section 8.10 Severability. The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

[Remainder of page intentionally left blank]

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

NKFGMS Owners, LLC

By: /s/ Ian Marlow
Ian Marlow

THE GALE CONSTRUCTION SERVICES COMPANY, LLC

By: The Gale Real Estate Service Company, L.L.C., sole member
By: Mack-Cali Services, Inc., sole member

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and Chief Executive Officer

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation, its general partner

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and Chief Executive Officer

NKFFM Limited Liability Company

By: /s/ Barry Gosin
Barry Gosin
Manager

NEWMARK & COMPANY REAL ESTATE, INC.
d/b/a NEWMARK KNIGHT FRANK

By: /s/ Barry Gosin
Barry Gosin
Manager

/s/ Ian Marlow
Ian Marlow

/s/ Scott Panzer
Scott Panzer

[Signature Page to the Membership Interest Purchase and Contribution Agreement]

Exhibits:

Exhibit A	Marlow Certificate
Exhibit B	Assignment of the Gale Global Membership Interest
Exhibit C	Gale Representations and Warranties
Exhibit D	Excluded Assets Provisions
Exhibit E	Gale Indemnity Provisions

Disclosure Schedule:

Section 3.02(a)	Gale Subsidiaries
Section 3.03(c)	Encumbrances
Section 3.04	Financial Statements
Section 3.05	No Material Adverse Change
Section 3.06	Compliance with Laws
Section 3.07	No Breach
Section 3.08	Claims and Proceedings
Section 3.09	Insurance
Section 3.11	Contracts
Section 4.02	No Breach
Section 8.07	Notices

SECTION 3.02(a)

GALE SUBSIDIARIES

Name of Entity	**Place of Formation**	**Ownership of Entity**
The Gale Puerto Rico Company, Inc.	Commonwealth of Puerto Rico	Gale Global Facility Services, L.L.C. (“GGFS”)
Gale Global Facility Services Limited	United Kingdom	GGFS
Gale Global Facility Services GmbH	Germany	Gale Global Facility Services Limited
GFS Landscaping Services, LLC	State of Delaware	GGFS
GFS Janitorial Servicves, LLC	State of Delaware	GGFS
GFS Mechanical Services, LLC	State of Delaware	GGFS
GFS Self-Performing Services, LLC	State of Delaware	GGFS

SECTION 3.03(c)

None.

SECTION 3.04

See attached (1) The Gale Company, L.L.C. Consolidated Financial Statements Year Ended December 31, 2003, (2) The Gale Company, L.L.C. Consolidated Financial Statements Year Ended December 31, 2004, (3) Preliminary Unaudited Consolidating Pro Forma Balance Sheets 2005 and Preliminary Unaudited Consolidating Pro Forma Income Statements 2005, and (4) Preliminary Unaudited Summary Income Statement for the period beginning January 1, 2006 and ending June 30, 2006.

SECTION 3.05

M-C Realty has withdrawn the aggregate amount of $217,859.04. for expenses advanced in connection with the build-out of the office space of Newmark Knight Frank Global Management Services, LLC at 10 Sylvan Way, Parsippany, New Jersey.

SECTION 3.06

None.

SECTION 3.07

The parties acknowledge that no consent to the transfers and assignments contemplated by this Agreement has been sought or received from the parties to those contracts listed on Section 3.11 of the Disclosure Schedule and that such lack of consent may constitute a default under said contracts and therefore provide a right to terminate such contracts.

SECTION 3.08

None.

SECTION 3.09

Schedule of Insurance as of December 26, 2006 (unless otherwise noted)

THE GALE DIVISION OF MACK-CALI
The policies below include Gale Global Facility Services, LLC and other entities as named insureds.

GENERAL LIABILITY POLICY
National Fire Insurance Company of Hartford
Policy Number: Binder B06063045247

The premium for this policy is subject to audit based upon actual exposures during the policy period.

WORKERS COMPENSATION
Insurer: Continental Casualty Company
Policy Numbers: California: 2084941146
All other states: 2084911695

OHIO WORKERS COMPENSATION POLICY
State of Ohio Bureau of Workers Compensation
Policy Number: 1387767

AUTOMOBILE POLICY
Insurer: Continental Casualty Company
Policy Number: C 2089117463

EXCESS LIABILITY POLICIES
Insurer: Continental Casualty Company
Policy Number: L2090703566

Insurer: North River Insurance Company (Crum & Forster)
Policy Number: TBD

Insurer: American Guarantee and Liability Insurance Company
Policy Number: AEC 9138540 00

PROFESSIONAL AND POLLUTION LIABILITY POLICY
Insurer: Greenwich Insurance Company
Policy Number: PEC0020574

MISCELLANEOUS ERRORS AND OMISSIONS LIABILITY POLICY
Insurer: Westchester Surplus Lines Insurance Company
Policy Number: EON G23613001 001

EUROPEAN OPERATIONS
Insurer: The Insurance Company of the State of Pennsylvania
Policy Number: WR10004417

MISCELLANEOUS PROFESSIONAL LIABILITY POLICY (extended reporting period)
Insurance Company: Executive Risk Indemnity Inc.
Policy Number: 6803-4272 (tail coverage)

DIRECTORS & OFFICERS / EMPLOYMENT PRACTICES LIABILITY POLICY (extended reporting period)
Insurance Company: Federal Insurance Company
Policy Number: 6802-2239 (tail coverage)

FIDUCIARY LIABILITY POLICY (extended reporting period)
Insurance Company: Federal Insurance Company
Policy Number: 8142-3490 (tail coverage)

EMPLOYED LAWYERS PROFESSIONAL LIABILITY POLICY (extended reporting period)
Insurance Company: Executive Risk Specialty Insurance Company
Policy Number: 6802-1679 (tail coverage)

PROPERTY, EMPLOYMENT PRACTICES LIABILITY, FIDELITY, AND DIRECTORS AND OFFICERS LIAIBLITY COVERAGES ARE PROVIDED UNDER MACK-CALI'S INSURANCE PROGRAM

There is also a policy arranged by the Simon Malls for Gale GFS.

Insurance Claims

Claimant	Payment	Reserve
Liability:		
Fay	$3,609 (expenses)	$5,849
Sun Microsystems	$47,876 (expenses)	$150,000
Andrews	$0	$160,000
Roth	$12,252 (expenses)	$52,403
Property:		
PAETEC Communications	$0	$71,000
Workers Compensation:		
Maltbie-Hulse (carpal tunnel)	$10,526	

SECTION 3.11

Contracts of the Gale Global Business:

1. AT&T
2. New York Life
3. Toys R Us
4. Panasonic North America
5. BASF
6. BNP Paribas
7. Principal Global Investors
8. Cendant
9. Unilever
10. UPS
11. ISI
12. Villa Contracting
13. Simon

DISCLOSURE SCHEDULE
OF
NEWMARK AND NEWMARK MEMBER
TO
CONTRIBUTION AGREEMENT

Section 4.02:

Section 4.02(b): Compliance with Laws.

None.

Section 4.02(c): No Breach.

None.

SECTION 8.07

NOTICES

If to NKFGMS Owners, LLC:

c/o Gale GFS

10 Sylvan Way, Floor 2

Parsippany, New Jersey 07054

Facsimile: (973) 842-0633
Telephone: (973) 898-8840
Attention: Ian Marlow
President

With a copy to:

Newmark Knight Frank
125 Park Avenue,
New York, NY 10017

Facsimile: (212) 372-2156
Telephone: (212) 372-2386
Attention: Elaine Kleinberg

General Counsel

If to The Gale Construction Services Company, L.L.C.:

If mailed to:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, New Jersey 08818-7817

If sent via overnight courier service:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837-2206

With two (2) separate copies of the
Notice sent to the attention of:

Facsimile: (732) 205-9040
Telephone: (732) 590-1040
Attention: Mitchell E. Hersh
President and Chief Executive Officer

And

Facsimile: (732) 205-9015
Telephone: (732) 590-1010
Attention: Roger W. Thomas
Executive Vice President and General Counsel

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

Seyfarth Shaw LLP
1270 Avenue of the Americas, Suite 2500

New York, New York 10020-1801

Facsimile: (212) 218-5501
Telephone: (212) 218-5620
Attention: John P. Napoli, Esq.

If to Mack-Cali Realty, L.P.:

If mailed to:

c/o Mack-Cali Realty Corporation
P.O. Box 7817
Edison, New Jersey 08818-7817

If sent via overnight courier service:

c/o Mack-Cali Realty Corporation
343 Thornall Street
Edison, New Jersey 08837-2206

With two (2) separate copies of the
Notice sent to the attention of:

Facsimile: (732) 205-9040
Telephone: (908) 590-1040
Attention: Mitchell E. Hersh
President and Chief Executive Officer

And

Facsimile: (732) 205-9015
Telephone: (732) 590-1010
Attention: Roger W. Thomas
Executive Vice President and General Counsel

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

Seyfarth Shaw LLP
1270 Avenue of the Americas, Suite 2500

New York, New York 10020-1801

Facsimile: (212) 218-5501
Telephone: (212) 218-5620
Attention: John P. Napoli, Esq.

If to NKFFM Limited Liability Company :

c/o Newmark Knight Frank
125 Park Avenue,
New York, NY 10017

With two (2) separate copies of the
Notice sent to the attention of:

Facsimile: (212) 949-5250
Telephone: (212) 372-2339
Attention: Joseph Rader
Chief Operating Officer

And

Facsimile: (212) 372-2156
Telephone: (212) 372-2386
Attention: Elaine Kleinberg
General Counsel

If to Newmark & Company Real Estate, Inc. (d/b/a Newmark Knight Frank):

c/o Newmark Knight Frank
125 Park Avenue,
New York, NY 10017
With two (2) separate copies of the
Notice sent to the attention of:

Facsimile: (212) 949-5250
Telephone: (212) 372-2339
Attention: Joseph Rader
Chief Operating Officer

And

Facsimile: (212) 372-2156
Telephone: (212) 372-2386
Attention: Elaine Kleinberg
General Counsel

SCHEDULE 3.09

THE GALE DIVISION OF MACK-CALI
Schedule of Insurance as of December 26, 2006 (unless otherwise noted)
The policies below include Gale Global Facility Services, LLC and other entities as named insureds.

GENERAL LIABILITY POLICY
National Fire Insurance Company of Hartford
Policy Number: Binder B06063045247

The premium for this policy is subject to audit based upon actual exposures during the policy period.

WORKERS COMPENSATION
Insurer: Continental Casualty Company
Policy Numbers: California: 2084941146
All other states: 2084911695

OHIO WORKERS COMPENSATION POLICY
State of Ohio Bureau of Workers Compensation
Policy Number: 1387767

AUTOMOBILE POLICY
Insurer: Continental Casualty Company
Policy Number: C 2089117463

EXCESS LIABILITY POLICIES
Insurer: Continental Casualty Company
Policy Number: L2090703566

Insurer: North River Insurance Company (Crum & Forster)
Policy Number: TBD

Insurer: American Guarantee and Liability Insurance Company
Policy Number: AEC 9138540 00

PROFESSIONAL AND POLLUTION LIABILITY POLICY
Insurer: Greenwich Insurance Company
Policy Number: PEC0020574

MISCELLANEOUS ERRORS AND OMISSIONS LIABILITY POLICY
Insurer: Westchester Surplus Lines Insurance Company
Policy Number: EON G23613001 001

Exhibit 10.118

OPERATING AGREEMENT

OF

NKFGMS OWNERS, LLC

This Operating Agreement of **NKFGMS Owners, LLC**, a limited liability company organized pursuant to the Act, is entered into and shall be effective as of the Effective Date, by and among the Company and Members (as such terms are hereinafter defined below).

ARTICLE I

DEFINITIONS

For purposes of this Agreement (as defined below), unless the context clearly indicates otherwise, the following terms shall have the following meanings:

1.1 ***"Act"*** shall mean the Delaware Limited Liability Company Act, 6 Del.C. Section 18-101, *et. seq.*, as it may be amended from time to time, and any successor to such statute.

1.2 ***"Active Member"*** is defined in Section 6.5(c).

1.3 ***"Affiliate"***, shall mean: (A) with respect to any Person (the ***"Subject Person"***) other than the Mack-Cali Member, NKFFM or any Person referred to in (B) or (C) below, any: (i) direct or indirect shareholder, partner, member, employee, officer, director, manager, owner, or agent of, or (in the case where such Subject Person is a Member, any Manager appointed by) such Subject Person or, otherwise, any Person that has any direct or indirect (including, without limitation, voting) interest in, and/or any managerial control over, such Subject Person, or any other Person acting for or on behalf of such Subject Person; (ii) any member of the family of such Subject Person or any Person referred to in clause (i) above (within the meaning of Section 267(c)(4) of the Code, except that for this purpose, a legally adopted child of any individual shall be treated as a child of such individual by blood); (iii) Person that has any direct or indirect voting control (including by contractual arrangement) over such Subject Person or any Person referred to in clause (i) above; (iv) Person in which such Subject Person and/or any one or more of the Persons referred to in clauses (i) or (ii) above owns or possesses (including by contractual arrangement), directly or indirectly, any beneficial or voting interest; and (v) any of the heirs, executors, administrators, personal or legal representatives, successors and assigns of any or all of the foregoing Persons referred to in clauses (i) through (v) above, as well as any "Affiliate" thereof; (B) with respect to the Mack-Cali Member, the Mack-Cali REIT, the Mack-Cali OP and any Organization that is, directly or indirectly, majority-owned and controlled by either the Mack-Cali REIT or the Mack-Cali OP; and (C) (i) with respect to NKFFM, Newmark and any Organization that or who is, directly or indirectly, majority-owned or controlled by Newmark or NKFFM or any one or more of the direct and/or indirect shareholders or beneficial owners of Newmark or NKFFM; except that (ii) for purposes of the definitions of "Potential Conflict Agreement", "Disinterested Member", "Ordinary Course Worker", "Third Party Agreement" and "Non-Permitted Agreement" (and those provisions hereunder where any of these definitions are used and/or applied), and for purposes of Sections 6.5(a) and (b) and 14.9 hereunder, the term "Affiliate" shall mean with respect to NKFFM, any Person that is referred to in clause (i) or any Person who or that, directly or indirectly, owns or possesses any beneficial or voting interest in or to NKFFM, Newmark or any other Person referred to in clause (i).

1.4 ***"Aggregate Interest"*** is defined in Section 12.3.

1.5 ***"Agreement"*** shall mean this Limited Liability Company Operating Agreement including all amendments adopted in accordance with this Agreement and the Act.

1.6 ***"Assignee"*** shall mean a transferee of an Economic Interest who has not been admitted as a Member.

1.7 ***"At Large Manager"*** means, subject to Section 8.2, any Manager other than the NKFFM Managers or Mack-Cali Manager.

1.8 ***"Bankrupt Person"*** and ***"Bankruptcy of a Member"*** shall mean a Person who (a) makes an assignment for the benefit of creditors; (b) files a voluntary petition in bankruptcy; (c) is adjudicated as bankrupt or insolvent; (d) files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (e) files an answer or other pleading admitting or failing to contest the material allegation of a petition filed against him in any proceeding of this nature; (f) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of such Member or all or any substantial part of such Member's property; or (g) 60 days after the commencement of any proceeding against such Member seeking reorgani-zation, arrangement, composition, readjustment, liquida-tion, dissolution or similar relief under any statute, law or regulation, the proceeding has not caused same to be dismissed, or if within 90 days after the appointment without his consent or acquiescence of a trustee, receiver or liquidator of such Member or of all or any substantial part of such Member's properties, has not caused the appointment to be stayed or vacated, or within 90 days after the expiration of any stay has not caused the appointment to be vacated.

1.9 "***Book Value***" shall mean the value to be determined by the Company's Accountant in accordance with GAAP, subject to and in accordance with the following rules:

A. Net Questionable Bad Debts and all components thereof shall in no way be considered assets or liabilities for the purpose of determining Book Value;

B. Good Will (except for Good Will acquired in connection with the purchase by the Company of other businesses), franchises, trademarks and trade names shall in no way be considered assets for the purpose of determining the Book Value;

C. The assets and liabilities of the Company shall be taken at the net figures at which they appear on the books of account; and

D. Book Value shall be updated by the Company's Accountant to the last day of the month immediately preceding the date on which Book Value shall be calculated.

1.10 ***"Business Day"*** shall mean any day other than Saturday, Sunday or any legal holiday observed in the State of New Jersey.

1.11 ***"Business Plan"*** is defined in Section 7.4.

1.12 ***"Call Notice"*** is defined in Section 11.7(a).

1.13 ***"Call Period"*** is defined in Section 11.7(a).

1.14 ***"Call Price"*** is defined in Section 11.7(a).

1.15 "***Call Right***" is defined in Section 11.7(a).

1.16 ***"Called Interest"*** is defined in Section 11.7(a).

1.17 ***"Capital Account"*** shall mean the account maintained for a Member or Assignee determined in accordance with Article VIII.

1.18 ***"Capital Contribution"*** shall mean, with respect to any Member, the amount of money (including liabilities of the Company assumed by such Member as provided in Section 1.704-1(b)(2)(iv)(c) of the Tax Regulations) and the Gross Asset Value of any Property contributed to the Company with respect to the Membership Interest held by such Member pursuant to the terms of this Agreement. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Section 1.704-1(b)(2)(iv)(d)(2) of the Tax Regulations.

1.19 ***"Certificate"*** shall mean the Certificate of Formation of the Company, as amended from time to time, and filed with the Secretary of State of the State of Delaware.

1.20 ***"Certified Letter"*** is defined in Section 11.4(b).

1.21 ***"Company"*** shall mean NKFGMS Owners, LLC, a limited liability company formed under the laws of the State of Delaware, and any successor limited liability company.

1.22 ***"Company's Accountant"*** shall mean initially PricewaterhouseCoopers (or its successor firm of certified public accountants) or such other firm of certified public accountants selected by the Managers that is registered with The Public Company Accounting Oversight Board; provided, however, in the event that Mack-Cali REIT has terminated (and/or thereafter re-engaged) PricewaterhouseCoopers (or its successor firm of certified public accountants) as the Mack-Cali REIT's accountant, then, at the Mack-Cali Member's sole election, the Company shall terminate (and/or, thereafter, re-engage) PricewaterhouseCoopers (or its successor firm of certified public accountants) as the "Company's Accountant" for all purposes of this Agreement (or such one or more specific purposes as the Mack-Cali Member shall so determine).

1.23 ***"Company Subsidiary"*** shall mean each Organization in which the Company owns or holds any direct or indirect beneficial or other interest (including, without limitation, each Gale Subsidiary).

1.24 "***Contribution Agreement"*** shall mean that certain Membership Interest Purchase and Contribution Agreement dated as of December 28, 2006 by and among the Company, the Mack-Cali Member, NKFFM, Panzer, Marlow, Mack-Cali OP and Newmark.

1.25 ***"Depreciation"*** shall mean for each Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by a Majority of the Managers.

1.26 ***"Disability"*** or ***"Disabled"*** means, with respect to any natural Person, when such Person is deemed disabled under the terms of any disability insurance policy covering him or her, if any, evidenced by the written certification of a licensed physician approved by any disability insurance carrier having issued a policy covering him or her. If there is (a) no such policy; (b) either no definition of "disability" applicable under any policies of disability insurance or if there is a conflict of the definition of disability between two or more different policies; or (c) a disagreement among the parties regarding a physician's determination regarding the such Person's disability, then the Company shall have such Person examined by a licensed medical doctor designated by the Company at the Company's sole expense for the purpose of determining such disability within the terms of this Agreement. If such Person or his/her duly appointed representative disputes the findings and conclusions of the doctor chosen by the Company, such Person shall be examined by a licensed medical doctor of his or her choice or the choice of his or her duly appointed representative, at his or her sole expense. If the findings and conclusions of both doctors do not agree on whether such Person is, in fact, disabled within the terms of this Agreement, such Person shall be examined by a third medical doctor mutually agreeable to such Person or his or her duly appointed representative and a Majority of the Members (other than such Person, in the case where such Person or any of his or her Affiliates is the Person who is the subject of such examination), the expense of which shall be equally borne by such Person and the Company whose determination as to such Person's disability shall be final and conclusive.

1.27 ***"Disabled Member"*** is defined in Section 13.1.

1.28 ***"Disinterested Member"*** shall mean, with respect to any Potential Conflict Agreement, activity, transaction or loan (as applicable), any Member (including any of whose Affiliates) who or that: (i) is not a party to such agreement, activity, transaction or loan; and/or (ii) does not derive any benefit, or have any beneficial or other economic interest, in any such agreement, activity, transaction or loan (other than by reason of such Member being a member of the Company).

1.29 ***"Disposition (Dispose)"*** shall mean any sale, assignment, exchange, mortgage, pledge, grant, hypothecation, gift, redemption, issuance of new equity, or other transfer or disposition, absolute or as security or encumbrance (including dispositions by operation of law) and shall include, without limitation, as regard to any Member, any sale, assignment, exchange, mortgage, pledge, grant, hypothecation, gift, redemption, issuance of new equity in, or other transfer or disposition, absolute or as security or encumbrance (including dispositions by operation of law of any direct or indirect interest in any Member or any holder of any Economic Interest).

1.30 ***"Dissociation (including Dissociate, Dissociative and Dissociated)"*** shall mean any action or event which causes a Person to cease to be a Member as described in Article XII hereof.

1.31 ***"Dissociation Purchase Price"*** is defined in Section 12.3(a).

1.32 ***"Dissolution Event"*** shall mean an event, the occurrence of which will result in the dissolution of the Company under Article XIV.

1.33 ***"Distribution"*** shall mean any money or title to any Property which the Company transfers or distributes to a Member or Assignee on account of a Membership Interest or Economic Interest (as the case may be) as described in Article IX.

1.34 *"**Economic Interest**"* shall mean a Member or Assignee's right to Distributions (liquidating or otherwise) and allocations of the profits, losses, gains, deductions, and credits of the Company in accordance with such Member's or Assignee's Sharing Ratio.

1.35 ***"Effective Date"*** shall mean December 28, 2006.

1.36 ***"Eligible Assignee"*** means, with respect to any Person, at any date, (i) any Organization in which such Person owns, directly, more than 80% of the voting power and more than 80% of the beneficial ownership interests (and, in the case of an Organization that is a partnership or limited liability company, such Person is the sole general partner or sole managing member of such Organization and owns, directly, more that 80% of both the capital and profits interests in such Organization) on such date; and (ii) in the case where such Disposition is the result of the death of an individual Non-Mack-Cali Member, the estate and then the heirs at law of such Member.

1.37 ***"Excepted Borrowings"*** is defined in Section 6.1(a)(ix).

1.38 ***"Exercising Member"*** is defined in Section 11.6(a).

1.39 ***"Existing Gale Worker"*** shall mean any employee, contractor, consultant, broker, or agent of any Gale Facility Subsidiary on the Effective Date.

1.40 ***"Facilities Management Activity"*** shall mean the management and operation on behalf of corporations, institutions and other users of properties or projects owned or leased by such corporations, institutions and other users where such properties or projects are occupied solely by the employing corporation, institution or user and used by it as a headquarters or in the conduct of its operations. Such properties and projects may include, but not be limited to, office, industrial and retail components, but shall not include the Mack-Cali REIT or the Mack-Cali OP with respect to any of their properties and projects.

1.41 ***"Fees Payable"*** shall mean those fees payable arising from and allocable to the Indefinite Fees Receivable.

1.42 ***"Fiscal Year"*** shall mean the twelve-month calendar period of January 1 through December 31, except in the case of the first Fiscal Year or Year when the period commences on the Effective Date and the last Fiscal Year or Year when the period ends pursuant to the Dissolution Event.

1.43 ***"Four Percent Interest"*** is defined in Section 11.12.

1.44 ***"GAAP"*** shall mean generally accepted accounting principles generally in use in the United States of America.

1.45 ***"Gale Facility"*** shall mean Gale Global Facility Services, L.L.C., a Delaware limited liability company.

1.46 ***"Gale GMBH"*** shall mean Gale Global Facility Services GmbH, a German Company.

1.47 ***"Gale Subsidiaries"*** shall mean and include: (a) Gale Facility; (b) The Gale Puerto Rico Company, Inc., a Puerto Rico limited liability company; (c) Gale UK; (d) Gale GmbH; (e) GFS Landscaping Services, LLC, a Delaware limited liability company; (f) GFS Janitorial Services, LLC, a Delaware limited liability company; (g) GFS Mechanical Services, LLC, a Delaware limited liability company; and (h) GFS Self-Performing Services, LLC, a Delaware limited liability company, and each of which, a *"Gale Subsidiary"*, as the name of each of which shall be changed. Each Gale Subsidiary (other than the Gale Facility and other than Gale GmbH which is wholly-owned by Gale UK) is wholly owned and controlled by Gale Facility.

1.48 ***"Gale UK"*** shall mean Gale Global Facility Services Limited, a United Kingdom company.

1.49 ***"Goodwill"*** shall mean the value of the Company's intangible assets, other than franchises, trademarks and trade names.

1.50 ***"Gross Asset Value"*** shall mean, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the Book Value of such asset;

(b) The Gross Asset Value of all Company assets shall be adjusted to equal their respective fair market value (taking into account Section 7701(g) of the Code), as determined by Managers as of the following times: (i) the acquisition of an additional Membership Interest by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member or Assignee of more than a de minimis amount of Property as consideration for Membership Interest; and (iii) the liquidation of the Company within the meaning of Section 1.704-1 (b)(2) (ii)(g) of the Tax Regulations; provided however, that adjustments pursuant to clauses (a) and (b) above shall be made only if a Majority of the Managers reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members or Assignees in the Company;

(c) The Gross Asset Value of the Company assets distributed to any Member or Assignee shall be adjusted to equal the gross fair market value of each asset on the date of distribution as determined by the Managers;

(d) The Gross Asset Value of the Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743 (b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1 (b) (2) (iv) (m) of the Tax Regulations and Section 9.4 hereof; provided, however, that Gross Asset Value shall not be adjusted pursuant to this clause (d) to the extent a Majority of the Managers determine that an adjustment pursuant to clause (b) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (d); and

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to clause (a), clause (b), clause (c) or clause (d) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

1.51 ***"Indefinite Fees Receivable"*** shall mean those fees receivable reasonably believed by Managers to be uncollectible or susceptible to untimely payment in excess of that regarded as common.

1.52 "***Loan Repayment"*** shall mean the payment of the Newmark Loans as more fully described in Section (a) of the Newmark Agreement.

1.53 ***"Loss of Management Rights"*** is defined in Section 8.2(a).

1.54 ***"Mack-Cali Loan"*** means the $900,000 of additional capital that the Mack-Cali Member and/or one or more of its Affiliates shall loan to the Company pursuant to, and in accordance with, this Agreement and the Newmark Agreement.

1.55 ***"Mack-Cali Manager"*** is defined in Section 7.1.

1.56 "***Mack-Cali Member***" shall mean The Gale Construction Services Company, L.L.C., a Delaware limited liability company.

1.57 ***"Mack-Cali OP"*** shall mean Mack-Cali Realty, L.P., a Delaware limited partnership.

1.58 ***"Mack-Cali REIT"*** shall mean Mack-Cali Realty Corporation, a Maryland corporation.

1.59 ***"Mack-Cali Tag-Along Interest"*** is defined in Section 11.5(b).

1.60 ***"Mack-Cali Tag-Along Notice"*** is defined in Section 11.5(b).

1.61 ***"Mack-Cali Tag-Along Price"*** is defined in Section 11.5(a).

1.62 ***"Mack-Cali Tag-Along Right"*** is defined in Section 11.5(a).

1.63 ***"Major Decision Notice"*** is defined in Section 6.1(b).

1.64 ***"Majority"*** shall mean, with respect to the Members, whenever the Members are entitled to vote on, or approve or consent to, any matter under the Act or this Agreement, or any matter is required or allowed to be approved by a Majority of the Members under the Act or this Agreement, such matter shall be considered approved or consented to upon the receipt of the affirmative approval or consent, either in writing or at a meeting of the Members, where more than 50% of the aggregate Sharing Ratios of those Members entitled to vote pursuant to this Agreement (except as otherwise set forth herein) consent to or approve of such particular matter. In the case of a Member who has Disposed of any portion of that Member's Economic Interest to an Assignee in a Disposition that is not a Permitted Disposition, the Assignee shall not be permitted to vote, grant approval of or consent to any matter that may arise pursuant to this Agreement and such Assignee's Economic Interest shall be excluded from determining whether the requisite Majority has been obtained. Majority shall mean, with respect to the Managers, whenever the Managers are entitled to vote on, or approve or consent to, any matter under the Act or this Agreement, or any matter is required or allowed to be approved by a Majority of the Managers under the Act or this Agreement, such matter shall be considered approved or consented to upon the receipt of the affirmative approval or consent, either in writing or at a meeting of the Managers, where at least a majority of the number of Managers entitled to vote pursuant to this Agreement consent to or approve of such particular matter.

1.65 ***"Management Right"*** shall mean the right of a Member to participate in the management of the Company, to vote on any matter, and to grant or to withhold consent or approval of actions of the Company.

1.66 ***"Manager"*** is defined in Section 7.1 hereof.

1.67 "***Marlow***" shall mean Ian Marlow.

1.68 *"**Marlow Employment Agreement**"* means the Employment Agreement, dated the date hereof, between Newmark Knight Frank Global Management Services, LLC and Marlow.

1.69 ***"Marlow/Panzer Notice"*** is defined in Section 11.6(b). hereof.

1.70 ***"Marlow/Panzer Purchase"*** is defined in Section 11.6(b) hereof.

1.71 ***"MC Change of Control Event"*** is defined in Section 6.5 hereof.

1.72 ***"Members"*** shall mean initially, NKFFM, the Mack-Cali Member, Panzer and Marlow.

1.73 ***"Members Tax Amount*** shall have the same meaning as defined in Section 9.7(c).

1.74 ***"Membership Interest"*** shall mean the rights of a Member (a) to Economic Interests, and, (b) to the extent permitted by this Agreement, to possess and exercise Management Rights as set forth in Section 6.1 hereof.

1.75 ***"Minimum Price"*** is defined in Section 11.6(a).

1.76 ***"Net Cash Flow"*** shall mean all cash receipts of the Company and each Company Subsidiary during such period (other than Capital Contributions or the proceeds of any Newmark Loan, Third Party Loan or any other loan or advance made to or for the benefit of the Company or any Company Subsidiary, except that any such proceeds shall be treated as "Net Cash Flow" to the extent such proceeds are distributed, or set aside as reserves for distribution, of Tax Distributions), decreased by (a) Operating Expenses paid during such period, (b) capital expenditures made during such period, to the extent not made from reserves, (c) reserves for contingencies and working capital, established during such period in such amounts as the Managers shall reasonably determine, (d) third party debt service payments made during such period, and (e) taxes. "Net Cash Flow" shall not be reduced by Depreciation, non-cash items or other similar allowances, but shall be increased by any reductions or reserves previously established.

1.77 ***"Net Questionable Bad Debts"*** shall be determined by the Managers, by preparing and delivering a list of Indefinite Fees Receivable, and by setting forth a list of Fees Payable. Such list made by Managers shall be deemed correct, absent demonstrative error.

1.78 "***Newmark"*** shall mean Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, a New York corporation.

1.79 ***"Newmark Agreement"*** shall mean the Loan, Sale and Services Agreement between Newmark, Mack-Cali OP and the Company dated the same as and entered into simultaneously with this Agreement.

1.80 ***"Newmark Business"*** shall mean the business, operations, assets and liabilities of Newmark and its Affiliates, taken as a whole.

1.81 ***"Newmark Loan"*** shall mean the $1.5 million of additional capital that Newmark shall loan to the Company pursuant to, and in accordance with, this Agreement and the Newmark Agreement.

1.82 ***"Newmark Office"*** shall mean the principal office of Newmark, which is currently 125 Park Avenue, New York, New York and which may be changed from time to time upon notice to the Members.

1.83 ***"NKFFM"*** shall mean NKFFM Limited Liability Company, a New Jersey limited liability company.

1.84 ***"NKFFM Change of Control Event"*** shall mean the consummation, whether directly or indirectly, of any merger, consolidation, business combination, sale, disposition, offering (whether of stock, membership interests and/or other debt or equity securities) and/or other transactions (or one or more, or a series of, transactions), whereby direct or indirect control of the Newmark Business (and/or a substantial portion thereof) and/or at least fifty percent (50%) of the direct or indirect beneficial ownership/equity interest in the Newmark Business (however effectuated, including by reason of direct or indirect transfers of assets or ownership and/or voting interests in one or more of the Organizations comprising the Newmark Business) is acquired and/or owned by Persons who (or whose Affiliates) did not own or control the Newmark Business (or a substantial portion thereof) on and as of the Effective Date, and a "NKFFM Change of Control Event" shall occur for purposes of this Agreement at such time the foregoing thresholds are met.

1.85 ***"NKFFM Drag-Along Event"*** shall mean upon a NKFFM Change of Control Event, and for a period ending upon the earlier to occur of (i) 180 days thereafter or (ii) the expiration of the next following Put Period.

1.86 ***"NKFFM Drag-Along Notice"*** is defined in Section 11.4(b).

1.87 ***"NKFFM Drag-Along Price"*** is defined in Section 11.4(a).

1.88 ***"NKFFM Drag-Along Right"*** is defined in Section 11.4(a).

1.89 ***"NKFFM Manager"*** is defined in Section 7.1.

1.90 ***"Non-Exercising Member"*** is defined in Section 11.6(a).

1.91 ***"Non-Mack-CaIi Member***" shall mean any Member other than Mack-Cali Member.

1.92 ***"Non-Paying Member"*** is defined in Section 8.2(b).

1.93 ***"Notice"*** is defined in Section 8.2(a).

1.94 ***"Notice of Disagreement"*** is defined in Section 12.4.

1.95 ***"Operating Expenses"*** shall mean all of the Company's and Company Subsidiaries' expenses and costs from operations, excluding: (a) debt interest, (b) Depreciation, non-cash items and other similar allowances, and (c) the Loan Repayment and any debt repayment.

1.96 ***"Ordinary Course Worker"*** shall mean any employee, contractor, consultant, broker or agent hired or engaged by the Company or any Company Subsidiary on an "at-will" basis in the ordinary course of the Company's or Company Subsidiary's business and for an arms-length compensation and other terms, and who: (A) is not an Affiliate or employee, contractor, consultant, broker or agent of Newmark, NKFFM or any of their Affiliates, and (B) can be fired or terminated (and/or whose services can be terminated) at any time and for any reason (or for no reason), subject only to any applicable anti-discrimination laws, and without penalty or payment (other than for unpaid past services only).

1.97 ***"Organization"*** shall mean any Person other than an individual, joint tenancy or tenancy by the entirety.

1.98 "***Panzer***" shall mean Scott M. Panzer.

1.99 ***"Paying Members"*** is defined in Section 8.2(b).

1.100 ***"Permitted Disposition"*** shall mean, with respect to the Mack-Cali Member, any (a) Disposition of, or involving, any partnership, limited liability company, stock or other equity, beneficial or debt interest in or with respect to any Affiliate of the Mack-Cali Member (including, without limitation, any such Disposition that the Mack-Cali REIT determines to be necessary or desirable in order to enable the Mack-Cali REIT to continue to qualify as a REIT); (b) any merger or consolidation of any Affiliate of the Mack-Cali Member with or into any other Organization (regardless of whether such Affiliate is the surviving entity), or (c) the sale, transfer or disposition of all or substantially all of the assets of the Mack-Cali REIT and/or Mack-Cali OP. With respect to any Membership Interest and/or Economic Interest (and/or any portion thereof or interest therein) of a Non Mack-Cali Member, (a) any Disposition of all or any portion of such interest to an Eligible Assignee, which Disposition may be made without the approval of any Manager or Member; or (b) in the case of a voluntary or involuntary, partial or full Dissociation event, if such Disposition is: (i) to the Company and such Disposition is approved by the prior written consent of a Supermajority of the Members, or (ii) to another Member. A "Permitted Disposition" shall also include any purchase, sale or transfer of a Membership Interest or Economic Interest pursuant to Sections 11.4, 11.5, 11.6, 11.7 and 11.12, but only if said purchase, sale or transfer is undertaken in accordance with, and in compliance with, all of the applicable provisions of said Sections and, also, as regard to the Mack-Cali Member or NKFFM (or any of their successors) any Disposition resulting from a Dissociation event described in Section 12.1(e) or (f).

1.101 ***"Person"*** shall mean an individual, trust, estate, corporation (including, without limitation, nonprofit and not-for-profit corporations), partnership (general or limited), joint venture, business trust, limited liability company, unincorporated association or other entity.

1.102 ***"Potential Conflict Agreement"*** shall mean any agreement or arrangement to which the Company and/or one or more Company Subsidiaries, on the one hand, and a Member and/or one or more of its or his Affiliates, on the other hand, are parties (and which shall include the application of Section 14.7).

1.103 ***"Pre-Closing Disability"*** is defined in Section 13.2.

1.104 "***Principal Office"*** shall mean the Principal Office of the Company set forth in Section 2.6.

1.105 ***"Proceeding"*** shall mean any administrative, judicial, or other adversary proceeding, including without limitation litigation, arbitration, administrative adjudication, mediation, and appeal or review of any of the foregoing.

1.106 ***"Property"*** shall mean any property, real or personal, tangible or intangible, including any legal or equitable interest in such property of the Company and any Company Subsidiary (and the beneficial and other ownership interest therein), but excluding services and promises to perform services in the future.

1.107 ***"Property Management Activity"*** shall mean the management and operation on behalf of building owners or lessees of multi-tenanted and non-owner occupied single-tenanted office, office-flex or industrial properties or projects.

1.108 ***"Proponent Member"*** is defined in Section 6.1(b).

1.109 ***"Put Notice"*** is defined in Section 11.6(a).

1.110 ***"Put Offer"*** is defined in Section 11.6(a).

1.111 ***"Put Period"*** shall mean the period beginning on the first day of the first full month following the third anniversary of the Effective Date and through the 15th day of such month and, thereafter, on the first day of each succeeding 6th month thereafter through the 15th day of such month.

1.112 ***"Put Response Notice"*** is defined in Section 11.6(b).

1.113 ***"Put Response Period"*** is defined in Section 11.6(b).

1.114 ***"Regulatory Allocations"*** is defined in Section 9.5.

1.115 ***"REIT***" shall mean a "real estate investment trust" within the meaning of Sections 856 *et. seq.* of the Code.

1.116 ***"Representatives"*** is defined in Section 6.5.

1.117 ***"Request Period"*** is defined in Section 8.2(a).

1.118 ***"Response Notice"*** is defined in Section 6.1(b).

1.119 ***"Response Period"*** is defined in Section 6.1(b).

1.120 ***"Restricted Area"*** is defined in Section 6.5(c).

1.121 ***"Sale Interest"*** is defined in Section 11.6(a).

1.122 ***"Schedule A"*** shall mean Schedule A to this Agreement setting forth the name, address, Membership Interest and Sharing Ratio of each Member, initially and as amended from time to time.

1.123 ***"Sharing Ratio"*** shall mean with respect to any Member, as of any date, the ratio (expressed as a percentage) that (i) such Member's Capital Contributions bears to (ii) the aggregate Capital Contributions of all Members, or such other ratio as shall be agreed upon by all Members from time to time. The Membership Interest and Sharing Ratio of each Member is set forth in Schedule A attached hereto, and Schedule A shall be amended as necessary to conform to any changes thereof agreed to by the Members in accordance with Article XI hereof. In the event all or any portion of a Membership Interest or Economic Interest is transferred or assigned in accordance with the terms of this Agreement, the transferee or assignee shall succeed to the Membership Interest or Economic Interest, as applicable, and Sharing Ratio of the transferor or assignor to the extent it relates to the transferred Membership Interest or Economic Interest.

1.124 ***"Supermajority"*** shall mean, with respect to the Members, whenever the Members are entitled to vote on, or approve of or consent to, any matter under this Agreement, or any matter is required or allowed to be approved by a Supermajority of the Members under this Agreement, such matter shall be considered approved or consented to upon the receipt of the affirmative approval or consent, either in writing or at a meeting of the Members, where at least 80% of the aggregate Sharing Ratios of those Members entitled to vote pursuant to this Agreement (except as otherwise set forth herein), consent to or approve of such particular matter. In the case of a Member who has Disposed of any portion of that Member's Membership Interest and/or Economic Interest to an Assignee in a Disposition that is not a Permitted Disposition, the Assignee shall not be permitted to vote, grant approval of or consent to any matter that may arise pursuant to this Agreement and such Assignee's Economic Interest shall be excluded from determining whether the requisite Supermajority has been obtained.

1.125 ***"Tax Characterization and Additional Tax Terms"***. The following terms shall have the following meanings (and, for this purpose, all references herein to "Partner", "Partners" and "Partnership" in this Agreement shall be deemed to refer to a "Member", the "Members" and the "Company", respectively):

(a) ***"Adjusted Capital Account Deficit"*** shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account the minimum gain chargeback that such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Tax Regulations; and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Tax Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Tax Regulations and shall be interpreted consistently therewith.

(b) ***"Code"*** shall mean the Internal Revenue Code of 1986, as amended

(c) ***"Nonrecourse Deductions"*** has the meaning set forth in Section 1.704-2(b)(1) of the Tax Regulations.

(d) ***"Nonrecourse Liability"*** has the meaning set forth in Section 1.704-2(b)(3) of the Tax Regulations.

(e) ***"Partner Nonrecourse Debt"*** has the meaning set forth in Section 1.704-2(b)(4) of the Tax Regulations.

(f) ***"Partner Nonrecourse Debt Minimum Gain"*** means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Tax Regulations.

(g) ***"Partner Nonrecourse Deductions"*** has the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Tax Regulations.

(h) ***"Partnership Minimum Gain"*** has the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Tax Regulations.

(i) ***"Profits and Losses"*** shall mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.113(i) shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Tax Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.113(i), shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis for such Property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Section 1.704-1(b)(2)(iv)(m)(4) of the Tax Regulations, to be taken into account in determining Capital Accounts as a result of a distribution, the amount of such adjustment shall be treated as an item of gain or loss from the disposition of such asset and taken into account for purposes of computing Profits and Losses;

(vii) Notwithstanding any other provisions of this definition, any items which are specially allocated pursuant to Sections 9.4 or 9.5 herein shall not be taken into account in computing Profits or Losses; and

(viii) The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Sections 9.4 or 9.5 herein shall be determined by applying rules analogous to those set forth in clauses (i) through (vi) above.

(j) ***"Tax Regulations***" shall mean the federal income tax regulations promulgated by the United States Treasury Department under the Code as such regulations may be amended from time to time. All references herein to a specific section of the Tax Regulations shall be deemed also to refer to any corresponding provision of succeeding Tax Regulations.

1.126 ***"Tax Distributions"*** is defined in Section 9.7(c).

1.127 ***"Third Party Loans"*** shall have the same meaning as defined in Section 8.2.

1.128 ***"Third Party Agreement"*** shall mean any leasing, management, brokerage, employment or services agreement or arrangement entered into at arms length and in the ordinary course of the Company's or any Company Subsidiary's business and to which no Member nor any of its or his Affiliates is a party and with respect to which no Member nor any of its or his Affiliates can receive or derive any benefit.

1.129 ***"Trailing Company EBITDA"*** shall mean as of the last day of the calendar quarter immediately preceding the date of delivery of the Put Notice, Mack-Cali Tag-Along Notice or NKFFM Drag-Along Notice, as applicable, the aggregate earnings of the Company and all of its Company Subsidiaries for the three-year period ending on such day (or, if such day is less than three years from the Effective Date, then for the entire period beginning on the Effective Date and ending on such day), determined before deductions for interest (and debt service), taxes, depreciation, amortization and other non-cash charges, all as determined in accordance with GAAP.

1.130 *"**Transaction Documents**"* shall mean the Marlow Employment Agreement, Contribution Agreement, the Newmark Agreement, and the Assignment of Gale Global Membership Interest by the Mack-Cali Member to the Company, together with the Exhibits and Disclosure Schedule attached thereto.

1.131 ***Withheld Marlow Distributions"*** is defined in Section 11.12.

ARTICLE II

FORMATION

2.1 **Organization**. The Members hereby agree to form the Company as a Delaware limited liability company pursuant to the provisions of the Act under the name NKFGMS Owners, LLC for the purpose and scope set forth herein. Pursuant to the provisions of the Act, the formation of the Company shall be effective upon the execution hereof and the filing of the Certificate.

2.2 **Agreement**. For and in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members executing this Agreement hereby agree to the terms and conditions of this Agreement, as it may from time to time be amended as set forth herein. It is the express intention of the Members that this Agreement and the Transaction Documents shall constitute the entire agreement between the Members, and, except to the extent a provision of this Agreement is expressly prohibited or void and ineffectual under the Act, this Agreement shall govern. To the extent any provision of this Agreement is prohibited or void and ineffectual under the Act, this Agreement shall be deemed to be amended to the least extent necessary in order to make this Agreement enforceable under the Act. In the event the Act is subsequently amended or interpreted in such a way to make any provision of this Agreement that was formerly invalid valid, such provision shall be considered to be valid and effective from the effective date of such interpretation or amendment.

2.3 **Name**. The name of the Company is **NKFGMS Owners, LLC** and all business of the Company and each Company Subsidiary shall be conducted under that name, except that with respect to each Gale Subsidiary, the business may continue to be conducted under the name (or names), and using the associated goodwill in said name (or names), that such business was being conducted as of immediately prior to the Effective Date and that each Gale Subsidiary shall be granted a non-exclusive, royalty-free license to continue to use such name (or names) and associated goodwill until the earlier of: (x) the dissolution of the Company and the winding up of its affairs (and all other reasonable incidental purposes in connection therewith) following a Dissolution Event pursuant to Article XIV hereof and the termination of this Agreement, or (y) such time when neither the Mack-Cali Member nor any of its Affiliates shall have any interest in the Company, following which time the license to use such name or names (and associated goodwill) shall automatically be terminated and all rights to such name and names (and associated goodwill) shall revert to the Mack-Cali Member. Under the Newmark Agreement (and as the Newmark Agreement shall so provide), Newmark has granted to the Company (although not to the Members) a non-exclusive, royalty-free license to use (and/or to have any Company Subsidiary use) the name "Newmark Knight Frank" and the associated good will in the name "Newmark Knight Frank" until the earlier of: (a) the dissolution of the Company and the winding up of its affairs (and all other reasonable incidental purposes in connection therewith) following a Dissolution Event pursuant to Article XIV hereof and the termination of this Agreement, or (b) such time when neither NKFFM nor any of its Affiliates shall have any interest in the Company, following which time the license to use the name "Newmark Knight Frank" (and associated goodwill) shall automatically be terminated and all rights to such name (and associated goodwill) shall revert to Newmark. On, or as soon as practicable following, the Effective Date, the Company shall cause a name change of Gale Facility to "Newmark Knight Frank Global Management Services, LLC".

2.4 **Term**. The term of the Company shall commence on the date the Certificate is filed in accordance with the Act, and shall continue in perpetuity until the winding up and liquidation of the Company and its business is completed following a Dissolution Event, as provided in Section 14.1 of this Agreement.

2.5 **Registered Agent and Office**. The registered agent for the service of process and the registered office shall be that Person and location reflected in the Certificate. The Managers, may, from time to time, change the registered agent or office through appropriate filings with the Secretary of State of the State of Delaware. In the event the registered agent ceases to act as such for any reason or the registered office shall change, the Managers shall promptly designate a replacement registered agent or file a notice of change of address as the case may be. If the Managers shall fail to designate a replacement registered agent or change of address of the registered office, any Member may designate a replacement registered agent or file a notice of change of address.

2.6 **Principal Office**. The principal office of the Company shall be located at 10 Sylvan Way, Parsippany, New Jersey.

2.7 **Broker of Record.** The Company, as well as any one or more Company Subsidiaries, shall be licensed as a broker of record in New Jersey and in such one or more other jurisdictions where the Company and/or one or more Company Subsidiaries is required to be so licensed under the applicable law of any such jurisdiction. Panzer initially, and for no additional compensation, shall be the broker of record for the Company (and for any other Company Subsidiary that is required to be so licensed) in New Jersey and each other jurisdiction where such licensing is required under the applicable law of such jurisdiction, and shall be authorized to, and shall, perform such functions as required of broker of record in New Jersey and each such other jurisdiction.

ARTICLE III

PURPOSE; NATURE OF BUSINESS

3.1 **Purpose of Company**. The business purpose of the Company is to, either directly or through one or more Company Subsidiaries (a) provide facility and property management, construction, janitorial, landscaping, mechanical and related services; (b) acquire, invest in, purchase, own, hold, lease, finance, borrow, manage, maintain, operate, improve, upgrade, modify, exchange, assign, encumber, create security interests in, pledge, sell, transfer or otherwise dispose of, and in all respects otherwise deal in, all kinds of business and property, both real and personal solely for the purpose of facilitating the purpose set forth in (a) above; (c) establish, acquire, conduct and carry on any business suitable, necessary, useful or convenient in connection with the purpose set forth in (a) above; (d) engage in any lawful act or activity for which companies may be formed under the Act; and (e) engage in any and all business activities permitted under the laws of the State of Delaware. Subject to Section 6.1(a)(ii) and other applicable provisions hereunder, the Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Article III. The authority granted to the Managers hereunder to bind the Company shall be limited to actions necessary or convenient to the business purpose of the Company.

3.2 **"Taxable REIT subsidiary"/Other REIT limitations**. Notwithstanding anything herein to the contrary, without the prior written consent of the Mack-Cali Member, neither the Company nor any Company Subsidiary shall, either individually or any one or more of them, (a) directly or indirectly operate or manage a lodging facility (within the meaning of Sections 856(l)(4)(A) and 856(d)(9)(D)(ii) of the Code) or a health care facility (within the meaning of Sections 856(l)(4)(B) and 856(e)(6)(D)(ii) of the Code); (b) directly or indirectly provide to any other Person (under a franchise, license, or otherwise) rights to any brand name under which any such lodging facility or health care facility is operated; or (c) do anything else that may not be done or undertaken (including, without limitation, whether under any provision of the Code or in any proposed, temporary or final Treasury Regulations, or as the Internal Revenue Service may hereafter determine, whether in a revenue ruling, revenue procedure, notice, announcement, technical advice memorandum, chief counsel memorandum, private letter ruling or any other written determination) by a "taxable REIT subsidiary" (within the meaning of Section 856(l) of the Code); or (d) acquire, hold or own any equity or debt interest that would constitute a "security" or "securities" for purposes of applying Sections 856(c)(4)(B)(iii)(II) and (III) of the Code.

3.3 **Company/Company Subsidiary treated as "partnership" or "disregarded entity" for tax purposes**. The Members hereby agree that the Company and each Company Subsidiary shall be treated as, and shall constitute, a "partnership" or "disregarded entity" for federal, state and local income tax purposes. To this end, and notwithstanding anything herein to the contrary, without the prior written consent of a Supermajority of the Members, neither the Company, any Member nor any Manager shall (or shall cause or permit the Company or any Company Subsidiary to) do anything which would result in the Company or any Company Subsidiary to not be so treated (including, without limitation, causing or permitting the Company or any Company Subsidiary to make the election under Section 7701 of the Code and 301.7701-2 and -3 of the Tax Regulations).

3.4 **Mack-Cali Member to be provided with certification of compliance with Sections 3.2 and 3.3**. By no later than the fifteenth (15^{th}) day following the end of each calendar quarter (beginning with the calendar quarter ended December 31, 2006), and at the Company's expense, the Managers shall cause the Company's Accountant to furnish to the Mack-Cali Member a certification, which shall be addressed to the Mack-Cali REIT and shall be executed by the Company's Accountant, that the Company was in compliance with Section 3.2 and 3.3 of this Agreement at all times during, and at the close of, such calendar quarter (or, if the Company was not in compliance, then such certification shall identify in particularity such non-compliance).

ARTICLE IV

ACCOUNTING AND RECORDS

4.1 **Records to be Maintained**. The Company shall maintain the following records at the Company's principal office (as set forth in Section 2.6), which shall be open to inspections by the Members or their agents at reasonable times:

(a) a list of the full name set forth in alphabetical order and last known mailing address of each Member, together with the information set forth on Schedule A relating to each Member's Economic Interest, Membership Interest and Sharing Ratio;

(b) a copy of the Certificate and all amendments thereto, together with executed copies of any powers of attorney pursuant to which the Certificate or any such amendment has been executed;

(c) a copy of the Company's federal, state and local income or information tax returns and reports for the six (6) most recent Fiscal Years;

(d) a copy of this Agreement including all amendments thereto;

(e) the Company's books and records, including financial statements of the Company; and

(f) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up.

4.2 **Reports to Members**. At the Company's expense, the Company shall provide and distribute to Members quarterly and annual reports consisting of a balance sheet, statement of profits and losses and a statement of cash flow of the Company and each Company Subsidiary, each of which shall be prepared in accordance with GAAP, as well as a statement of the Members' Capital Accounts and such other and additional financial and other information, statements and/or reports pertaining to the Company and the Company Subsidiaries (and/or their activities and operations) that a Member may reasonably request, as follows: (a) beginning with the calendar quarter ended March 31, 2007, such quarterly reports shall be provided and distributed by the Company to the Members by no later than 45 days following the end of such calendar quarter, with "draft" reports (which shall be prepared based on the best estimates of the then available information) to be provided and distributed by the Company to the Members by no later than 20 days following the end of such calendar quarter; and (b) beginning with the calendar year ended December 31, 2006, such annual reports, which shall be audited by the Company's Accountants, shall be provided and distributed by the Company to the Members by no later than 90 days following the end of such calendar year, with "draft" reports (which shall be prepared based on the best estimates of the then available information) to be provided and distributed by the Company to the Members by no later than 30 days following the end of such year; provided, however, if the Company's Accountant is PricewaterhouseCoopers, the cost that the Company shall bear for the preparation and issuance of such quarterly reports and audited annual reports, and any certifications required pursuant to Section 3.4 hereof, shall be capped at the amount equal to the total fees and charges that Friedman LLP would have charged (based on its ordinary fee schedule) if Friedman LLP (rather than PricewaterhouseCoopers) had prepared and issued such reports and certifications, with any additional fees and charges for the preparation and issuance of such reports to be borne solely by the Mack-Cali Member (but only if the Mack-Cali Member shall have first been furnished with reasonable evidence, in writing, of such additional fees and charges). The Managers shall provide all Members with those information returns required by the Code and the laws of any state.

4.3 **Tax Returns and Reports**. The Managers, at the Company's expense, shall cause to be prepared and timely file income tax returns of the Company in all jurisdictions where such filings are required, and shall prepare and deliver to each Member, within ninety (90) days after the expiration of each Fiscal Year, and at the Company's expense, all information returns and reports required by the Code and Tax Regulations and applicable state or local law and Company information necessary for the preparation of the Members' federal, state and local income tax returns.

ARTICLE V

NAMES AND ADDRESSES OF MEMBERS

The names and addresses of the Members are as stated on Schedule A, which may be amended from time to time in accordance with the terms of this Agreement.

ARTICLE VI

RIGHTS AND DUTIES OF MEMBERS

6.1 **Management Rights**. (a) Each Member shall be entitled to vote on any matter submitted to a vote of the Members to the extent of its Sharing Ratio in the Company (as such may be amended from time to time in accordance with this Agreement). Notwithstanding anything herein to the contrary, the following actions and decisions (including, without limitation, any action or decision that may be set forth or contemplated in a Business Plan) by, for or on behalf of the Company or any Company Subsidiary shall require the prior written consent of a Supermajority of the Members subject, however, to clause (B)(ii) of Section 8.2(a):

(i) any amendment to this Agreement, the Certificate, any certificate of authority or any other organizational document or governmental license, authorization or permit of the Company, or any organizational document or governmental license or permit of any Company Subsidiary, except any amendment that is, and would be if made, ministerial or inconsequential in nature and effect (*e.g.,* to amend Schedule A so as to reflect a change in the address of a Member), or the filing of any license, permit, certificate, authorization or other instrument with any governmental authority;

(ii) enter into or undertake any agreement, transaction or action, not within the scope of the purposes or powers set forth in clauses (a), (b) and (c) of Section 3.1;

(iii) merge, consolidate or combine with or into any other Person, or liquidate, dissolve or terminate (or authorize such a merger, liquidation, dissolution or termination);

(iv) other than the Newmark Loans and Mack-Cali Loans and except in accordance with Article VIII, or as otherwise expressly provided in any Transaction Documents, accept or receive any capital or other equity contributions (whether in cash or other property) from any Person, issue any capital, profits or other debt or equity interest (whether for cash, other property or for past, present or future services), or admit any Person as a member, partner or shareholder, or any other action that would have the effect of diluting or, otherwise, adversely affecting the Membership Interest or Economic Interest of any Member or Assignee (including, without limitation, as to the amount, timing or character of any distributions or allocations that would otherwise be made to any Member or Assignee);

(v) change its name or, otherwise, the name under which it does or holds itself out to do business;

(vi) file any petition for relief in bankruptcy under any federal bankruptcy laws or debtor relief laws or any other debtor relief laws of any jurisdiction or otherwise take any action, or fail to take any action, as the case may be, which would result in the Company or any Company Subsidiary being treated as bankrupt;

(vii) commence, dismiss, terminate, adjust, settle or compromise any litigation, obligation, debt, demand, suit, judgment or claim (including, without limitation, condemnation or insurance claim) against or for, by or on behalf of the Company or any Company Subsidiary, and either (a) which also involves any Member (and/or any of its or his Affiliates); or (b) which could result in personal liability for any Member or any of its or his Affiliates;

(viii) other than as expressly contemplated under any of the Transaction Documents, sell, exchange, mortgage, pledge, convey or dispose of (including, without limitation, by reason of a dissolution or liquidation, or a redemption or equity issuance and regardless of whether in a taxable or partially or completely nontaxable transaction) all, or substantially all, of the Property or of the beneficial or equity interests in or to any Company Subsidiary, or enter into any agreement or amendment with respect thereto;

(ix) other than the Newmark Loan, the Mack-Cali Loan or any Third Party Loan incurred or undertaken in accordance with the provisions of Section 8.2 (the foregoing, ***"Excepted Borrowings"***), borrow money from any Person or guaranty or indemnify any Person for or in respect of any liability, indebtedness, loan or other obligation or the performance of any obligation by any Person, issue any evidence of indebtedness, note, bond, guaranty, indemnity or other certificate, instrument or agreement which would subject the Company or any Company Subsidiary to any liability or obligation therefore in connection therewith, increase the amount of, or modify, amend or change the terms of, endorse or execute any promissory note, draft, bill of exchange, warrant, bond, debenture or other negotiable or non-negotiable instrument or evidence of indebtedness, or secure the payment thereof and/or of the interest thereon by mortgage upon or by a pledge, conveyance, hypothecation or assignment in trust of any of the Property or any interest in the Company or any Company Subsidiary, whether now owned or hereafter acquired, or sell, pledge or dispose of any such note, draft, bill of exchange, warrant, bond, debenture or other instrument or evidence of indebtedness, or, other than the Newmark Agreement, enter into of any agreement or amendment thereto with respect to the foregoing, except for the borrowing of (and the entering into of any agreement to borrow and to mortgage, pledge or otherwise encumber any assets to secure the borrowing) of any amount from any Person other than a member or any of its or his Affiliates when added to all other such borrowings (other than Excepted Borrowings), not in excess of $50,000;

(x) other than: (A) as provided in Section 8.7 hereof, (B) the Gale Subsidiaries (and any interest therein), (C) any Capital Contributions made pursuant to Article VIII, (D) any purchase, acquisition, lease or investment made or undertaken in the ordinary course of the Company's or a Company Subsidiary's business, or (E) any one or more other equity and/or debt investments not described in (A) through (D) and which are in an amount not in excess of $1,000,000 in the aggregate, make, purchase, acquire, lease and/or hold any asset, property, or investment or participate in (whether by purchase, contribution or otherwise, and whether in a taxable, or partially or completely nontaxable, transaction) any interest in any Organization, or make, purchase, acquire and/or hold any asset, property or investment, or lend money (and/or to receive and hold property as security for the repayment thereof);

(xi) other than the Newmark Agreement, the Marlow Employment Agreement or any Third Party Agreement, enter into, terminate, assign, modify or amend any significant lease, management, brokerage, employment or other services agreement or arrangement;

(xii) other than Marlow under the Marlow Employment Agreement, Newmark or any of its employees under the Newmark Agreement, any Existing Gale Worker (to the extent of such worker's agreement or arrangement on and as of the Effective Date, but not as to any significant modifications thereafter made to any such agreement or arrangement) or any Ordinary Course Worker, the hiring, appointment or engagement of, or the entering into of any employment or other services or independent contractor agreement or arrangement with (or any significant modification of any such agreement or arrangement), any "officer-level" or "manager-level" employee or any Person (whether as an employee, independent contractor, agent or otherwise and including, without limitation, brokers, tradespeople, attorneys and accountants) whose total remuneration, fees, compensation, reimbursements and other payments that could be received from the Company and Company Subsidiaries, in the aggregate, could exceed $200,000 in any one year or, together with all such Persons, could exceed $350,000 in or for any one year;

(xiii) the payment of pensions and establishment of pension plans, pension trusts, profit sharing plans, and benefit and incentive plans for Members, employees, and agents of the Company or any Company Subsidiary, except with respect to Marlow under the Marlow Employment Agreement, any Ordinary Course Worker or any Existing Gale Worker (but only as to any pensions, plans or trusts in which any such worker participates on the Effective Date, but not as to any significant modifications thereafter made to any such pensions, plans or trusts);

(xiv) Except as contemplated by Section 6.7, the purchase of liability and other insurance, other than commercial general liability insurance, worker's compensation insurance, statutory disability, errors & omissions insurance, employment practices insurance, directors and officers insurance and such other insurance that the Managers reasonably determine to be reasonably necessary or desirable for the protection of the business and Property of the Company and the Company Subsidiaries and which is purchased on commercially reasonable, and arms-length, terms;

(xv) the indemnification of any Person, other than indemnification provided for in Section 6.3 and 7.10 hereof or the indemnification of any Person made or furnished by the Company or any Company Subsidiary in the ordinary course of its business;

(xvi) the making of any election or the taking of any tax position under the Code and Tax Regulations (and/or under any state or local tax law) that could have a disproportionate adverse effect on any Member as compared to the effect that such election could have on any one or more other Members (unless any such Member so adversely affected first expressly approves of such election being made); provided, however, any Member whose Sharing Ratio is in excess of 25% may, alone, determine that the Company or any Company Subsidiary make the election under Section 754 of the Code so long as the event giving rise to such election was otherwise in accordance with the provisions of this Agreement;

(xvii) enter into any agreement or arrangement which would require the personal guarantee of, or which could give rise to personal liability for, any Member or any of its Affiliates, except that the foregoing shall require the prior written consent of only such Member (rather than the approval of a Supermajority of the Members);

(xviii) increase or decrease the number of Managers;

(xix) enter into any Potential Conflict Agreement other than a Transaction Document, except that the foregoing shall require the prior written consent of a Supermajority of the Disinterested Members with respect to such agreement; and

(xx) Any other action or decision that provides for the approval or consent of a Supermajority of the Members elsewhere hereunder;

provided, however, that notwithstanding the foregoing or any other provision herein to the contrary, with respect to any Potential Conflict Agreement, only a Supermajority of the Disinterested Members with respect to such agreement (in the case of any action or decision referred to in clause (i) through (xx) above) or the Majority of those Managers designated by the Disinterested Members with respect to such agreement (for all other actions or decisions) may, and are hereby authorized to, cause and direct the Company and any Company Subsidiary to (and at the Company's and Company Subsidiary's sole cost and expense): (i) exercise or assert (or not exercise or assert) any rights or claims under any such agreement; (ii) defend against, seek recovery for, litigate, settle, negotiate, or compromise (or not defend against, seek recovery for, litigate, settle, negotiate or compromise) any claim or issue arising under any such agreement; (iii) undertake any other action, make any decision, provide any consent or approval or otherwise do anything else permitted or required to be undertaken, made, provided or done under any such agreement; and (iv) engage any accountants, attorneys, consultants and other professionals in connection with any of the foregoing.

(b) For any action or decision that requires the prior written consent of a Supermajority of the Members, any Member (***"Proponent Member"***) that desires for the Company to take or make such action or decision shall notify each of the other Members, in writing (the ***"Major Decision Notice"***), of the action or decision that the Proponent Member desires for the Company or Company Subsidiary to make or take (with the Proponent Member also contemporaneously furnishing a copy of the Major Decision Notice to each Manager), and then each such other Member shall evidence its or his consent or non-consent to such action or decision if notifying the Proponent Member, in writing (the ***"Response Notice"***), by no later than 10 Business Days (the ***"Response Period"***) following the Member's receipt of the Major Decision Notice (although each Member shall also contemporaneously furnish a copy of its or his Response Notice to each of the other Members and each Manager). If a Member shall fail to deliver its or his Response Notice to the Proponent Member by the end of the Response Period, then such Member shall be deemed to have approved of such action or decision set forth in the corresponding Major Decision Notice.

6.2 **Liability of Members**. Subject to Sections 6.3 and 7.10, no Member shall be liable for any expense, liability or other obligation of the Company, any Company Subsidiary, any Manager or any other Member.

6.3 **Indemnification**. A Member shall indemnify the Company and any Company Subsidiary for any costs or damages incurred by the Company or Company Subsidiary as a result of any unauthorized action by such Member. The Company, together with the Company Subsidiaries, shall indemnify and hold harmless each Member against any loss, damage or expense (including attorneys' fees) incurred by the Member as a result of any act performed or omitted on behalf of the Company or any Company Subsidiary in furtherance of the Company's and/or Company Subsidiary's interests without, however, relieving the Member of liability for failure to perform its duties and such loss, damage or expense arose from such Member's fraud, willful misconduct or bad faith and a Member shall not be indemnified for any such loss, damage or expense. The satisfaction of any indemnification and any hold harmless shall be from and limited to Property of the Company and the Company Subsidiaries, including cash of the Company and the Company Subsidiaries, and the other Members shall not have any personal liability on account thereof. Moreover, and notwithstanding anything herein to the contrary, the cost of any indemnity obligation of the Company or any Company Subsidiary owed to NKFFM or any of its Affiliates under any Potential Conflict Agreement shall be funded solely by NKFFM and out of any amount that would otherwise be distributable or payable to NKFFM and/or to any of its Affiliates hereunder or under any other agreement or arrangement and if such amount(s) shall be insufficient to pay the full cost of such indemnity obligation (at the time that such obligation is required to be paid), then such Member shall contribute the amount necessary to enable the Company or any Company Subsidiary to timely pay such obligation in full, with such contribution and the Company's or Company Subsidiary's payment of such obligation, shall result in, respectively, an increase and then a corresponding decrease in such Member's Capital Account balance (such that there shall be no net increase or decrease in its Capital Account balance) although with such contribution not constituting a "Capital Contribution" for any purpose hereunder (including, without limitation, for purposes of Articles IX and XIV hereunder).

6.4 **Representations and Warranties**. Each Member, and in the case of a trust or other entity, the Person(s) executing this Agreement on behalf of the entity, hereby represents and warrants to the Company and each other Member that: (a) if that Member is an entity, it has power to enter into this Agreement and to perform its obligations hereunder and that the Person(s) executing this Agreement on behalf of the entity has the power to do so; and (b) the Member is acquiring its Membership Interest in the Company for the Member's own account as an investment and without an intent to distribute the Membership Interest. The Members acknowledge that their Membership Interests in the Company have not been registered under the Securities Act of 1933 or any state securities laws, and may not be resold or transferred without appropriate registration or the availability of an exemption from such requirements and in accordance with Article XI hereof.

6.5 **Conflicts of Interest/Competitive Activities.**

(a) Neither a Member nor any of its Affiliates, without the prior written approval of a Supermajority of the disinterested Members, shall be entitled to enter into or engage in any Facilities Management Activity (***"Non-Permitted Activity"***), although any Member (and/or any of its Affiliates) may enter into or engage in any Property Management Activity and, otherwise, may acquire or make any investment, or engage in, undertake or do any business, activity or endeavor (including, without limitation, any investment, business, activity or endeavor referred to in Section 3.1 hereof and regardless of whether or not competitive with the Company or any Company Subsidiary or any of their investments, businesses, activities or endeavors), other than Facilities Management Activities; provided, further, in the event that the Mack-Cali Member and/or any one or more of its Affiliates shall be acquired (whether by merger, consolidation, asset purchase or otherwise) by one or more Persons that engage in one or more Facilities Management Activities, such Facility Management Activities shall not be considered a Non-Permitted Activity as regard to the Mack-Cali Member (or any successor to its Membership Interest or Economic Interest) except that if such Facilities Management Activities shall constitute a substantial business, then the Membership Interest of the Mack-Cali Member and its Affiliates shall be subject to NKFFM's right to purchase the entire Membership Interests and Economic Interests of the Mack-Cali Member and its Affiliates pursuant to, and in accordance with, Section 11.7 (the **"MC Change of Control Event").** In addition, the Member(s) that (or whose Affiliate) have entered into any Non-Permitted Activity or any other activity or transaction resulting from the use or appropriation of any of the Property (including, without limitation, information developed for the Company or any Company Subsidiary and opportunities expressly offered to the Company or any Company Subsidiary) shall account to the Company and its Members and hold as trustee for them any property, profits, gain, and/or other benefits derived by such Member or Affiliates.

(b) A Member does not violate a duty or obligation to the Company merely because the Member's conduct furthers the Member's own interest and, subject to the provisions of this clause (b) below, Section 6.1 and elsewhere in this Agreement, a Member may lend money to and transact other business with the Company or any Company Subsidiary and such Member shall otherwise be treated as a third party viz. such loan or transaction. In the event that a Member or any of its or his Affiliates desires to lend money to and/or transact other business, and/or otherwise have any direct or indirect interest in a transaction, with the Company or any Company Subsidiary, such loan or transaction shall not be void or voidable if either (i) such loan or transaction is pursuant to, and contemplated under, a Transaction Document; or (ii) a Supermajority of the Disinterested Members with respect to such loan or transaction, with knowledge of the material facts of the loan or transaction, authorize and approve such loan or transaction in advance.

(c) Notwithstanding anything contained herein to the contrary, neither the Company nor any Company Subsidiary shall conduct Property Management Activities within 10 miles of where a Member or any of its Affiliates (other than the Company or any Company Subsidiary) (individually or collectively, an **"Active Member"**) is conducting such activities (the "Restricted Area"), without the prior written consent of the Active Member; provided, however, in the event that the Company conducts Property Management Activities in an area that is not otherwise a Restricted Area, but thereafter becomes a Restricted Area, the Company may continue to conduct Property Management Activities for customers retained prior to the area becoming a Restricted Area, but may not expand such business within the Restricted Area without the prior written consent of the Active Member. Any Active Member shall promptly respond to any request for consent pursuant to this Section 6.5(c).

6.6 **Delegation of Managers.** The Managers may, if duly authorized pursuant to the provisions hereunder, delegate ministerial or administrative matters to responsible parties (*e.g.,* the chief financial officer), provided that such delegation does not involve the making of any decision specifically within the exclusive authority of, or requiring the approval of, the Managers or Members (or a Majority or Supermajority, or any one or more, of the Members). Accordingly, said responsible parties shall act after a matter has been decided (such as, by way of example, in connection with the actual disbursement of funds, issuance of checks, record keeping, accounting and the like).

6.7 **Insurance**. The Managers shall cause the Company and each Company Subsidiary (at the sole cost and expense of the Company and Company Subsidiary) to obtain commercially reasonable, arms-length errors and omissions insurance, employment practices insurance, and directors and officers insurance in customary amounts to protect the Members, the Managers and officers against any of the losses, liabilities, claims and/or judgments that may arise under this Agreement (including, without limitation, in respect of their indemnity obligations under Section 6.3 and 7.10 hereunder) or under applicable law.

ARTICLE VII

MANAGERS AND DECISIONMAKING

7.1 **Managers**. Except as otherwise provided in this Agreement (including, without limitation, under Section 6.1), the management of the Company and all decisions concerning the business affairs of the Company shall be made by the managers (each, a ***"Manager"*** and, collectively, the ***"Managers"***). Unless and until increased or decreased by a Supermajority of the Members, the Company shall have five (5) Managers, with the initial Managers being the following Persons:

Marlow
Panzer
Joseph Rader
Barry Gosin
Mitchell E. Hersh

provided, however, that at all times two (2) Managers shall be designated by NKFFM (the ***"NKFFM Managers"***), and one (1) Manager shall be designated by the Mack-Cali Member (the ***"Mack-Cali Manager"***).

7.2 **Term of Office as Manager**. Each Manager shall serve until his or her Dissociation, resignation pursuant to Section 7.7 or removal pursuant to Section 7.8.

7.3 **Filings**.

(a) The Managers shall execute and cause to be filed the Certificate, and any amendments thereto, with the Secretary of the State of the State of Delaware in accordance with the provisions of the Act. The Managers shall take any and all other actions reasonably necessary to maintain the status of the Company as a limited liability company under the laws of Delaware.

(b) The Managers shall execute and cause to be filed the original or amended Certificate and shall take any and all other actions reasonably necessary to qualify and maintain the status of the Company as a limited liability company or similar type of entity under the laws of any states, other than Delaware, or jurisdictions in which the Company engages in business.

(c) Upon the dissolution of the Company, the Managers shall promptly execute and cause to be filed certificates of dissolution in accordance with the Act and the laws of any other states or jurisdictions in which the Company has filed certificates.

7.4 **Managers to Prepare Business Plan**. At least thirty (30) days after execution hereof, the Managers shall prepare a detailed business plan providing for a breakdown of all income and expenses projected to be incurred in the operation of the Company's business for the next 12 months. This budget will be called the *"**Business Plan**"*. The Majority of the Managers shall approve the Business Plan. On or before December 31st of each calendar year, the Managers shall prepare and approve a Business Plan for the next calendar year. Subject to the terms of the Business Plan and Section 6.1, the overall daily business direction and operational, financial and management decisions shall be the responsibility of Marlow. In the event the Business Plan does not anticipate a particular action or expenditure, but subject to Section 6.1 and to those actions and decisions which require the approval of one or more, a Supermajority or all of the Managers or Members), the Managers acting upon a Majority vote, shall have the right to decide such matters.

7.5 **Actions of the Managers**. Subject to Section 6.1 and to those actions and decisions in which any one or more of the Managers or Members is authorized or empowered to cause the Company or any Company Subsidiary to take or make (or to not take or make), the Managers, acting upon a Majority vote, shall: (a) have the power to bind the Company as provided in this Article VII (and no Person dealing with the Company shall have any obligation to inquire into the power or authority of the Managers acting on behalf of the Company); and (b) manage the Company (and, indirectly, each Company Subsidiary) and cause the Company or any Company Subsidiary to make or take any action, determination, election, approval and/or consent that the Managers are authorized to make or take hereunder.

7.6 **Managers Standard of Care**. Each Manager shall discharge his or her duties to the Company and, indirectly, to each Company Subsidiary, and to the other Members in good faith and with that degree of care that an ordinarily prudent person in a similar position would use under similar circumstances. In discharging his or her duties, a Manager shall be fully protected in relying in good faith upon the records required to be maintained under Article IV and upon such information, opinions, reports or statements by any Person as to matters the Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company or any Company Subsidiary, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any Company Subsidiary or any other facts pertinent to the existence and amount of assets from which Distributions to Members might properly be paid.

7.7 **Resignation.** A Manager may resign at any time and for any reason (or for no reason) by giving written notice to the Company and to each of the Members and other Managers. The resignation of any Manager shall take effect upon receipt of such notice or at any later time specified in such notice. Unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective. In the case where the resigning Manager is also a Member, the resignation of such Manager shall not affect the Manager's rights as a Member and in respect of his Membership Interest and shall not constitute a withdrawal of such resigning Manager as a Member. In the case where the resigning Manager is: (a) a NKFFM Manager or the Mack-Cali Manager, only NKFFM or the Mack-Cali Member, respectively, shall have the authority to (and shall by written notice to all of the Members and Managers) designate the successor Manager (and without having to obtain the consent of any Manager or Member); and (b) an At Large Manager, the successor Manager shall be designated by a Supermajority of the Members (but not including any Member who, or whose Affiliate, is the resigning Manager).

7.8 **Removal of Manager.** An At Large Manager may be removed as follows: (a) if such At Large Manager is Marlow or Panzer, then either of them shall be removed automatically as Manager upon his Dissociation and may be removed as Manager for cause (which shall, for purposes of this Section 7.8, include any failure to make any additional Capital Contribution pursuant to Section 8.2(a)) by a vote of a Majority of those Members other than the Member whose removal as Manager is being sought; and (b) in the case of any other At Large Manager, such removal shall be effected upon the vote of a Majority of the Members approving such removal, with the successor Manager to be designated, (i) in the case of a removal under clause (a), by the written consent of a Supermajority of the Members other than the Member who was removed as Manager; and (ii) in the case of a removal under clause (b), by the written consent of a Majority of the Members. Except in connection with a Loss of Management Rights, neither the Mack-Cali Manager nor any NKFFM Manager may be removed at any time or for any reason, except that in the case of the death or Disability of a Mack-Cali Manager or NKFFM Manager, only the Mack-Cali Member or NKFFM, respectively, shall designate a replacement Manager therefor.

7.9 **Disbursement of Funds**. Subject to Section 6.1 and the limitations set forth in this Article VII, the Chief Financial Officer of Newmark is authorized to initiate and/or approve the disbursement of funds (*e.g.,* issuance of checks, wire transfers, etc.) provided same is consistent with the approved business plans and budgets.

7.10 **Indemnification**. A Manager shall indemnify the Company for any costs or damages incurred by the Company or any Company Subsidiary as a result of any unauthorized action or malfeasance by such Manager, with the Member who appointed such Manager being jointly and severally liable with such Manager for any such costs or damages. The Company shall indemnify and hold harmless each Manager against any loss, damage or expense (including attorneys' fees) incurred by the Manager as a result of any act performed or omitted on behalf of the Company or in furtherance of the Company's interests without, however, relieving the Manager or the Member who appointed such Manager of liability for failure by the Manager to perform his or her duties in accordance with the standards set forth herein.

7.11 **Meetings of Managers and Members**. At least semi-annually and upon 14 days notice, the Managers and Members shall meet at the Principal Office of the Company (as set forth in Section 2.6 or such other place designated by all of the Managers). Any Manager or Member may attend such meetings by telephone conference. At such time, the Managers shall advise and consult with the Members regarding the current operations of the Company.

ARTICLE VIII

CONTRIBUTIONS AND CAPITAL ACCOUNTS

8.1 **Initial Capital Contributions**. Contemporaneously with the execution hereof, each Member shall contribute such amount of money and such other property as set forth on Schedule A attached hereto. The Members hereby acknowledge and agree that the Gross Asset Value of the property to be contributed by the Mack-Cali Member as its Capital Contribution (*i.e.,* it 100% membership interest in the Gale Facility (the "Gale Global Membership Interests") and, indirectly, its 100% ownership interests in the Gale Subsidiaries) shall be $1,000,000. Immediately following such contributions, the Company shall then distribute to the Mack-Cali Member the $600,000 in cash that the Non-Mack-Cali Members had contributed as their initial Capital Contributions pursuant to the Contribution Agreement and this Section 8.1. The Members hereby acknowledge and agree that: (a) such Capital Contribution by the Mack-Cali Member to the Company, and such distribution by the Company to the Mack-Cali Member, shall be treated for all tax purposes as a sale by the Mack-Cali Member to the Company of 60% of its membership interest in the Gale Global Membership Interests (*i.e.,* the $600,000 of cash distributed to the Mack-Cali Member divided by the agreed Gross Asset Value of the Gale Subsidiaries of $1,000,000) for $600,000 and a Capital Contribution by the Mack-Cali Member to the Company of the remaining 40% of its membership interest in the Gale Global Membership Interests having an agreed Gross Value of $400,000, and (b) such that immediately following such Capital Contributions and distribution (and after reflecting such Capital Contributions and distribution in the Members' Capital Accounts), each Member shall have a Capital Account balance equal to the amount set forth opposite such Member's name on Schedule A. To effectuate the foregoing, the Members hereby acknowledge and agree that on the Effective Date, Panzer, Marlow and NKFFM shall each wire directly to the Mack-Cali Member, in accordance with the wire instructions that the Mack-Cali Member shall furnish to each of them, the amount that each of them is required to contribute to the Company pursuant to Section 8.1(a) (*i.e.,* $400,000 for NKFFM, $100,000 for Panzer and $100,000 for Marlow).

8.2 **Additional Funding For Company Operations**.

(a) If the Company and/or one or more of the Company Subsidiaries require additional funds and/or capital for its or their business or operations (including, without limitation, to pay the operating and other costs and expenses) or to fund Tax Distributions, then the Managers shall: (i) first obtain such funds by drawing down on the Newmark Loans and the Mack-Cali Loans, pursuant to and in accordance with the Newmark Agreement until fully drawn down (except that for those funds required to fund any Tax Distributions, such draw downs shall not be made until one (1) business day prior to the day that such Tax Distributions are distributed pursuant to Section 9.7(c)); and (ii) then, after the Newmark Loans and Mack-Cali Loans shall have been fully drawn down and exhausted, but only if and to the extent approved by the Majority of the Members, any additional amounts so required may be funded by additional Capital Contributions made by the Members, which additional Capital Contributions shall be made by the Members in proportion to their then respective Sharing Ratios, provided, however, that a Member shall not be personally obligated or liable to make such additional Capital Contributions pursuant to clause (ii) above, and that any Member's failure to make such additional Capital Contributions may result in: (A) a dilution of such Member's Membership Interest (and Sharing Ratios) in accordance with Section 8.2(b) below; and (B) in the case where a Non-Paying Member is either NKFFM or the Mack-Cali Member, (i) the loss of the right to designate the NKFFM Managers or Mack-Cali Manager, respectively, and with each such Manager thereafter becoming an "At Large Manager" for all purposes of this Agreement, and (ii) where the Proponent Member of an action or decision listed in Section 6.1(a) (other than clauses (ii), (iv), (vi), (vii)(b), (xvi), (xvii), (xviii), (xix) and (xx) thereof) and the proviso at the end thereof is any Member other than NKFFM or the Mack-Cali Member or is either the Mack-Cali Member or NKFFM, whichever of them is a Non-Paying Member, such action or decision shall only require the consent of a Majority of the Members (so long as such Majority shall include either NKFFM or the Mack-Cali Member, whichever of them is not a Non-Paying Member) (as regard to NKFFM or the Mack-Cali Member, its ***"Loss of Management Rights"***), provided, further, that such Member shall continue to have the right to designate any Person to serve in the same capacity as a Manager hereunder in terms of being furnished with all documents, materials and notices that are furnished to Managers and to participate in any of the meetings and conference calls of or involving the Managers, except that such Person shall not have any voting rights. Upon making of any additional Capital Contributions pursuant to this Section 8.2, the Capital Account balance of any Member making such additional Capital Contributions shall be increased dollar-for-dollar by the amount of such Capital Contributions and Schedule A shall be amended pursuant to Section 8.3 hereof so as to reflect these increases. In addition to the foregoing, the Company and/or any Company Subsidiary shall also be authorized, and shall use their commercially reasonable efforts, to raise such additional funds and/or capital through the securing of commercially reasonable financing, whether secured or unsecured, and from any third party source to fund such additional capital requirements to the maximum extent possible, including by the securing of any such financing with any of the Property (including, without limitation, through the factoring of receivables of the Company or any of the Company Subsidiaries) (the ***"Third Party Loans"***).

(b) If any Member (a *"**Non-Paying Member**"*) fails to contribute cash pursuant to Section 8.2(a)(ii), the other Members (each, a ***"Paying Member"*** and, collectively, the *"**Paying Members**"*), shall have the right, but not the obligation, to assume the contribution obligation of the Non-Paying Member (the *"**Non-Paying Member's Obligation**"*) in amounts which are proportionate to the respective Sharing Ratio of the Paying Members. Upon the Paying Members making such cash contributions, the Sharing Ratio of the Non-Paying Members shall be recalculated to a Sharing Ratio that is equal to the ratio that of all of such Member's Capital Contributions pursuant to Section 8.2(a) (with respect to the period from and after the date hereof and through and including the date of the contribution in question), bears to all Capital Contributions of all of the Members pursuant to Section 8.2(a) (with respect to the period from and after the date hereof and through and including the date of the contribution in question).

(c) The Members hereby acknowledge and agree that the sole consequences to a Member for its failure to make additional Capital Contributions in accordance with the provisions of this Article VIII shall be as prescribed above in Sections 8.2(a) and (b).

8.3 **Capital Account**. A separate capital account shall be maintained for each Member throughout the term of the Company in accordance with the rules of Section 1.704b1(b)(2)(iv) of the Tax Regulations as in effect from time to time, and, to the extent not inconsistent therewith, to which the following provisions apply:

(a) To each Member's Capital Account there shall be credited the amount of (i) such Member's Capital Contribution (if any) to the Company; (ii) such Member's distributive share of Profits; (iii) and any items in the nature of income or gain that are specially allocated pursuant to Sections 9.4 and 9.5 hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member.

(b) To each Member's Capital Account there shall be debited the amount of (i) money and the Gross Asset Value of any Property distributed to such Member pursuant to any provisions of this Agreement; (ii) such Member's distributive share of losses; and (iii) any items in the nature of expenses or losses which are specially allocated pursuant to Sections 9.4 and 9.5 hereof, and the amount of any liabilities of such Members that are assumed by the Company or which are secured by any Property contributed by such Member to the Company.

(c) In the event any Membership Interest and/or Economic Interest in the Company are transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(d) In determining the amount of any liability, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and Tax Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Tax Regulations, and shall be interpreted and applied in a manner consistent with such Tax Regulations. In the event the Managers shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or any Member), are computed in order to comply with such Tax Regulations, the Managers may make such modification, provided that it will not have a material effect on the amounts distributable to any Member pursuant to Section 9.7 and Article XIV hereof upon the dissolution of the Company.

8.4 **No Obligation to Restore Deficit Balance**. At no time shall any Member be required to restore any deficit balance that may exist in its or his Capital Account.

8.5 **Withdrawal; Successors**. A Member shall not be entitled to withdraw any part of its Capital Account or to receive any distribution from the Company, except as specifically provided in this Agreement, and no Member shall be entitled to make any capital contribution to the Company except as otherwise provided in Article VIII. Any Member who shall receive a Membership Interest in the Company or whose Membership Interest in the Company shall be increased by means of a transfer to it of all or part of the Membership Interest of another Member, shall have a Capital Account with respect to such Membership Interest initially equal to the Capital Account with respect to such interest of the Member from whom such Membership Interest is acquired except as otherwise required to account for any step up in basis resulting from a termination of the Company under Section 708 of the Code by reason of such Membership Interest transfer.

8.6 **Interest**. No Member shall be entitled to interest, salary or drawing on such Member's Capital Contribution, on any Profits retained by the Company or services rendered.

8.7 **Investment of Capital Contributions**. The Capital Contributions of the Members shall be invested by the Managers in demand, money market or time deposits, obligations, securities, investments or other instruments constituting cash equivalents, until such time as such funds shall be used by the Manager for Company purposes. Such investments shall be made by the Managers for the benefit of the Company. At the request of any Member, in connection with any Capital Contribution, the Managers shall determine, or cause to be determined, whether the Company would be treated as an investment company, within the meaning of Code Section 721, as a result of such Capital Contribution.

8.8 **No Personal Liability**. No Manager or Member shall have any personal liability for the repayment of any Capital Contributions of any Member.

ARTICLE IX

ALLOCATIONS AND DISTRIBUTIONS

9.1 **Profits and Losses**. Profits and Losses, and each item of Company income, gain, loss, deduction, credit and tax preference with respect thereto, for each Fiscal Year (or shorter period in respect of which such items are to be allocated) shall be allocated among the Members as provided in this Article IX.

9.2 **Profits**. After giving effect to the special allocations set forth in Sections 9.4 and 9.5, Profits for any Fiscal Year shall be allocated in the following order of priority:

(a) First, to the Members, if any, who received any allocation of Losses under Section 9.3(a)(iii), in proportion to (and to the extent of) the excess, if any, of (i) the cumulative Losses allocated to such Members pursuant to Section 9.3(a)(iii) for all prior Fiscal Years, over (ii) the cumulative Profits allocated to such Members pursuant to this Section 9.2(a) for all prior Fiscal Years;

(b) Second, to the Members, in proportion to (and to the extent of) the excess, if any, of (i) the cumulative Losses allocated to each Member pursuant to Section 9.3(a)(ii) hereof for all prior Fiscal Years, over (ii) the cumulative Profits allocated to each Member pursuant to this Section 9.2(b) for all prior Fiscal Years;

(c) Third, to the Members, in proportion to their respective Sharing Ratios.

9.3 **Losses**. After giving effect to the special allocations set forth in Sections 9.4 and 9.5, Losses shall be allocated as set forth in Section 9.3(a), subject to the limitation in Section 9.3(b) below, and, if applicable, as provided in Section 9.3(c).

(a) Losses for any Fiscal Year shall be allocated in the following order of priority:

(i) first, to the Members in proportion to and to the extent of the excess, if any, of (A) the cumulative Profits allocated to each such Member pursuant to Section 9.2(c) hereof for all prior Fiscal Years, over (B) the cumulative Losses allocated to such Member pursuant to this Section 9.3(a)(i) for all prior Fiscal Years;

(ii) second, to those Members with positive Capital Account balances, and in proportion to those balances, until such Capital Account balances shall be reduced to zero; and

(iii) then, to the Members, in proportion to their respective Sharing Ratios.

(b) The Losses allocated pursuant to Section 9.3(a) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some, but not all, of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 9.3(a) hereof, the limitation set forth in this Section 9.3(b) shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to the Members under Section 1.704-1(b)(2)(ii)(d) of the Tax Regulations.

9.4 **Special Allocations**. The following special allocations shall be made in the following order:

(a) ***Minimum Gain Chargeback***. Except as otherwise provided in Section 1.704-2(f) of the Tax Regulations, notwithstanding any other provision of this Article IX, if there is a net decrease in Partnership Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Partnership Minimum Gain, determined in accordance with Tax Regulations Section 1.704-2(g) of the Tax Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Tax Regulations. This Section 9.4(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Tax Regulations and shall be interpreted consistently therewith.

(b) ***Partner Minimum Gain Chargeback***. Except as otherwise provided in Section 1.704-2(i)(4) of the Tax Regulations, notwithstanding any other provision of this Article IX, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Tax Regulations, shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(4) of the Tax Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Tax Regulations. This Section 9.4(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Tax Regulations and shall be interpreted consistently therewith.

(c) ***Qualified Income Offset***. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5), or Section 1.704-1(b)(2)(ii)(d)(6) of the Tax Regulations, items of Company income and gain shall be specially allocated to the Member in an amount and manner sufficient to eliminate, to the extent required by the Tax Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this Section 9.4(c) shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IX have been tentatively made as if this Section 9.4(c) were not in this Agreement.

(d) ***Gross Income Allocation***. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of the amounts such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Tax Regulations, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 9.4(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article IX have been made as if Section 9.4(c) and this Section 9.4(d) were not in this Agreement.

(e) ***Nonrecourse Deductions***. Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in proportion to their Sharing Ratios.

(f) ***Partner Nonrecourse Deductions***. Any Partner Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Tax Regulations.

(g) ***Minimum Gain Chargeback Waiver.*** If for any fiscal year of the Company, the application of the minimum gain chargeback provision of Section 9.4(b) would cause a distortion in the economic arrangement among the Members, and it is not expected that the Company will have sufficient other income to correct that distortion, the Manager may request a waiver from the Commissioner of the Internal Revenue Service of the application in whole or in part of Section 9.4(b) in accordance with Section 1.704-2(f)(4) of the Allocation Regulations. Furthermore, if additional exceptions to the minimum gain charge-back requirements of the Allocation Regulations have been provided through revenue rulings or other pronouncements, the Managers are authorized and may cause the Company to take advantage of such exceptions.

(h) ***Mandatory Allocations Under Section 704(c) of the Code***. Notwithstanding the foregoing provisions of this Section 9.4, in the event Section 704(c) of the Code or Section 704(c) of the Code principles applicable under Section 1.704-1(b)(2)(iv) of the Tax Regulations require allocations of Profits or Losses in a manner different than that set forth above, the provisions of Section 704(c) of the Code and the Tax Regulations thereunder shall control such allocations among the Members. Any item of Company income, gain, loss and deduction with respect to any property (other than cash) that has been contributed by a Member to the capital of the Company or which has been revalued for Capital Account purposes pursuant to Section 1.704-l(b)(2)(iv) of the Tax Regulations) and which is required or permitted to be allocated to such Member for income tax purposes under Section 704(c) of the Code so as to take into account the variation between the tax basis of such property and its Gross Asset Value at the time of its contribution shall be allocated solely for income tax purposes in the manner so required or permitted under Section 704(c) of the Code using the "traditional method" described in Section 1.704-3(b) of the Tax Regulations; provided, however, that curative allocations consisting of the special allocation of gain or loss upon the sale or other disposition of the contributed property shall be made in accordance with Section 1.704-3(c) of the Tax Regulations to the extent necessary to eliminate any disparity, to the extent possible, between the Members' book and tax Capital Accounts attributable to such property.

9.5 **Regulatory Allocations**. The allocations set forth in Sections 9.4 (a) through (g) (the *"**Regulatory Allocations**"*) are intended to comply with certain requirements of the Tax Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 9.5. Therefore, notwithstanding any other provision of this Article IX (other than the Regulatory Allocations), the Managers shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance shall, to the extent possible, be equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Sections 9.2 and 9.3 herein. In applying this Section 9.5, the Managers (i) shall take into account future Regulatory Allocations under one or more provisions of Section 9.4 that, although not yet made, are likely to offset other Regulatory Allocations previously made under the same, or one or more other, provisions of Section 9.4 and (ii) may reallocate Profits and Losses for prior open years (or items of gross income and deductions of the Company for such years) among the Members to the extent it is not possible to achieve such result with allocations of items of income (including gross income) and deductions for the current year and future years. This Section 9.5 shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

9.6 **Other Allocation Rules.**

(a) For purposes of determining the Profits, Losses, or any other item allocable to any period (including allocations to take into account any changes in any Member's Sharing Ratio during a Fiscal Year and any transfer of Member's Membership Interest or Economic Interest in the Company), Profits, Losses, and any such other item shall be determined on a daily, monthly, or other basis, as reasonably determined by the Managers under Section 706 of the Code and the Tax Regulations thereunder using the closing of the books method.

(b) The Members are aware of the income tax consequences of the allocations made by this Article IX and hereby agree to be bound by the provisions of this Article IX in reporting their shares of Company income and loss for income tax purposes.

(c) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Section 1.752-3(a)(3) of the Tax Regulations, the Members' Membership Interests in Company profits are in proportion to their Sharing Ratios.

(d) To the extent permitted by Section 1.704-2(h)(3) of the Tax Regulations, the Managers shall endeavor to treat distributions of Net Cash Flow as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

(e) Except as otherwise provided in this Article IX, an allocation of Company Profits or Losses to a Member shall be treated as an allocation to such Member of the same share of each item of income, gain, loss and deduction taken into account in computing such Profits or Losses.

(f) For purposes of determining the character (as ordinary income or capital gain) of any Profits allocated to the Members pursuant to this Article IX, such portion of Profits that is treated as ordinary income attributable to the recapture of Depreciation shall, to the extent possible, be allocated among the Members in the proportion which (i) the amount of Depreciation previously allocated to each Member bears to (ii) the total of such depreciation allocated to all Members. This section 9.6(f) shall not alter the amount of allocations among the Members pursuant to this Article IX, but merely the character of income so allocated.

(g) Except for arrangements expressly described in this Agreement, no Member shall enter into (or permit any Person related to the Member to enter into) any arrangement with respect to any liability of the Company that would result in such Member (or a Person related to such Member under Section 1.752-4(b) of the Tax Regulations) bearing the economic risk of loss (within the meaning of Section 1.752-2 of the Tax Regulations) with respect to such liability unless such arrangement has been approved by all Members. To the extent a Member is permitted to guarantee the repayment of any Company indebtedness under this Agreement, each of the other Members shall be afforded the opportunity to guarantee such Member's pro rata share of such indebtedness, determined in accordance with the Members' respective Sharing Ratios.

(h) In the event additional Members are admitted to the Company, the Profits (or Losses) allocated to the Members for each such fiscal year during which Members are so admitted shall be allocated among the Members in proportion to the Economic Interest each holds from time to time during such Fiscal Year in accordance with Code Section 706, using the "closing of the books" method.

9.7 **Distribution of Net Cash Flow**. Net Cash Flow for a given Fiscal Year shall be distributed as follows:

(a) ***Amounts and Timing.*** Subject to Section 9.7(c), all distributions to Members made in accordance with this Article IX shall be reasonably determined by the Managers taking into account the working capital needs of the Company and other current or projected uses of funds, after a reasonable reserve has been established. Subject to Section 9.7(c), distributions of Net Cash Flow shall be made to the Members as follows and in the following order of priority:

(i) first, to repay the Newmark Loans and Mack-Cali Loans (and any and all accrued but unpaid interest and return thereon), *pari passu* in proportion to their respective unpaid principal balances of the Newmark Loans and Mack-Cali Loans, with any amounts so distributed being applied first to reduce any and all of the accrued but unpaid interest thereon to the extent thereof and then to reduce any outstanding principal;

(ii) second, to the Members in proportion to their respective Capital Contributions, until the aggregate amount distributed to each Member under this clause (ii) shall equal such Member's aggregate Capital Contributions; and

(iii) third, to the Members, in proportion to their respective Sharing Ratios;

provided, however, other than Tax Distributions, distributions of Net Cash Flow under this Section 9.7(a) shall not be made to the Members until, at the earliest, the second anniversary from the Effective Date.

In the event that the Managers do not determine when distributions are to be made for the then Fiscal Year, such distributions, shall be made within 90 days of the end of each Fiscal Year to those Persons recognized on the books of the Company as Members or as Assignees on the last day of such Fiscal Year.

(b) ***Amounts Withheld***. All amounts withheld pursuant to the Code and Tax Regulations or any provision of any state or local tax law with respect to any payment, distribution, or allocation to a Member shall be treated as amounts distributed to such Member pursuant to this Section 9.7 for all purposes under this Agreement. The Managers shall cause the Company and any Company Subsidiary to withhold from distributions or payments, or with respect to allocations, to the Members and to pay over to any federal, state, or local government any amounts required to be so withheld and paid over pursuant to the Code and Tax Regulations or any provisions of any other federal, state, or local law, and shall treat any such amounts so withheld in respect of any Member as having been actually distributed or paid (as applicable) to such Member pursuant to Section 9.7(a) for all purposes of this Agreement.

(c) ***Distributions for Payment of Taxes***. Before any distributions are made pursuant to Section 9.7(a), the Company shall distribute (and/or set aside sufficient reserves for distribution) to the Members by no later than March 31st following the end of each Fiscal Year, commencing with March 31, 2007, an amount (for each Member, such Member's ***"Tax Distribution"***) of Net Cash Flow (or any cash comprising thereof) and Third Party Loan (to the extent available) proceeds which, when added to the aggregate Net Cash Flow distribution to the Members pursuant to Section 9.7(a)(ii) and (iii) during such Fiscal Year, shall equal: (i) with respect to Panzer, Marlow and NKFFM, the product of: (A) the total amount of ordinary income, short-term capital gain and long-term capital gain allocable to each of them for such Fiscal Year hereunder; and (B) the maximum effective combined federal, state and local income tax rate for such Fiscal Year for individuals living in New York City (taking into account the federal deduction for state and local income taxes and the character of income/gain so allocated (and the corresponding tax rate to which such income/gain is subject)); and (ii) with respect to the Mack-Cali Member, the product of: (A) the total amount of income and gain allocable to the Mack-Cali Member for such Fiscal Year hereunder; and (B) the maximum effective combined federal, state and local income tax rate for such Fiscal Year for regular subchapter C corporations doing business in New York City (taking into account the federal deduction for state and local income taxes); provided, however, if there should be insufficient Net Cash Flow and Third Party Loan proceeds to fund, in full, all of the Tax Distributions required to be made to all of the Members, then the total cash and proceeds so available shall be distributed to the Members in proportion to the Tax Distributions that each Member would have been entitled to so receive if there were sufficient cash and proceeds to so distribute. Any Tax Distribution made by the Company to the Member shall be treated as a distribution to such Member of Net Cash Flow under Section 9.7(a)(ii) (until the Member shall have received the maximum amount to which it or he is entitled thereunder) and then under Section 9.7(a)(iii).

ARTICLE X

TAX MATTERS PARTNER

NKFFM shall be the "tax matters partner" (the ***"Tax Matters Partner"***) of the Company pursuant to Section 6231(a)(7) of the Code. The Tax Matters Partner shall not resign as the "tax matters partner" unless, on the effective date of such resignation, the Company has designated another Member as Tax Matters Partner and such Member has given its consent in writing to its appointment as Tax Matters Partner. The Tax Matters Partner shall receive no additional compensation from the Company for its services in that capacity, but all expenses reasonably incurred by the Tax Matters Partner in such capacity shall be borne by the Company. The Tax Matters Partner is authorized to employ such accountants, attorneys and agents as it determines is necessary to or useful in the performance of its duties, subject to the reasonable approval of a Supermajority of the Members. In addition, the Tax Matters Partner shall serve in a similar capacity with respect to any similar tax related or other election provided by state or local laws. The Tax Matters Partner shall provide a copy of any notice of tax audits or other tax proceedings pertaining to the Company, to the other Members, promptly upon receipt thereof.

The Tax Matters Partner shall use its or his best efforts to comply with the responsibilities outlined in this Article X and in Sections 6222 through 6231 of the Code and the Tax Regulations promulgated thereunder. The Tax Matters Partner shall give prompt notice to the Members upon receipt of advice that the Internal Revenue Service intends to examine Company income tax returns for any years, and the Members shall furnish the Tax Matters Partner with such information as the Tax Matters Partner may reasonably require to permit it or him to provide the Internal Revenue Service with sufficient information to allow proper notice to the parties in accordance with Section 6223 of the Code. The Tax Matters Partner shall not enter into a settlement agreement (or, otherwise, bind the Members, or any one or more of them) without obtaining the prior written approval of a Supermajority of the Members. If any Member enters into a settlement agreement with the Secretary of the Treasury with respect to any Company items, as defined by section 6231(a)(3) of the Code, it shall notify the others of such settlement agreement and its terms within thirty (30) days from the date of settlement. The provisions of this Article X shall survive the termination of the Company or the termination of any party's interest in the Company and shall remain binding on the Members for a period of time necessary to resolve with the Internal Revenue Service or the Department of the Treasury any and all matter regarding the Federal income taxation of the Company and each of the Members with respect to Company matters.

ARTICLE XI

DISPOSITION OF MEMBERSHIP INTEREST

11.1 **Compliance with Securities Laws**. Neither the Membership Interests nor the Economic Interests have been registered under the Securities Act of 1933, as amended, or under any applicable state securities laws. A Member or Assignee may not Dispose of all or any part of its or his Membership Interest or Economic Interest, except upon compliance with the applicable federal and state securities laws and the provisions set forth in this Article XI and elsewhere hereunder. The Managers shall have no obligation to register any Member's Membership Interest or Assignee's Economic Interest under the Securities Act of 1933, as amended, or under any applicable state securities laws, or to make any exemption therefrom available to any Member or Assignee.

11.2 **In General**.

(a) Permitted Dispositions. Except as otherwise set forth in, and subject to the provisions of, this Article XI, no Member shall have the right to Dispose of, and otherwise there shall be no Disposition of, all or any part of a Membership Interest or Economic Interest in the Company without the prior written consent of a Supermajority of the Members, except for a Permitted Disposition.

(b) Admission of transferees/assignees of Membership Interests/Economic Interests. Subject to Section 11.8, only an assignee or transferee (other than an Eligible Assignee or assignee or transferee in a Disposition resulting from the death, incompetence or Disability of a Member or other transferor or assignor with respect to such Disposition, which Eligible Assignee, assignee or transferee shall be treated as an "Assignee" and owner of an Economic Interest only for all purposes of this Agreement) of all or any portion of a Membership Interest (although not an assignee or transferee of an Economic Interest only, who shall instead continue to be treated as an Assignee and owner of an Economic Interest only) in a Permitted Disposition that is a direct sale, transfer or disposition by a Member of his or its Membership Interest (or portion thereof) shall be admitted as, and shall have the rights of, a "member" (and shall be referred to as a Member hereunder) of the Company under the Act and this Agreement (including, without limitation, the right to obtain any information on account of the Company's transactions, to inspect the Company's books or to vote with the Members on, or to grant or withhold consents or approvals of, any matter on which members are entitled to vote hereunder or under the Act). An assignee or transferee of an Economic Interest (as opposed to an assignee or transferee of a Membership Interest) shall only have the to receive that share of the Profits, Losses and distributions attributable to such Economic Interest hereunder and shall be furnished such tax information as the Company is required to furnish to such assignee or transferee in respect of such interest under the Code and the Tax Regulations thereunder but, otherwise, shall have no rights that a "member" or "Member" would otherwise have under the Act and the Agreement.

11.3 **No Requirement to Purchase Membership Interest**.Notwithstanding anything to the contrary in Articles XI and XII hereof, if Marlow is no longer employed with the Company or Panzer is no longer employed by Newmark for reasons set forth in Sections 12.1(i) or (j), neither the Company nor any of the Members shall be required to purchase the Membership Interest of either Marlow or Panzer (or any portion thereof or any interest therein) and, in such event, the Membership Interest of Marlow or Panzer (whichever of them shall no longer be employed) shall automatically be converted into an Economic Interest and he shall no longer be a "member" of the Company hereunder and under the Act.

11.4 **NKFFM Drag-Along Right**

(a) Notwithstanding anything to the contrary herein, in the event that there is a NKFFM Drag-Along Event, then NKFFM shall have the right (but not the obligation) to require the Mack-Cali Member to sell (the ***"NKFFM Drag-Along Right"***) all, and only all, of its (and, as applicable, its Affiliates') Membership Interests and Economic Interests (the ***"Mack-Cali Interests"***) for a price equal to the greater of (the ***"NKFFM Drag-Along Price***): (i) the product of (A) five (5) times the Trailing Company EBITDA, and (B) the aggregate Sharing Ratio represented by the Mack-Cali Interests; or (ii) the aggregate unreturned Capital Contributions of the Mack-Cali Member and its Affiliates; or (iii) in the event the third party acquirer of NKFFM and/or Newmark, under the terms of its acquisition of NKFFM and/or Newmark, has stipulated a valuation of the Company, the product of (A) such valuation and (B) the aggregate Sharing Ratio represented by the Mack-Cali Interests.

(b) NKFFM shall notify the Mack-Cali Member, in writing (the ***"NKFFM Drag-Along Notice"***) (with copies of the NKFFM Purchase Notice to also be delivered to the Company and all of the other Members) of its decision to exercise the NKFFM Drag-Along Right. The Trailing Company EBITDA shall be determined by the Company's Accountants consistent with the definition of "Trailing Company EBITDA" using (and which determination shall be based on): (i) the annual audited reports previously furnished by the Company's Accountants to the Members pursuant to Section 4.2; and (ii) such other and additional financial and other reports, information and supporting documentation that the Company's Accountants determine to be relevant in making its determination (and which reports, information and supporting documentation the Managers shall furnish to the Company's Accountants promptly upon the request therefor by the Company's Accountants), and which determination the Company's Accountants shall certify in a writing (the ***"Certified Letter"***) addressed to both NKFFM and the Mack-Cali Member: The determination of "Trailing Company EBITDA" set forth in the Certified Letter shall be conclusive and not subject to challenge by either NKFFM or the Mack-Cali Member absent manifest error. The Company shall engage the Company's Accountants promptly following its receipt of the NKFFM Drag-Along Notice to undertake and complete the foregoing determination and certification and to issue the Certified Letter) by no later than forty-five (45) days following its receipt of the NKFFM Drag-Along Notice.

(c) The closing of the purchase and sale of the Mack-Cali Interests shall occur on a Business Day mutually agreeable by NKFFM and the Mack-Cali Member and which is no later than twenty Business Days following NKFFM's and the Mack-Cali Member's receipt of the Certified Letter. On the closing date, NKFFM shall remit payment of the NKFFM Drag-Along Price, together with any unpaid Mack-Cali Loans principal (together with all accrued but unpaid interest thereon) to the Mack-Cali Member (and/or one or more of its designees), as finally determined based on the Trailing Company EBITDA set forth in the Certified Letter, free and clear of any and all liens, claims and encumbrances, and the assignment of the Mack-Cali Interests shall be free and clear of any and all liens, claims and encumbrances (other than this Agreement) and shall be evidenced by an assignment reasonably acceptable to the Mack-Cali Member and NKFFM and which shall be executed by each of the sellers and purchasers of the Mack-Cali Interests, together with such other and additional documents and agreements reasonably requested by the Mack-Cali Member and NKFFM.

11.5 **Mack-Cali Tag-Along Right.**

(a) Notwithstanding anything to the contrary herein, in the event that there is a NKFFM Drag-Along Event, then the Mack-Cali Member shall have the right (but not the obligation) to require NKFFM to purchase (the ***"Mack-Cali Tag-Along Right"***) all or a portion of its (and, as applicable, its Affiliates') Membership Interest and Economic Interest for a price equal to the greater of (the ***"Mack-Cali Tag-Along Price***): (i) the product of (A) five (5) times the Trailing Company EBITDA, and (B) the aggregate Sharing Ratio represented by the Mack-Cali Tag-Along Interest (as defined in Section 11.5(b)); (ii) the aggregate unreturned Capital Contributions of the Mack-Cali Member and its Affiliates; or (iii) in the event the third party acquirer of NKFFM and/or Newmark, under the terms of its acquisition of NKFFM and/or Newmark, has stipulated a valuation of the Company, the product of (A) such valuation and (B) the aggregate Sharing Ratio represented by the Mack-Cali Tag-Along Interest.

(b) The Mack-Cali Member shall notify NKFFM, in writing (the ***"Mack-Cali Tag-Along Notice"***) (with copies of the Mack-Cali Tag-Along Notice to also be delivered to the Company and all of the other Members) of its decision to exercise the Mack-Cali Tag-Along Right and the portion of its (and, as applicable, its Affiliates') Membership Interest and Economic Interest to be purchased by NKFFM (the ***"Mack-Cali Tag-Along Interest"***). The Trailing Company EBITDA shall be determined by the Company's Accountants consistent with the definition of "Trailing Company EBITDA" using (and which determination shall be based on): (i) the annual audited reports previously furnished by the Company's Accountants to the Members pursuant to Section 4.2; and (ii) such other and additional financial and other reports, information and supporting documentation that the Company's Accountants determine to be relevant in making its determination (and which reports, information and supporting documentation the Managers shall furnish to the Company's Accountants promptly upon the request therefor by the Company's Accountants), and which determination the Company's Accountants shall certify in the Certified Letter to both NKFFM and the Mack-Cali Member: The determination of "Trailing Company EBITDA" set forth in the Certified Letter shall be conclusive and not subject to challenge by either NKFFM or the Mack-Cali Member absent manifest error. The Company shall engage the Company's Accountants promptly following its receipt of the Mack-Cali Tag-Along Notice to undertake and complete the foregoing determination and certification and to issue the Certified Letter) by no later than forty-five (45) days following its receipt of the Mack-Cali Tag-Along Notice.

(c) The closing of the purchase and sale of the Mack-Cali Tag-Along Interest shall occur on a Business Day mutually agreeable by NKFFM and the Mack-Cali Member and which is no later than twenty Business Days following NKFFM's and the Mack-Cali Member's receipt of the Certified Letter. On the closing date, NKFFM shall remit payment of the Mack-Cali Tag-Along Price, together with any unpaid Mack-Cali Loans principal (together with all accrued but unpaid interest thereon), to the Mack-Cali Member (and/or one or more of its designees), as finally determined based on the Trailing Company EBITDA set forth in the Certified Letter, free and clear of all liens, claims and encumbrances, and the assignment of the Mack-Cali Tag-Along Interest shall be free and clear of any and all liens, claims and encumbrances (other than this Agreement) and shall be evidenced by an assignment reasonably acceptable to the Mack-Cali Member and NKFFM and which shall be executed by each of the sellers and purchasers of the Mack-Cali Tag-Along Interest, together with such other and additional documents and agreements reasonably requested by the Mack-Cali Member and NKFFM.

11.6 **Put Rights.**

(a) During any Put Period, either the Mack-Cali Member or NKFFM (***"Exercising Member"***) may deliver a notice, in writing (the ***"Put Notice"***) to the other of them (a ***"Non-Exercising Member"***), with a copy to Panzer and Marlow, that the Exercising Member is offering (the ***"Put Offer"***) to sell its and its Affiliates' entire Membership Interests and Economic Interests (the ***"Sale Interest"***) to the Non-Exercising Member, for a price in cash that shall be no less than the Minimum Price (as defined below) for the Sale Interest (the ***"Sale Price"***); provided, however, that notwithstanding anything herein to the contrary, any Put Notice that is delivered by NKFFM following the delivery by the Mack-Cali Member of a Put Notice to NKFFM shall be null and void and of no effect. The ***"Minimum Price"*** for the Sale Interest shall equal the greater of: (i) the product of (A) five (5) times the Trailing Company EBITDA, and (B) the aggregate Sharing Ratio represented by Sale Interest, or (ii) the aggregate unreturned Capital Contributions of the Exercising Member and its Affiliates.

(b) By no later than twenty (20) days following its receipt of the Put Notice (the ***"Put Response Period"***), the Non-Exercising Member shall notify the Exercising Member, in writing (the ***"Put Response Notice"***), whether the Non-Exercising Member desires to purchase the Sale Interest from the Exercising Member for the Sale Price; provided, however, the Non-Exercising Member may request, in a writing sent to the Company and the Exercising Member before the end of the Put Response Period, that the Trailing Company EBITDA be determined by the Company's Accountants, in which case the Company shall engage the Company's Accountants to prepare and certify such determination and issue a letter (similar to the Certified Letter) by no later than 45 days following the date of such request in the same manner as provided in Section 11.4(b) and the Put Response Period shall be automatically extended until the fifth (5^{th}) Business Day following the Non-Exercising Member's receipt of such certified letter from the Company's Accountants. If the Put Response Notice states that the Non-Exercising member rejects the Put Offer, or the Non-Exercising Member shall fail to timely deliver its Put Response Notice to the Exercising Member by the end of the Put Response Period as may be extended pursuant to the preceding sentence (in which case the Non-Exercising Member shall be deemed to have elected to reject the Put Offer), the Company shall be dissolved and its affairs wound up pursuant to Article XIV; provided, however, such dissolution and winding up shall be postponed if, during the Put Response Period, Marlow and Panzer, acting jointly, provide notice to the Mack-Cali Member and NKFFM (the ***"Marlow/Panzer Notice"***) that, in the event the Non-Exercising Member rejects the Put Offer, it will purchase the Sale Interest for the Sale Price upon the terms and conditions set forth in Section 11.6(d) (the ***"Marlow/Panzer Purchase"***), and such sale to Marlow and Panzer closes in accordance with such provisions.

(c) The closing of the purchase and sale of the Sale Interest shall occur at the offices of counsel for the Company and on a Business Day in the next following June or December that is mutually and reasonably agreeable to both the Exercising Member and Non-Exercising Member. The selling parties shall be paid in cash (which shall be free and clear of any and all liens, claims and encumbrances) 10% of the Sale Price and, as applicable, unpaid Mack-Cali Loans principal or Newmark Loans principal (together with all accrued but unpaid interest thereon), at the closing, with the balance to be paid in cash (free and clear and any and all liens, claims and encumbrances) over the immediately succeeding 24 months in equal monthly installments together with interest at the rate of 8% per annum. The assignment of the Sale Interest shall be free and clear of any and all liens, claims and encumbrances (other than this Agreement) and shall be evidenced by an assignment reasonably acceptable to the Exercising Member and Non-Exercising Member and which shall be executed by each of them (and the sellers of the Sale Interest), together with such other and additional documents and agreements reasonably requested by the Exercising Member and Non-Exercising Member.

(d) In the event that the Non-Exercising Member rejects the Put Offer in accordance with the provisions of Section 11.6(b), and the Marlow/Panzer Notice is delivered, the closing of the Marlow/Panzer Purchase shall occur at the offices of counsel for the Company and on a Business Day that is 30 days following the expiration of the Put Response Period or receipt of the Put Response Notice, whichever is later. At the closing, the Sale Price, together with all unpaid principal and accrued and unpaid interest of any Mack-Cali Loan (in the case where the Exercising Member is the Mack-Cali Member) or Newmark Loan (in the case where the Exercising Member is NKFFM), shall be payable by Marlow and Panzer, acting jointly, in cash (free and clear of any and all liens, claims and encumbrances), to the Exercising Member. The assignment of the Sale Interest shall be free and clear of any and all liens, claims and encumbrances (other than this Agreement) and shall be evidenced by an assignment reasonably acceptable to the Exercising Member, together with such other and additional documents and agreements reasonably requested by the Exercising Member.

11.7 **Call Rights**.

(a) Upon the occurrence of a MC Change of Control Event and for a period 180 days thereafter (the ***"Call Period"***), NKFFM shall have the right (the ***"Call Right"***) to purchase the entire Membership Interests and Economic Interests of the Mack-Cali Member and its Affiliates (the ***"Called Interest"***) to the Mack-Cali Member, for a purchase price in cash (the ***"Call Price"***) equal to the greater of: (i) the product of (A) five (5) times the Trailing Company EBITDA, and (B) the aggregate Sharing Ratio represented by Called Interest, or (ii) the aggregate unreturned Capital Contributions of the Exercising Member and its Affiliates. NKFFM shall exercise the Call Right by delivery of a notice, in writing (the ***"Call Notice"***) to the Mack-Cali Member, prior to the expiration of the Call Period.

(b) By no later than twenty (20) days following its receipt of the Call Notice the Mack-Cali Member may request, in a writing sent to the Company and NKFFM, that the Trailing Company EBITDA be determined by the Company's Accountants, in which case the Company shall engage the Company's Accountants to prepare and certify such determination and issue a letter (similar to the Certified Letter) by no later than 45 days following the date of such request in the same manner as provided in Section 11.4(b).

(c) The closing of the purchase and sale of the Called Interest shall occur at the offices of counsel for the Company and on a Business Day that is mutually and reasonably agreeable to both NKFFM and the Mack-Cali Member, but in no event later than the next following June or December. The selling parties shall be paid, in cash (free and clear of any and all liens, claims and encumbrances) 10% of the Call Price and unpaid Mack-Cali Loan principal (together with all accrued but unpaid interest thereon), at the closing, with the balance to be paid in cash (free and clear of any and all liens, claims and encumbrances) over the immediately succeeding 24 months in equal monthly installments together with interest at the rate of 8% per annum. The assignment of the Called Interest shall be free and clear of any and all liens, claims and encumbrances (other than this Agreement) and shall be evidenced by an assignment reasonably acceptable to NKFFM and the Mack-Cali Member and which shall be executed by each of them (and the sellers of the Called Interest), together with such other and additional documents and agreements reasonably requested by NKFFM and the Mack-Cali Member.

11.8 **Disposition of Interests**. Notwithstanding anything to the contrary herein, a Membership Interest and/or Economic Interest may not be Disposed of (whether in a Permitted Disposition or otherwise) in whole or in part unless the following terms and conditions have been satisfied:

(a) The transferor or assignor of such interest shall have:

(i) paid all costs incurred by the Company in connection with the Disposition;

(ii) furnished the Company with a written opinion of counsel, reasonably satisfactory in form and substance to counsel for the Company, that such Disposition complies with applicable federal and state securities laws and this Agreement and that such Disposition, for federal income tax purposes, will not cause the termination of the Company under Section 708(b) of the Code or cause the Company to be treated as an association taxable as a corporation for income tax purposes; and

(iii) complied with such other conditions as a Majority of the non-transferring/non-assigning Members and/or Managers may reasonably require from time to time.

(b) The transferee or assignee of such interest shall have:

(i) executed all documents required to effectuate such Disposition and to become a transferee or assignee of an Economic Interest only (but without becoming a "member" of the Company) or a Membership Interest (and becoming a "member" of the Company), as the case may be;

(ii) assumed all of the obligations, if any, of the transferor or assignor in respect of the interest being assigned or transferred;

(iii) furnished the Company with a written opinion of counsel, reasonably satisfactory in form and substance to counsel for the Company, that such Disposition complies with applicable federal and state securities laws and this Agreement and that such Disposition, for federal income tax purposes, will not cause the termination of the Company under Section 708(b) of the Code or cause the Company to be treated as an association taxable as a corporation for income tax purposes;

(iv) adopted and approved in writing all of the terms and provisions of this Agreement then in effect; and

(v) complied with such other requirements as a Majority of the non-transferring/non-assigning Members and/or Managers may reasonably require from time to time;

provided, however, that Sections 11.8(a)(ii) and 11.8(b)(iii) shall not apply to any Permitted Disposition.

Dispositions will be recognized by the Company as effective only upon the close of business on the last day of the calendar month following satisfaction of the above conditions (such date to be referred to as the *"**Transfer Date**"*). Any Disposition in contravention of this Article XI and any Disposition (other than a Permitted Disposition) which if made would cause a termination of the Company for federal income tax purposes under Section 708(b) of the Code shall be void ab initio and ineffectual and shall not bind the Company or the other Members.

11.9 **Dissociation of Member**. Upon the Dissociation of a Member, such Member's lawful successors shall automatically be vested with ownership of such Member's entire Membership Interest, except that such Membership Interest shall, upon the occurrence of such Dissociation event (except, as regard to the Mack-Cali Member or NKFFM or any of their successors only, a Dissociation event described in Section 12.1(e) or (f)), automatically and without the requirement of any further action on the part of any Person, be converted into an Economic Interest with any one or more owners or holders thereof (or any portion thereof or any interest therein) being "Assignees" (but not "members" and "Members") under the Act and for purposes of this Agreement.

11.10 **Distributions and Allocations in Respect to Disposed Interest**. If any Membership Interest or Economic Interest (or any portion thereof or any interest therein) is Disposed during any Fiscal Year in compliance with the provisions of this Article XI, Profits and Losses and Distributions under Article IX and all other items attributable to such Membership Interest or Economic Interest (or any portion thereof or any interest therein) for such period shall be divided and allocated between the transferor/assignor and the transferee/assignee by taking into account their varying interests during the period in accordance with Code Section 706(d), using the "closing-of-the-books" method. All distributions on or before the Transfer Date (as defined in Section 11.8) shall be made to the transferor or assignor of such interest, and all distributions thereafter shall be made to the transferee or assignee of such interest. Solely for purposes of making such allocations and distributions, the Company shall recognize such Disposition as of the Transfer Date, provided that if the Company does not receive a notice stating the date such Membership Interest or Economic Interest (or any portion thereof or any interest therein) was transferred or assigned and such other information as the Managers may reasonably require within thirty (30) days after the end of the Fiscal Year during which the Disposition occurs, then all of such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, on the last day of the Fiscal Year during which the Disposition occurs, was the owner of the transferred or assigned interest. Neither the Company nor any Manager shall incur any liability for making allocations and Distributions in accordance with the provisions of this Article XI, whether or not any Manager or the Company has knowledge of any Disposition of ownership of any Membership Interest or Economic Interest (or any portion thereof or any interest therein).

11.11 **Dispositions not in Compliance with this Article Void**. Any Disposition of a Membership Interest or Economic Interest (or any portion thereof or interest therein), not in material compliance with the provisions of this Article XI shall be void ab initio and ineffectual and shall not bind the Company.

11.12 **Additional Membership Interests to be issued to Marlow pursuant to Marlow Employment Agreement.** (a) In addition to the 10% Membership Interest being issued to Marlow in exchange for the Capital Contributions being made by Marlow to the Company pursuant to Section 8.1 hereof, Marlow shall also be issued, effective January 1, 2007 but subject to the vesting and other conditions and requirements set forth in, and prescribed by, the Marlow Employment Agreement an additional four percent (4%) Membership Interest in the Company (the **"*Four Percent Interest"***), including that (i) any Net Cash Flow or other amounts that would otherwise be distributable to Marlow in respect of such Four Percent Interest pursuant to Section 9.7, 14.3 or elsewhere hereunder (other than Tax Distributions otherwise distributable to Marlow in respect of such Four Percent Interest pursuant to Section 9.7(c)) (***"Withheld Marlow Distributions"***) shall not be distributed to Marlow earlier than December 31, 2007 (notwithstanding anything in Section 9.7 or elsewhere in this Agreement to the contrary); (ii) in the event that the Marlow Employment Agreement shall have been terminated by either Marlow or the Company prior to December 31, 2007, then the Four Percent Interest (including, without limitation, any and all realized and unrealized gains, profits, income, and any Capital Account balance, together with any and all Withheld Marlow Distributions, associated therewith) shall be forever forfeited by Marlow (and for no consideration), with the Mack-Cali Member and NKFFM each being transferred one-half (1/2) of such Four Percent Interest; and (iii) until such time (if at all) that the Four Percent Interest shall become fully vested with Marlow pursuant to and in accordance with the conditions of the Marlow Employment Agreement, each of the Mack-Cali Member and NKFFM shall be treated as owning and controlling one-half (1/2) of the Four Percent Interest and the associated 4% Sharing Ratio (and no portion of such Four Percent Interest, or the associated 4% Sharing Ratio shall be treated as being owned or controlled by Marlow) for purposes of any Majority, Supermajority or other vote or consent required or permitted to be given, made or withheld for any action or decision of the Company or any Company Subsidiary hereunder; however, such Four Percent Interest (and the associated 4 percent Sharing Ratio) shall be treated as being owned by Marlow for purposes of the allocation provisions of Sections 9.1 through 9.6 and for purposes of Section 9.7(c). In addition, and provided that Marlow shall have satisfied all of the conditions prescribed in Section 3(c) of the Marlow Empoyment Agreement, Marlow shall receive an additional 1.5% Membership Interest per year for four years (or a six percent (6%) Membership Interest in total) as and to the extent provided in the Marlow Employment Agreement. The Mack-Cali Member and NKFFM hereby agree that any Membership Interest to which Marlow is entitled to receive under the Marlow Employment Agreement shall be taken one-half (1/2) from the Membership Interest of the Mack-Cali Member and one-half (1/2) from the Membership Interest of NKFFM (and the Membership Interest of the Mack-Cali Member and of NKFFM shall be correspondingly reduced); provided, however, that notwithstanding anything herein or in the Marlow Employment Agreement to the contrary, as an express condition to Marlow's receipt of any such Membership Interest, Marlow shall have first remitted to the Company, the Mack-Cali Member and/or NKFFM, an amount of cash equal to the total taxes required to be withheld and paid over by each of them to a governmental authority or agency (including, without limitation, the Internal Revenue Service) in respect of such Membership Interest (and Marlow's receipt thereof) (or, otherwise, Marlow shall have first made arrangement for the payment of any and all such taxes that is reasonably satisfactory to the Mack-Cali Member and NKFFM) and shall have satisfied (to the reasonable satisfaction of the Mack-Cali Member and NKFFM) any and all other tax obligations in respect of any such Membership Interest (and Marlow's receipt thereof). The Members agree that any tax benefit or deduction resulting from the transfer of any such Membership Interest to Marlow pursuant to the Marlow Employment Agreement (including, without limitation, the Four Percent Interest) shall be allocated to, and/or shared proportionately by, the Mack-Cali Member and NKFFM.

ARTICLE XII
DISSOCIATION OF A MEMBER

12.1 **Dissociation**. A Person shall cease to be a Member upon the happening of any of the following events:

(a) the withdrawal of a Member, other than NKFFM which shall only be permitted to withdraw upon the written consent of all of the Members;

(b) the Bankruptcy of a Member;

(c) subject to Section 11.9, in the case of a Member who is a natural person, the death of Disability of the Member or the entry of an order by a court of competent jurisdiction adjudicating the Member incompetent to manage the Member's personal estate;

(d) in the case of a Member that is a trust or who is acting as a Member by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee);

(e) in the case of a Member that is a separate Organization other than a corporation, the dissolution of, and commencement of winding up by, such Member;

(f) in the case of a Member that is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter;

(g) in the case of a Member that is an estate, the distribution by the fiduciary of the estate's entire interest in the Company;

(h) in the case of a Member other than NKFFM or the Mack-Cali Member, such Member, or if such Member is an entity, those Persons who control such Member, is no longer employed by or associated with the Company;

(i) in the case of Marlow, a termination of the Marlow Employment Agreement; and

(j) in the case of Panzer, a termination of Panzer's Independent Contractor Agreement with Newmark.

12.2 **Rights of Dissociating Member**. In the event any Member (other than the Mack-Cali Member or NKFFM) Dissociates prior to the expiration of the term of this Agreement, if the Dissociation causes a dissolution and winding up of the Company under Article XIV, such Member shall be entitled to participate in the winding up of the Company, but as an Assignee (and not as a "member" or Member under the Act and this Agreement).

12.3 **Purchase Price and Manner of Payment In Event of A Dissociation**. If there is a Dissociation event with respect to either Marlow or Panzer, as provided by Section 11.3, the Company shall be under no obligation to purchase and/or redeem all or any portion of the Membership Interest or Economic Interest of the Dissociated Member (or his Affiliates), although the Company may do so if a Supermajority of the Members (other than the Dissociated Member) determine to do so, in which case the Company shall redeem the entire Membership Interest and Economic Interest of the Dissociated Member and his Affiliates (said entire interests, collectively, such Dissociated Member's ***"Aggregate Interest"***) for an amount, and subject to the terms and conditions, determined and set forth in Section 12.3 and 12.4 below.

(a) **Purchase Price in the Event of A Dissociation.** In the case where a Supermajority of the Members (other than the Dissociated Member) has determined to purchase and/or redeem the Aggregate Interest of such Dissociated Member, then the total purchase price to be paid by the Company to the Dissociated Member (and, to the extent applicable, his Affiliates) in respect of the Aggregate Interest of such Dissociated Member (the ***"Dissociation Purchase Price")*** shall equal: (i) in the case where such Dissociated Member is Marlow: (A) if Marlow became a Dissociated Member under Section 12.1(i) as a result of the termination of the Marlow Employment Agreement by Newmark Knight Frank Global Management Services, LLC for Cause (as defined in the Marlow Employment Agreement) or as a result of termination of the Marlow Employment Agreement by Marlow without Cause and where such termination constituted a breach by Marlow of the Marlow Employment Agreement (following the expiration of any and all applicable cure periods thereunder), fifty percent (50%) of the value of the aggregate Capital Accounts represented by his Aggregate Interest; or (B) in all other cases, one hundred percent (100%) of the value of the aggregate Capital Accounts represented by his Aggregate Interest; and (ii) in the case where such Dissociated Member is Panzer, the greater of: (A) one hundred percent (100%) of the value of the aggregate Capital Accounts represented by the Aggregate Interest of Panzer, or (B) 100% of the value of the Aggregate Interest of Panzer, determined as the product of the Book Value of the Company and the aggregate Sharing Ratio represented by the Aggregate Interest of Panzer**;** provided, however, in the event Panzer becomes a Dissociated Member for any reason and joins a competitor of either the Company, any Company Subsidiary, Newmark or the Mack-Cali Member or any of its Affiliates, then the purchase price shall equal the amount determined under clause (ii)(A). The applicable Dissociation Purchase Price shall be determined by the Company's Accountants in accordance with this Section 12.3(a).

(b) **Payment of Dissociation Purchase Price.** The Dissociation Purchase Price (as determined pursuant to Section 12.3(a) above) shall be paid as follows: (i) ten (10%) percent of said amount shall be paid in cash or by good certified check at the closing; and (ii) the balance in twenty four (24) equal monthly installments with interest accruing at the rate of eight percent (8%) per annum, which payments shall be evidenced by one or more non-negotiable promissory notes to be made by the Company, as "Maker", to the order of the Dissociated Member (and, as applicable, his Affiliate(s)) in respect of his or their respective Economic Interest and/or Membership Interest in the Company that comprises the Aggregate Interest, as "Payee" and that is dated the date of the closing, and which provides: (A) for the first installment to be due and payable one (1) month after the closing and monthly thereafter on the first day of every month, (B) that the principal of such note may be adjusted in the event any collectible receivable on the date of closing thereafter become uncollectible, (C) that the note may be prepaid without penalty, and (D) in the event of default in payment of any installment with interest for a period of ten (10) days after written notice, the holder of the note may accelerate the principal balance due.

(c) If any Membership Interest or Economic Interest is to be purchased as provided above, then the parties shall proceed to a closing in accordance with this clause (iii) to take place at the principal office of the Company at 10:00 A.M. on a date designated by the purchaser or seller or if they cannot agree on the date sixty (60) days after the appointment of a legal representative. At such closing, the transferring Dissociated Member (and, as applicable, his Affiliates) or his/her legal representative shall assign his or their entire Membership Interest and Economic Interest, as the case may be, to the Company and each party shall execute such other documents as may be reasonably required by counsel for the Company.

12.4 **Arbitration.**If the Dissociated Member in good faith disagrees with the Company's Accountant's calculation of the Dissociation Purchase Price, then the Dissociated Member shall notify the Company in writing (the "**Notice of Disagreement**") of such disagreement within fifteen (15) days after delivery of the Company's Accountant's calculation of such value to the Dissociated Member. The Notice of Disagreement shall set forth in detail the basis for the disagreement and the Dissociated Member's computation of the Dissociated Purchase Price. Thereafter, the Dissociated Member and the Company shall attempt in good faith to resolve and finally determine the Dissociation Purchase Price. If the Dissociated Member and the Company are unable to resolve the disagreement within twenty (20) days after delivery of the Notice of Disagreement, then the Company and the Dissociated Member shall select a mutually acceptable, independent accounting firm (such accounting firm being hereafter referred to as the "**Independent Accountant**") to resolve the disputed items and make a determination of the Dissociation Purchase Price based thereon. The Independent Accountant shall make a determination of the Dissociation Purchase Price and provide the Company and the Dissociated Member with his/her decision (and reasonable detailed documentation setting forth the calculation resulting in such decision), within sixty (60) days after the Independent Accountant has been appointed. The Independent Accountant's determination of the Dissociation Purchase Price shall be final, binding and conclusive upon the parties hereto. The scope of the Independent Accountant shall be limited to the resolution of the items contained in the Notice of Disagreement, and the determination of the value of the subject Capital Account. The fees, costs and expense of the Company relating to the determination of the Dissociation Purchase Price by the Company Accountant shall be borne by the Company. The fees, costs and expenses of the Independent Accountant, if any, relating to the determination of the Dissoiation Purchase Price shall be shared equally by the Company and the Dissociated Member.

ARTICLE XIII
DISABILITY OF MEMBER

13.1 **Disability or Incompetency of a Member**. Except as otherwise provided, upon the continuous Disability of either: (a) a Member who is a natural Person; or (b) a Person in control of a Member or Assignee of a Membership Interest or Economic Interest that acquired said interest as an Eligible Assignee from a Member described in clause (a) (such Member referred to in clause (a) or Member or Assignee referred to in clause (b), a ***"Disabled Member"***), in either case, for a period of not less than six (6) months, the Disabled Member shall offer or be deemed to have offered in writing to sell all of the Disabled Member's (and his or her Affiliates') Membership Interests and Economic Interests in the Company at a purchase price set forth in Section 12.3 hereof upon the terms and conditions set forth herein.

13.2 **Definition**For purposes of this Agreement, if the Member referred to in clause (a) of Section 13.1 or Person referred to in clause (b) of Section 13.1 is not continuously Disabled for a period of six (6) months, but if such Member or Person, by reason of an illness or other cause is unable to carry on his or her duties for an accumulative period of six (6) months within any 24 month period, then such Member or, in the case of a Person referred to in clause (b) of Section 13.1, the Member or Assignee in which such Person controls shall be deemed to be a "Disabled Member" for purposes of this Agreement. Beginning on the date the Disabled Member is deemed to have offered its, his or her Membership Interest and/or Economic Interest for sale (i.e., after 6 continuous months of disability or 6 months accumulative disability within the applicable period), and up to the date of closing for the purchase and sale of the Disabled Member's Membership Interest and/or Economic Interest (with such period hereinafter referred to as the *"**Pre-Closing Disability**"*), no Disabled Member shall: (a) share in the Profits and Losses of the Company; or (b) be entitled to vote his, her or its Membership Interest with respect to any Company business. However, during the Pre-Closing Disability period, the Disabled Member (or, as applicable, the Person in control of such Disabled Member) shall be entitled to receive medical benefits if such benefits are provided by the Company and if such Disabled Member were receiving medical benefits prior to the onset of his or her Disability.

While a Disabled Member is still a Member of the Company, his, her or its duly appointed representative shall be entitled to participate in any actions or decisions of the Company to the date of the Pre-Closing Disability, such as by way of voting his, her or its Membership Interest in the Company or otherwise; provided, however, that if the Disability of a Member referred to in clause (a) of Section 13.1 or Person referred to clause (b) of Section 13.1 is a mental Disability rather than a physical Disability, a Disabled Member's appointed representative shall vote his, her or its Membership Interest with respect to Company business. A Person who is designated to act as a Member's duly appointed representative in the event of a mental disability must be a Member (or in control of a Member or Assignee referred to in clause (b) of Section 13.1) of the Company and shall be as set forth on Schedule B. Such duly appointed representative may not be changed in the absence of a writing by the Disabled Member to the contrary.

ARTICLE XIV
DISSOLUTION AND WINDING UP

14.1 **Dissolution**. The Company shall be dissolved and its affairs wound up, upon the first to occur of any of the following events (each of which shall constitute a ***"Dissolution Event"***):

(a) the written consent of a Supermajority of the Members;

(b) at any time when an Exercising Member has delivered a Put Notice and the Non-Exercising Member has rejected (or is deemed to have rejected) the Put Offer pursuant to Section 11.6, and Marlow and Panzer, acting jointly, do not consummate the Marlow/Panzer Purchase in accordance with Section 11.6 (including, without limitation, clause (d) thereof);

(c) upon the approval of a Supermajority of the Members, the Company is in default in payment of the Newmark Loans and/or the Mack-Cali Loans;

(d) at any time when there is but one Member, the Dissociation of such Member or the Disposition of all or part of the Membership Interest of such Member and the admission or attempted admission of the transferee or assignee of such Membership Interest as Member or Assignee;

(e) the sale of all or substantially all of the Property as approved by a Supermajority of the Members; or

(f) the happening of any other event that makes it unlawful, impossible, or impractical to carry on the business of the Company as determined by a Supermajority of the Members.

14.2 **Effect of Dissolution**. Upon dissolution, the Company shall not be terminated and shall continue until the winding up of the affairs of the Company is completed and a certificate of dissolution has been issued by the Secretary of State of the State of Delaware.

14.3 **Distribution of Assets on Dissolution.** Upon the winding up of the Company, such Person (**"Liquidating Trustee"**) designated by a Supermajority of the Members (which Liquidating Trustee may also be removed by any single Member owning more than a 30% Sharing Ratio in which case a substitute Person may be selected as a Liquidating Trustee by a Supermajority of the Members) shall take full account of either or both of the following: (i) sell the assets of the Company at public or private sale, at which sale any Member may purchase such assets, or (ii) retain part or all of the assets of the Company. Such distributions may be made in cash or kind and the proportion of any distribution that may be made in cash or kind may vary from Member to Member as the Managers may decide. The Liquidating Trustee shall promptly distribute all cash and other assets of the Company in the following order:

(a) first, to the payment of the debts and liabilities of the Company to creditors, including Members who are creditors (including, without limitation, Newmark in respect of the Newmark Loans and the Mack-Cali Member in respect of the Mack-Cali Loans), to the extent permitted by law, in satisfaction of such debts and liabilities, and to the payment of necessary expenses of liquidation;

(b) second, to the setting up of any reasonable reserves which the Liquidating Trustee may deem necessary or appropriate for any anticipated obligations or contingencies of the Company arising out of or in connection with the operation or business of the Company. Such reserves may be paid over by the Liquidating Trustee to an escrow agent or trustee selected by the trustee to be disbursed by such escrow agent or trustee in payment of any of the aforementioned obligations or contingencies and, if any balance remains at the expiration of such period as the Liquidating Trustee shall deem advisable, shall be distributed by such escrow agent or trustee in the manner hereinafter provided; and

(c) then, subject to Section 14.8, to the Members in accordance with their respective positive Capital Account balances after taking into account all Capital Account adjustments for the Company's taxable year in which the liquidation occurs. Liquidation proceeds shall be paid in accordance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). Such distributions shall be in cash or Property (which, if Property, shall be distributed proportionately to those Members so entitled to distributions) or partly in both, as determined by the Members acting by Supermajority vote.

Further, the Liquidating Trustee (but not a Manager or Member) may receive reasonable compensation (which shall be payable by the Company) for its services performed pursuant to this Article XIV.

14.4 **Compliance With Timing Requirements of Regulations**. In the event the Company is "Liquidated" within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Tax Regulations, (a) distributions shall be made pursuant to Section 14.3 to the Members who have positive Capital Accounts in compliance with Section 1.704-1(b)(2)(ii)(b)(2) of the Tax Regulations, and (b) if any Member has a deficit balance in his Capital Account (after giving effect to all adjustments for all Fiscal Years), such Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company, any Member or any other Person. If the Liquidating Trustee shall so determine, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to Section 14.3 may be:

(a) Distributed to a trust established for the benefit of the Members for the purposes of liquidating the Company's assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time in the same proportion as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 14.3 above; and

(b) Withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Members as soon as practicable.

14.5 **Deemed Distribution and Recontribution.** Notwithstanding any other provision of this Article XIV, in the event the Company is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Tax Regulations but no Dissolution Event has occurred, the Property shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, and solely for federal income tax purposes (and no other purpose), the Company shall be deemed to have contributed the Property and Company liabilities to a "new" Company in exchange for an interest in such "new" Company; and immediately thereafter, the Company shall be deemed to have distributed interests in the "new" Company" to the Members in liquidation of the Company (such that following such deemed contribution and liquidation, the Members shall have the same Economic Interest, Membership Interest and Sharing Ratio in "new" Company as they had in the Company and the "new" Company shall be the Company for all purposes other than the limited federal income tax purpose as aforesaid).

14.6 **Winding Up and Filing Certificate of Dissolution**. Upon the commencement of the winding up of the Company, a Certificate of Dissolution along with a certificate from the comptroller indicating that all taxes, including all applicable penalties and interest have been paid shall be delivered by the Company to the Secretary of State of the State of Delaware for filing. The Certificate of Dissolution shall set forth the information required by the Act. The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefore has been made, and all of the remaining Property of the Company has been distributed to the Members.

14.7 **Right of First Refusal.** Notwithstanding anything to the contrary contained herein, in the event of a Dissolution of the Company, prior to any public or private sale, the assets of the Company shall first be offered to Newmark for purchase, for adequate consideration (as the Mack-Cali Member, alone, shall reasonably determine for and on behalf of the Company), provided that such sale is a bona fide, arms length transaction.

14.8 **Additional Liquidation Allocations**. The Members intend that the allocation provisions hereunder (as computed for book purposes) shall produce final Capital Account balances of the Members that would permit liquidating distributions, if such distributions were made in accordance with final Capital Account balances (instead of being made as provided in Section 9.7) to be made as if in accordance with Section 9.7. To the extent that the allocation provisions hereunder would fail to produce such final Capital Account balances, then anything herein to the contrary notwithstanding (i) such provisions shall be amended by the Company if and to the extent necessary to produce such result, and (ii) taxable income and taxable loss of the Company for the current and future years (and, if necessary, items of gross income and deduction of the Company for such years), in each case as computed for book purposes, shall be reallocated among the Members as necessary to produce such result, and to the extent that it is not possible to achieve such result with such allocations, allocations of items of income (including gross income) and deduction for prior open years (in each case, as computed for book purposes) shall be reallocated among the Members as necessary to produce such result. This Section 14.8 shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

14.9 **Restrictive Covenant**. During the period that a Member is a Member of the Company and for the two year period following the Dissociation or withdrawal of such Member from the Company, or upon the occurrence of a Dissolution Event pursuant to Section 14.1(b) or Section 14.1(c) and for the two year period following the dissolution of the Company triggered by either of such Dissolution Events, each Member agrees that it, and its Affiliates, shall not, either directly or indirectly through one or more other Persons, (i) induce or attempt to induce any employee of the Company or any Company Subsidiary to leave the employ of the Company or such Company Subsidiary, or in any way interfere with the relationship between the Company or any Company Subsidiary and any employee thereof, (ii) hire or engage any Person who was an employee of the Company or any Company Subsidiary at any time during the period in which such Member or any of its or his Affiliates held or owned a Membership Interest or Economic Interest in the Company (or was otherwise a Member or Assignee), or (iii) engage in Facilities Management Activities for or to any Person who is, or was at any time during the period that such Member or any of his or its Affiliates held or owned any Membership Interest or Economic Interest in the Company (or, was otherwise a Member or Assignee), a customer of the Company or any Company Subsidiary, (iv) hire, retain or otherwise engage any supplier, independent contractor or other business relation of the Company or any Company Subsidiary to assist in the provision of Facilities Management Activities, (v) lend credit or money for the purpose of establishing or operating a business providing or engaging in Facilities Management Activities, other than with respect to the Company and any Company Subsidiary, or (iv) allow the name or reputation of such Member or any of its Affiliates to be used by any other Person that is engaged in, directly or indirectly, Facilities Management Activities.

ARTICLE XV
MISCELLANEOUS

15.1 **Notices**. Notices to the Managers shall be sent to the Principal Office of the Company and the Newmark Office and, in the case of the Mack-Cali Manager, to the same place where notices to the Mack-Cali Member are to be sent. Notices to the other Members shall be sent to their addresses set forth on Schedule A. Any Member may require notices to be sent to a different address by giving notice to the other Members in accordance with this Section 15.1. Any notice or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given with receipt confirmed if and when delivered personally, given by prepaid telegram or sent next day (or same day) delivery using FedEx or other reputable overnight delivery service with all applicable delivery charges prepaid, upon receipt confirmation, delivered by courier, or sent by facsimile, to such Members at such address.

15.2 **Regulations**. The Members, acting by Supermajority vote, may adopt regulations in the future, which may contain various provisions relating to the conduct of meetings, the election of Managers and various other matters, but not in contravention of or in effort to circumvent, anything in this Agreement.

15.3 **Headings**. All Article and section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any Article or section.

15.4 **Arbitration**.Subject to Section 6.7 hereof, the parties hereto agree in good faith to attempt to resolve any dispute arising under the terms and conditions hereunder; if the parties fail to settle such dispute, it shall be submitted to arbitration. Such arbitration, at the option of the party claiming relief, shall be submitted to JAMS to arbitrate the dispute in New York City. In the event of any dispute between the parties that is reserved by arbitration pursuant to this Section 15.4, the prevailing party in such arbitration shall be entitled to recover from the other party all fees, costs and expenses (including reasonable attorneys' fees and the costs of the arbitrator(s)) incurred in connection with such arbitration, and any arbitration award entered in such arbitration shall contain a specific provision providing for the recovery of such fees, expenses and costs.

15.5 **Entire Agreement**. This Agreement together with the schedules and appendices attached hereto and the Transaction Documents constitutes the entire agreement between the parties and supersedes any prior agreement or understanding between them respecting the subject matter of this Agreement.

15.6 **Binding Agreement**. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, executors and administrators, except as otherwise provided herein.

15.7 **Saving Clause**. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. If the operation of any provision of this Agreement would contravene the provisions of the Act, such provision shall be void and ineffectual.

15.8 **Counterparts/Facsimiles/Electronic Mail**. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatory to the original or the same counterpart. Any counterpart of either this Agreement shall for all purposes be deemed a fully executed instrument. This Agreement, or any counterpart thereto, may be transmitted by facsimile or other electronic means, and upon receipt shall be deemed an original.

15.9 **Governing Law/Venue**. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be fully performed within the State of Delaware. All rights and remedies arising under this Agreement or, otherwise, with respect to the Members, Assignees, the Managers and the Company shall be governed by said laws. The federal and state courts located in the Borough of Manhattan in the City and State of New York shall have exclusive jurisdiction over any suit or claim between or among the parties arising hereunder and/or the relationship of the parties evidenced hereunder.

15.10 **No Membership Intended for Nontax Purposes**. The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership, either general or limited, under the Uniform Partnership Act. The Members do not intend to be partners one to another, or partners as to any third party, other than for tax purposes as set forth in Section 3.3 above. To the extent any Member, by word or action, represents to another person that any Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Members who incur personal liability by reason of such wrongful representation.

15.11 **No Rights of Creditors and Third Parties under Agreement**. This Agreement is entered into among the Company, Members, Assignees and Managers for the exclusive benefit of the Company and its Members, Assignees and Managers and their permitted successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person not a party hereto. Except, and only to the extent, provided by applicable statute, no such creditor or Person shall have any rights under this Agreement or any agreement between and among the Company and any Member or Assignee with respect to any Capital Contributions, the Mack-Cali Loans, the Newmark Loans or otherwise. Further, no Member or Assignee shall voluntarily or involuntarily be permitted to pledge, hypothecate, mortgage or otherwise encumber any Membership Interest or Economic Interest (or any portion thereof or any interest therein, or any rights embodied thereby, including, without limitation, any right to receive any distributions in respect thereof).

15.12 **General Interpretive Principles**. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(b) accounting terms not otherwise defined herein have the meanings given to them in the United States in accordance with generally accepted accounting principles;

(c) references herein to “Sections”, “paragraphs”, and other subdivisions without reference to a document are to designated Sections, paragraphs and other subdivisions of this Agreement;

(d) a reference to a paragraph without further reference to a Section is a reference to such paragraph as contained in the same Section in which the reference appears, and this rule shall also apply to other subdivisions;

(e) the words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular provision;

(f) the term “include” or “including” shall mean without limitation by reason of enumeration; and

(g) solely for purposes of the provisions of Article IX and XIV, any reference in any such provisions to “Member” shall be deemed to mean and include an “Assignee”.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in as of the date first above written.

NKFGMS OWNERS, LLC

By: /s/ Ian Marlow
Ian Marlow

The Gale Construction Services Company, L.L.C., as Member

By: The Gale Real Estate Service Company, L.L.C., its sole member

By: Mack-Cali Services, Inc., its sole member

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh

Title: President and Chief Executive Officer

/s/ Ian Marlow
Ian Marlow, as Member

/s/ Scott M. Panzer
Scott M. Panzer, as Member

IN WITNESS WHEREOF, the following Persons have caused this Agreement to be executed in its or his capacity as a Member as of the date first above written.

NKFFM LIMITED LIABILITY COMPANY,

By: /s/ Barry Gosin

Name: Barry Gosin

Title: Manager

THE GALE CONSTRUCTION SERVICES COMPANY, L.L.C.

By: The Gale Real Estate Service Company, L.L.C., its sole member

By: Mack-Cali Services, Inc., its sole member

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh

Title: President and Chief Executive Officer

/s/ Ian Marlow
Ian Marlow

/s/ Scott M. Panzer
Scott M. Panzer

IN WITNESS WHEREOF, the following Persons have caused this Agreement to be executed in his capacity as Manager as of the date first above written.

/s/ Ian Marlow
Ian Marlow

/s/ Scott M. Panzer
Scott M. Panzer

/s/ Joseph Rader
Joseph Rader

/s/ Barry Gosin
Barry Gosin

/s/ Mitchell E. Hersh
Mitchell E. Hersh

SCHEDULE A

Member name	Address	Interest and Sharing Ratio	Initial Capital Account balance
NKFFM	c/o Newmark & Company Real Estate, Inc., 125 Park Avenue, New York, New York 10017	38%**	$400,000
Mack-Cali Member	c/o Mack-Cali Realty Corporation, 343 Thornall Street Edison, NJ 08837-2206	38%**	$400,000
Marlow	18 Garrity Terrace Pine Brook, NJ 07058	14%**	$100,000
Panzer	2 Murray Place, South Salem, NY 10590	10%	$100,000

**Subject to reduction and vesting and other conditions set forth in Section 11.12 and the Marlow Employment Agreement.

SCHEDULE B

MEMBER'S REPRESENTATIVE IN THE EVENT OF A DISABILITY

Member	Representative	Address
Marlow	Ann Marlow	3406 Point Gate Drive, Livingston, New Jersey 07039
Panzer	Deborah Van der Heyden	2 Murray Place South Salem, New York 10590

Exhibit 10.119

LOANS, SALE AND SERVICES AGREEMENT

AGREEMENT dated this 28th day of December, 2006 by and between Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank ("**Newmark**"), a New York corporation, with an office at 125 Park Avenue, New York, New York 10017; Mack-Cali Realty, L.P, a Delaware limited partnership (" **Mack-Cali**"), with an office at 343 Thornall Street, Edison, NJ 08837, and Newmark Knight Frank Global Management Services, LLC (the "**Company**"), a Delaware limited liability company, with an office located at 10 Sylvan Way, Parsippany, New Jersey 07054.

W I T N E S S E T H:

WHEREAS, Newmark and Mack-Cali are each desirous of lending money to the Company and providing resources and services to the Company and/or the Company Subsidiaries and the Company is desirous of accepting such resources; and

WHEREAS, affiliates of each of Mack-Cali and Newmark are members of the Company.

NOW, THEREFORE, for ten dollars ($10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereof agree as follows:

(a) **Loans to the Company.** From time to time but at no time after the third (3rd) year anniversary of the Effective Date (the "**Maturity Date**"), Newmark and Mack-Cali each agree, if so requested by the Company, to lend the Company money to the extent that the Company determines that it and/or one or more of the Company Subsidiaries does not have sufficient funds and/or capital for the Company and/or the Company Subsidiaries to operate its or their business or operations, whichever is applicable, or to fund Tax Distributions (each, a "**Company Loan**"). The Company Loans may at any time be borrowed, repaid and reborrowed; provided that the aggregate outstanding principal balance of all Company Loans at any one time shall not exceed in the aggregate Three Million Dollars ($3,000,000) during the three year period prior to the Maturity Date. Each of Newmark and Mack-Cali agree (i) to fund a Company Loan on a pro-rata basis in an amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000), respectively (each, a "**Newmark Loan**" and a "**Mack-Cali Loan**") and (ii) if so requested by the Company, to pay in cash its respective pro rata share of a Company Loan within three (3) business days of each of its receipt of notice from the Company that the Company is requesting a Company Loan. Notwithstanding the foregoing, at any time that the Company is a guarantor of the BNY Loan pursuant to the BNY Guaranty (as defined in Section (g) hereof), the aggregate principal balance of all Company Loans shall not exceed Two Million Four Hundred Thousand Dollars ($2,400,000) and each of Newmark and Mack-Cali agree to fund the Company Loans as follows: (x) with respect to a Newmark Loan, in an amount not to exceed One Million Five Hundred Thousand

(b) Dollars ($1,500,000) and (y) with respect to a Mack-Cali Loan, in an amount not to exceed Nine Hundred Thousand Dollars ($900,000). Mack-Cali and/or one of more of its Affiliates may fund the Mack-Cali Loan set forth in this Section (a) to the Company. Each of the Newmark Loans and the Mack-Cali Loans, respectively, shall be evidenced by an unsecured promissory grid note (the "**Newmark Note**" and the "**Mack-Cali Note**") in the principal amount outstanding under each of the Newmark Loan and Mack-Cali Loan, or so much thereof as may be advanced or readvanced pursuant to the terms of this Agreement for the purposes set forth in this Section (a), as shown on the schedules attached to each of the Newmark Note and Mack-Cali Note, respectively.

(c) **Repayment of Newmark Loans and Mack-Cali Loans.** All Newmark Loans and Mack-Cali Loans will accrue interest at the prime rate in effect from time to time at Citibank N.A. plus one percent (1%) from the date of receipt of good and available funds from either Newmark and/or Mack-Cali, whichever is applicable, and will be repaid, pari passu from time-to-time to each of Newmark and Mack-Cali by way of distributions in accordance with Section 9.7 of the Operating Agreement of the Company dated of the same date ("**Operating Agreement**"). All capitalized terms not defined herein shall have the same meaning given to such terms in the Operating Agreement. As set forth in Section (g) hereof, the Newmark Note may be pledged as security for Newmark's loan with the Bank of New York. Any repayments of the Newmark Loans and the Mack-Cali Loans, respectively, shall be applied first to accrued interest and then to outstanding principal. Subject to Section 9.7 of the Operating Agreement, each of the outstanding portion of the Newmark Loans and the Mack-Cali Loans, respectively, shall be repaid by the Company on or prior to the Maturity Date. The Newmark Loans and Mack-Cali Loans may be prepaid at any time, and from time to time, without any penalty or premium. Any and all amounts paid or repaid to Newmark and Mack-Cali in respect of the Company Loans must be paid or repaid in equal amounts to each of Newmark and Mack-Cali.

(d) **Expenses; Newmark Services**. The Company shall reimburse Newmark for all disbursements made on behalf of the Company and/or the Company Subsidiaries for actual out-of-pocket costs incurred by Newmark on behalf of the Company in accordance with the terms of this Agreement. In addition, Newmark shall provide the following services to the Company, at the request of the Company, and the Company shall pay Newmark for such services, as follows:

(i) Marketing & Research: Such costs include corporate advertising and other related costs deemed to benefit Newmark and the Newmark Affiliates. Allocation of such corporate advertising, web site development, and marketing costs such as special events shall be based upon the proportion of Company Net Operating Income to total Newmark Net Operating Income. Such costs shall be capped at $65,000 during 2007. Allocation of costs relating to specific projects for the Company shall be on the basis of actual time spent by Newmark staff and charged at cost. The Newmark Marketing Department shall provide the Company with an estimate of the costs relating

to specific projects for the Company, and the costs of such services shall be charged to the Company pursuant to the mutual agreement of the Company and Newmark.

(ii) Payroll Processing: Payroll processing shall be charged by Newmark based upon the number of employees of the Company and Newmark's actual cost to provide such processing.

(iii) Microsoft Enterprise License Fee: Newmark shall provide access to its Microsoft Enterprise software, and charge the Company the additional cost incurred by Newmark in providing such access.

(e) **General Standard of Service.** Except as otherwise agreed by the parties hereto, Newmark agrees that the nature of the quality, service level and standard of care applicable to the delivery of the Newmark Services hereunder shall be substantially the same as that of the services which Newmark provides from time to time throughout its businesses. Subject to the express obligations of Company under this Agreement, the management and control over the provision of the Newmark Services shall reside solely with Newmark. If the Company becomes aware of a material deficiency in the performance of any Newmark Service provided or procured by Newmark, the Company may deliver Newmark a written notice of the level of service breach to Newmark. Upon receipt of such notice, Newmark shall use its reasonable best efforts to remedy such breaches as soon as reasonably possible.

(f) **Trademark Issues.**The Company acknowledges the value and good will associated with the trademark "Newmark Knight Frank." Newmark represents to the Company that it owns the name "Newmark" and has a license to use the name "Knight Frank" and "Newmark Knight Frank", and that it has the authority to grant to the Company, and does grant to the Company, a nonexclusive royalty-free license to use (and/or to have any Company Subsidiary use) the name "Newmark Knight Frank" and the associated good will in the name "Newmark Knight Frank" in connection with the Company's and/or the Company Subsidiaries' business in accordance with Section 2.3 of the Operating Agreement. In connection therewith, the Company agrees to defend, indemnify and hold Newmark and Knight Frank, their officers, owners, affiliates, agents and employees, harmless from any and all claims arising out of the unauthorized use by the Company and/or the Company Subsidiaries of the trademarks "Newmark" or "Newmark Knight Frank". The license granted to the Company hereunder to use the trademarks "Newmark" and "Newmark Knight Frank" shall be restricted to the Company and/or the Company Subsidiaries only and shall continue until the later of (a) the dissolution of the Company and the winding up of its affairs (and all other reasonable incidental purposes in connection therewith) following a Dissolution Event pursuant to Article XIV of the Operating Agreement; (b) the dissociation of NKFFM Limited Liability Company, or such other Newmark Affiliates holding Company membership interests from the Company, and (c) the termination of the Operating Agreement, following which time the license to use the name "Newmark Knight Frank" shall automatically be terminated. Newmark shall defend, indemnify and hold the Company

(g) and/or the Company Subsidiaries, their respective officers, managers, members, affiliates, agents and employees, harmless from any claims by any third parties relating to the ownership and proper use by the Company and/or the Company Subsidiaries, whichever is applicable, of the trademarks "Newmark" or "Newmark Knight Frank" unless such claim is caused by the unauthorized actions of the Company and/or the Company Subsidiaries.

(h) **Brokerage Fees**. The following rules shall apply when brokers associated with Newmark and/or Newmark Affiliates (other than the Company, as well as one of more of the Company Subsidiaries) and the Company and/or one or more of the Company Subsidiaries jointly "pitch" business to a prospective client. The term "Newmark" shall also apply to Newmark Affiliates (other than the Company, as well as one of more of the Company Subsidiaries), where applicable.

RESULT	**FEE ALLOCATION**
1. Both brokerage and facilities management assignments are awarded to the Company and a standard fee is paid for each assignment.	Newmark and the Company shall each retain their respective fees.
2. Both brokerage and facilities management assignments are awarded and the Company gets less than a standard fee.	Newmark and the Company shall each retain their respective fees. The shortfall between the facilities management fee and a standard fee shall be paid "off the top" of the revenues for the transaction.
3. Both a brokerage and facilities management assignment is awarded, but no separate fee is paid for facilities management.	The Company shall receive the standard fee as an allocation paid "off the top" of the revenues for the transaction.
4. Brokerage assignment only is awarded.	The Company shall receive 5% of the brokerage fee, in an amount not to exceed $50,000. If significant ongoing work is provided to the client, a supplemental standard fee shall be paid to the Company.
5. The Company assignment only is awarded.	Newmark shall receive 5% of the facilities management per square foot fee, in an amount not to exceed $50,000. If future brokerage business is secured, the Company shall receive an allocation of brokerage fees on a sliding scale as follows: 5% of fees in year 1, 4% in year 2, 3% in year 3, 2% in year 2, 1% in year 1.
6. No assignment is awarded.	Unless otherwise agreed, Newmark shall not be responsible for any fees or expenses incurred by the Company, other than architectural fees which will be assumed by Newmark.

Further, (i) if either Newmark or the Company has an existing client relationship and the other party is awarded an assignment, the referring party shall receive 5% of receiving parties' fee (facilities management per square foot fee or brokerage fee) in year 1, 4% in year 2, 3% in year 3, 2% in year 2, 1% in year 1; and (ii) when fee sharing is involved, payments shall be made when fees are received from the client.

The parties acknowledge that nothing contained herein shall in any way modify the terms of the agreement between the Company and Newmark with respect to the provision of services to Panasonic.

As a condition for the Company to receive any portion of the brokerage fees as set forth above, the Company shall be duly licensed as a real estate broker.

(i) **Bank of New York Loan**.Newmark has an agreement with the Bank of New York ("**BNY**") for a revolving loan (the "**BNY Loan**"), which was created for the purpose of acquiring and/or creating new affiliated offices. To the extent that Newmark shall draw-down on the BNY Loan in order to fund the Newmark Loan, the Newmark Note shall reflect the aggregate principal amount outstanding under the BNY Loan (the "**Company BNY Loan Amount**") or so much thereof as may be advanced or readvanced pursuant to the terms of the BNY Loan for the purposes set forth in Section (a) hereof, as shown on Schedule A attached to the Newmark Note. The Company hereby agrees that it will guarantee the obligations of Newmark to BNY under the BNY Loan for the Company BNY Loan Amount pursuant to a guaranty (the "BNY Guaranty"). If any event of default occurs under the BNY Loan and to the extent that BNY makes a demand for performance under the BNY Guaranty, Newmark shall indemnify and hold the Company and its officers, directors, members, managers, independent contractors and employees harmless from any liability, loss, cost, obligation or expense, including reasonable attorneys' fees and court costs, resulting therefrom; provided, however, that Newmark shall not have any such indemnification obligation with respect to any event of default under the BNY Loan if such event of default arises, or is continuing (in each case, in whole or in part) as a result of a Company default under the Newmark Note. Mack-Cali shall have no personal obligation with respect to the BNY Guaranty, or otherwise to BNY in respect of the BNY Loan or the BNY Loan Amount. Newmark agrees that is shall use its best efforts to cause BNY to release the Company from the BNY Guaranty.

(j) **Insurance.**At the Company's option, Newmark shall, at the Company's cost, procure on behalf of the Company, commercial general liability

(k) insurance, worker's compensation insurance, statutory disability, errors & omissions insurance, employment practices insurance, directors and officers insurance and such other insurance that the Company may request, with such companies and at such limits as the Company shall direct. In the event of any losses, liabilities, claims, or judgments ("Losses") involving the Company which are covered by insurance, then the Company shall first look to the proceeds of any insurance prior to making any payments towards such Losses. The cost of insurance procured pursuant to this paragraph (h) shall not be included in the Overhead Costs.

(l) **Mack-Cali Expense Reimbursement.** The parties hereby acknowledge that Mack-Cali has withdrawn the aggregate amount of $217,859.04. for expenses advanced in connection with the build-out of the Company's office space at 10 Sylvan Way, Parsippany, New Jersey

(m) **Mack-Cali Services.** Commencing on the date hereof and until the earlier to occur of (i) April 1, 2007 or (ii) the Company's completion of the transfer of services to Automatic Data Processing, Inc., Mack-Cali shall provide or cause to be provided to the Company human resources services including without limitation, assisting the Company in the payment of payroll or wages to employees of the Company using the Ultipro HR/payroll software. Mack-Cali hereby agrees to allow the Company access to its computer systems for purposes of accessing and working on JD Edwards documentation, for up to 30 days after the date that the Company executes a license with Oracle. The Company shall use its good faith efforts to reduce or eliminate its dependency on each service as soon as is reasonably practicable. The Company agrees to reimburse Mack-Cali (or its affiliates) for the actual costs of providing such services. The Company may terminate each service upon five (5) days prior written notice to Mack-Cali.

(n) **Arbitration**. The parties hereto agree in good faith to attempt to resolve any dispute arising under the terms and conditions hereunder. If the parties fail to settle such dispute, it shall be submitted to arbitration. Such arbitration, at the option of the party claiming relief, shall be submitted to JAMS for arbitration of the dispute in New York City. In the event of any dispute between the parties that is reserved by arbitration pursuant to this Section (k), the prevailing party in such arbitration shall be entitled to recover from the other party all fees, costs and expenses (including reasonable attorneys' fees and the costs of the arbitrator(s)) incurred in connection with such arbitration, and any arbitration award entered in such arbitration shall contain a specific provision providing for the recovery of such fees, expenses and costs.

(o) **Miscellaneous Provisions**.

(p) (1)This Agreement constitutes the entire agreement between the parties hereof with respect to the matters herein contained and no amendment or modification of any of the terms and provisions hereof shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereof.

(2) All of the terms and provisions of this Agreement shall be binding upon the heirs, distributees, successors, personal or legal representatives, administrators and assigns of the respective parties hereto. Rights hereunder may only be transferred as expressly provided in this Agreement.

(3) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regards to its conflict of laws principals.

(4) In the event any part or parts of this Agreement are found to be void, the remainder of this Agreement shall be valid and enforceable and read as if the invalid or unenforceable provision had been deleted.

(5) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute one instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

NEWMARK KNIGHT FRANK GLOBAL
MANAGEMENT SERVICES, LLC

By: /s/ Ian Marlow
Ian Marlow

NEWMARK & COMPANY REAL ESTATE,
INC. d/b/a NEWMARK KNIGHT FRANK

By: /s/ Barry Gosin
Barry Gosin
CEO & Vice President

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

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and Chief Executive Officer

[Signature Page to the Loans, Sale and Services Agreement]

Exhibit 10.120

TERM LOAN AGREEMENT

among

MACK-CALI REALTY, L.P.

and

JPMORGAN CHASE BANK, N.A.

and

OTHER LENDERS WHICH MAY BECOME
PARTIES TO THIS AGREEMENT

with

JPMORGAN CHASE BANK, N.A.,
AS ADMINISTRATIVE AGENT

and

and J.P. MORGAN SECURITIES INC.,
AS ARRANGER

Dated as of November 29, 2006

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

TERM LOAN AGREEMENT

This TERM LOAN AGREEMENT (this "***Agreement***") is made as of the 29th day of November, 2006, by and among MACK-CALI REALTY, L.P., a Delaware limited partnership ("***MCRLP***" or the "***Borrower***"), having its principal place of business at 11 Commerce Drive, Cranford, New Jersey 07016, JPMORGAN CHASE BANK, N.A. (formerly known as JPMorgan Chase Bank) ("***JPMorgan***"), having its principal place of business at 270 Park Avenue, New York, New York 10017, and the other lending institutions party hereto or which may become parties hereto pursuant to §18 (individually, a "***Lender***" and collectively, the "***Lenders***") and JPMORGAN CHASE BANK, N.A., as the administrative agent for itself and each other Lender.

RECITALS

A. The Borrower and its Subsidiaries are primarily engaged in the business of owning, purchasing, developing, constructing, renovating and operating office, office/flex, industrial/warehouse and multifamily residential properties in the United States.

B. Mack-Cali Realty Corporation, a Maryland corporation ("***MCRC***"), is the sole general partner of MCRLP, holds in excess of 88% of the partnership interests in MCRLP as of the date hereof, is qualified to elect REIT status for income tax purposes, and has agreed to guaranty the obligations of the Borrower hereunder.

C. Those Subsidiaries of the Borrower which are the owners of Unencumbered Property have also agreed to guaranty the obligations of the Borrower hereunder.

D. The Borrower has requested that the Lenders make a $350 million term loan to the Borrower, and the Lenders are willing to make such term loan to the Borrower on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

§1. DEFINITIONS AND RULES OF INTERPRETATION.

§1.1. Definitions. The following terms shall have the meanings set forth in this §1 or elsewhere in the provisions of this Agreement referred to below:

Accountants. In each case, nationally-recognized, independent certified public accountants reasonably acceptable to the Administrative Agent. The Lenders hereby acknowledge that PricewaterhouseCoopers LLP and the other major national accounting firms are acceptable accountants.

Acquisition Property. Any Real Estate that has been owned for fewer than six (6) fiscal quarters, unless the Borrower has made a one-time election to no longer treat such Real Estate as an Acquisition Property for purposes of this Agreement.

Additional Funding Date. The date, on or after the Closing Date, and on which any Additional Term Loan is requested by the Borrower and made by the Lenders to the Borrower.

Additional Term Loan. See §2.1.

Adjusted Unencumbered Property NOI. With respect to any fiscal period for any Unencumbered Property, the net income of such Unencumbered Property during such period, as determined in accordance with GAAP, before adjustment for (a) gains (or losses) from debt restructurings, non-cash valuation charges or extraordinary items relating to such Unencumbered Property, (b) minority interests, not inconsistent with the wholly-owned Subsidiary requirements for Unencumbered Properties and (c) income taxes; *plus* (x) interest expense relating to such Unencumbered Property and (y) depreciation and amortization relating to such Unencumbered Property and (z) the noncash portion of executive stock award rights and stock purchase rights relating to the Unencumbered Property in question included in written executive employment agreements, written employee plans or other written non-monetary employment compensation provisions to the extent excluded from net income, as determined in accordance with GAAP; *minus* a recurring capital expense reserve equal to one and one-half percent (1.5%) of total revenue (excluding interest income) of such Unencumbered Property for such period, after adjustments to eliminate the effect of the straight-lining of rents affecting such Unencumbered Property.

Administrative Agent. JPMorgan acting as administrative agent for the Lenders, or any successor administrative agent, as permitted by §14.

Administrative Agent's Head Office. The Administrative Agent's head office located at 270 Park Avenue, New York, New York 10017, or at such other location as the Administrative Agent may designate from time to time pursuant to §19 hereof, or the office of any successor Administrative Agent permitted under §14 hereof.

Affiliate. With reference to any Person, (i) any director or executive officer of that Person, (ii) any other Person controlling, controlled by or under direct or indirect common control of that Person, (iii) any other Person directly or indirectly holding 10% or more of any class of the capital stock or other equity interests (including options, warrants, convertible securities and similar rights) of that Person (other than a mutual fund which owns 10% or more of the common stock of MCRC) and (iv) any other Person 10% or more of any class of whose capital stock or other equity interests (including options, warrants, convertible securities and similar rights) is held directly or indirectly by that Person.

Agreement. This Term Loan Agreement, including the schedules and exhibits hereto, as the same may be from time to time amended and in effect.

Alternate Base Rate. The higher of (a) the annual rate of interest announced from time to time by the Administrative Agent at its head office in New York, New York as its "prime rate" or (b) one half of one percent (1/2%) above the overnight federal funds effective rate as published by the Board of Governors of the Federal Reserve System, as in effect from time to time. Any change in the Alternate Base Rate during an Interest Period shall result in a corresponding change on the same day in the rate of interest accruing from and after such day on the unpaid balance of principal of the Alternate Base Rate Loans, if any, applicable to such Interest Period, effective on the day of such change in the Alternate Base Rate.

Alternate Base Rate Loans. Those Loans bearing interest calculated by reference to the Alternate Base Rate.

Applicable Margin. The applicable margin (if any) over the then Alternate Base Rate or LIBOR Rate, as applicable to the Loan(s) in question, as set forth below, which is used in calculating the interest rate applicable to Loans and which shall vary from time to time in accordance with MCRLP's debt ratings, if any. The Applicable Margin to be used in calculating the interest rate applicable to Alternate Base Rate Loans or LIBOR Rate Loans shall vary from time to time in accordance with MCRLP's then applicable (if any) (x) Moody's debt rating, (y) S&P's debt rating and (z) any Third Debt Rating, as set forth below in this definition, and the Applicable Margin shall be adjusted effective on the next Business Day following any change in MCRLP's Moody's debt rating or S&P's debt rating or Third Debt Rating, as the case may be. MCRLP shall notify the Administrative Agent in writing promptly after becoming aware of any change in any of its debt ratings. In order to qualify for an Applicable Margin based upon a debt rating, MCRLP shall maintain debt ratings from at least two (2) nationally recognized rating agencies reasonably acceptable to the Administrative Agent, one of which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings for the REIT industry; *provided* that if MCRLP fails to maintain at least two debt ratings, the Applicable Margin shall be based upon an S&P rating of less than BBB- in the table below. In addition, MCRLP may, at its option, obtain and maintain three debt ratings (of which one must be from Moody's or S&P except as set forth in the previous sentence). If at any time of determination of the Applicable Margin, (a) MCRLP has then current debt ratings from two (2) rating agencies, then the Applicable Margin shall be based on the lower of such ratings, or (b) MCRLP has then current debt ratings from three (3) rating agencies, then the Applicable Margin shall be based on the lower of the two highest ratings.

The applicable debt ratings and the Applicable Margins are set forth in the following table:

S&P Rating	Moody's Rating	Third Rating	Applicable Margin for LIBOR Rate Loans	Applicable Margin for Alternate Base Rate Loans
No rating or less than BBB-	No rating or less than Baa3	No rating or less than BBB-/Baa3 equivalent	1.125%	0%
BBB-	Baa3	BBB-/Baa3 equivalent	0.800%	0%
BBB	Baa2	BBB/Baa2 equivalent	0.650%	0%
BBB+	Baa1	BBB+/Baa1 equivalent	0.550%	0%
A- or higher	A3 or higher	A-/A3 equivalent or higher	0.500%	0%

Arranger. J.P. Morgan Securities Inc..

Assignment and Assumption. See §18.1.

Borrower. As defined in the preamble hereto.

Building. Individually and collectively, the buildings, structures and improvements now or hereafter located on the Real Estate.

Business Day. Any day on which banking institutions in New York, New York are open for the transaction of banking business and, in the case of LIBOR Rate Loans, also a day which is a LIBOR Business Day.

Capitalized Leases. Leases under which the Borrower or any of its Subsidiaries or any Partially-Owned Entity is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

Capitalized Unencumbered Property NOI. As of any date of determination with respect to an Unencumbered Property (other than an Acquisition Property), an amount equal to the Revised Adjusted Unencumbered Property NOI for such Unencumbered Property for the most recent two (2) complete fiscal quarters *multiplied by* two (2), with the product being *divided by* 8.25%, except with respect to CBD Properties, which shall be *divided by* 7.75%; provided that if such Unencumbered Property has been owned for fewer than two (2)

complete fiscal quarters, the Revised Adjusted Unencumbered Property NOI for such Unencumbered Property shall be calculated by using the actual results for the period that such Unencumbered Property has been owned and adjusting such results for a period of two (2) complete fiscal quarters.

CBD Property(ies). Collectively, (a) any Real Estate listed on Schedule CBD attached hereto, (b) any improved Real Estate which is located in the borough of Manhattan in New York, New York, Jersey City, New Jersey, Washington, D.C., or San Francisco, California acquired after July 14, 2006, and (c) any other improved Real Estate which is located in markets with characteristics similar to those identified in clause (b) and is designated by the Administrative Agent and the Borrower as a CBD Property from time to time.

CERCLA. See §6.18.

Closing Date. November 29, 2006, which is the date on which all of the conditions set forth in §10 have been satisfied.

Code. The Internal Revenue Code of 1986, as amended and in effect from time to time.

Commitment. With respect to each Lender, the amount set forth from time to time on ***Schedule 1.2*** hereto as the amount of such Lender's Commitment to make the Term Loan to the Borrower.

Commitment Percentage. With respect to each Lender, the percentage set forth on ***Schedule 1.2*** hereto as such Lender's percentage of the Total Commitment and any changes thereto from time to time.

Completed Loan Request. A loan request accompanied by all information required to be supplied under the applicable provisions of §2.5.

Consolidated or consolidated. With reference to any term defined herein, shall mean that term as applied to the accounts of MCRC and its subsidiaries (including the Borrower and the Subsidiary Guarantors) or MCRLP and its subsidiaries, as the case may be, consolidated in accordance with GAAP, excluding the effects of consolidation of investments in non-wholly owned subsidiaries under Interpretation No. 46 of the Financial Accounting Standards Board.

Consolidated Adjusted Net Income. For any period, an amount equal to the consolidated net income of MCRC, the Borrower and their respective Subsidiaries for such period, as determined in accordance with GAAP, before (a) gains (or losses) from the sale of real property or interests therein, debt restructurings, non-cash valuation charges and other extraordinary items, (b) minority interest of said Persons in other Persons and (c) income taxes; *plus* (w) interest expense, (x) depreciation and amortization, (y) the noncash portion

of executive stock award rights and stock purchase rights included in written executive employment agreements, written employee plans or other written non-monetary employment compensation provisions, and (z) certain non-recurring cash payments made pursuant to certain written employment agreements, written employee plans or other written employment compensation provisions with key management individuals existing as of the date hereof and described on ***Schedule EMPL*** hereto and their successors (as such agreements, plans and provisions may be amended from time to time) in an amount not to exceed $20,000,000 in the aggregate during any fiscal year; *minus* a recurring capital expense reserve in an amount equal to one and one-half percent (1.5%) of consolidated total revenue (excluding interest income) of MCRC, the Borrower and their respective Subsidiaries; all after adjustments to eliminate the effect of the straight-lining of rents; and all after adjustments for unconsolidated partnerships, joint ventures and other entities.

Consolidated Capitalized NOI. As of any date of determination, an amount equal to Revised Consolidated Adjusted Net Income for the most recent two (2) completed fiscal quarters *multiplied by* two (2), with the product being *divided by* 8.25%, except with respect to CBD Properties, which shall be *divided by* 7.75%; provided that if any Real Estate has been owned for fewer than two (2) complete fiscal quarters, the Revised Consolidated Adjusted Net Income for such Real Estate shall be calculated by using the actual results for the period that such Real Estate has been owned and adjusting such results for a period of two (2) complete fiscal quarters.

Consolidated Fixed Charges. For any fiscal period, the sum of (a) Consolidated Total Interest Expense, *plus* (b) the aggregate amount of all scheduled principal payments on all Indebtedness of MCRC, the Borrower and their respective Subsidiaries required to be made during such period, excluding optional prepayments and balloon principal payments due at maturity, *plus* (c) the aggregate of all Distributions payable on the preferred stock of or other preferred beneficial interests in the Borrower, MCRC or any of their respective Subsidiaries during such period.

Consolidated Secured Indebtedness. As of any date of determination, the aggregate principal amount of all Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding at such date secured by a Lien on the Real Estate of such Person, without regard to Recourse.

Consolidated Tangible Net Worth. As of any date of determination, the Consolidated Total Capitalization *minus* Consolidated Total Liabilities.

Consolidated Total Capitalization. As of any date of determination, with respect to MCRC, the Borrower and their respective Subsidiaries determined on a consolidated basis in accordance with GAAP, the sum (without double-counting) of (a) Consolidated Capitalized NOI (other than with respect to (1) Acquisition Properties and (2) Real Estate with a negative Consolidated Capitalized NOI), *plus* (b) the cost of all Acquisition Properties, *plus* (c) the value of Unrestricted Cash and Cash Equivalents (excluding until forfeited or otherwise entitled to be retained by the Borrower or its Subsidiaries, tenant security and

other restricted deposits), *plus* (d) the aggregate costs incurred and paid to date by the Borrower and its Subsidiaries with respect to Construction-In-Process, *plus* (e) the value of Indebtedness of third parties to the Borrower and its Subsidiaries for borrowed money which is secured by mortgage liens on real estate (valued in accordance with GAAP at the book value of such Indebtedness and not then more than 90 days past due or declared by the Borrower or its relevant Subsidiary to be past due), *plus* (f) the actual net cash investment by the Borrower and its Subsidiaries in any Other Investments or Newco Investment (wherein such any Other Investment or Newco Investment (x) does not have any Indebtedness that is then more than 90 days past due or (y) has not been declared to be in default of any monetary or material monetizable obligations), *plus* (g) the book value of Unimproved Non-Income Producing Land *plus* (h) the value of Eligible Cash 1031 Proceeds; *provided* that the value of all permitted investments included within Consolidated Total Capitalization (other than Eligible Cash 1031 Proceeds) shall not exceed the limitations set forth in §9.8 hereof.

Consolidated Total Interest Expense. For any fiscal period, the aggregate amount of interest required in accordance with GAAP to be paid or accrued, without double-counting, by MCRC, the Borrower and their respective Subsidiaries during such period on all Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding during all or any portion of such period, whether such interest was or is required to be reflected as an item of expense or capitalized, including payments consisting of interest expenses in respect of any Synthetic Lease.

Consolidated Total Liabilities. As of any date of determination, without double-counting, all liabilities of MCRC, the Borrower and their respective Subsidiaries, including guaranties of payment for any Other Investment or Newco Investment, determined on a consolidated basis in accordance with GAAP and classified as such on the consolidated balance sheet of MCRC, the Borrower and their respective Subsidiaries, and all Indebtedness of MCRC, the Borrower and their respective Subsidiaries, whether or not so classified (excluding, to the extent otherwise included in Consolidated Total Liabilities, restricted cash held on account of tenant security and other restricted deposits).

Consolidated Total Unsecured Interest Expense. For any fiscal period, Consolidated Total Interest Expense with respect to Consolidated Unsecured Indebtedness only for such period.

Consolidated Unsecured Indebtedness. As of any date of determination, the aggregate principal amount of all Unsecured Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding at such date, including without limitation the aggregate principal amount of all the Obligations under this Agreement as of such date, determined on a consolidated basis in accordance with GAAP, without regard to Recourse.

Construction-In-Process. Any Real Estate for which the Borrower, any Guarantor, any of the Borrower's Subsidiaries or any Partially-Owned Entity is actively pursuing construction, renovation, or expansion of Buildings and, except for purposes of the covenant set forth in §9.8(c) hereof, for which construction is proceeding to completion without undue

delay from Permit denial, construction delays or otherwise, all pursuant to such Person's ordinary course of business. Notwithstanding the foregoing, tenant improvements to previously constructed and/or leased Real Estate shall not be considered Construction-In-Process.

Conversion Request. A notice given by the Borrower to the Administrative Agent of its election to convert or continue a Loan in accordance with §2.6.

Credit Parties. Collectively, the Borrower, the Operating Subsidiaries, MCRC, the Subsidiary Guarantors and any other wholly-owned Subsidiary for which the Borrower or MCRC has legal liability for such wholly-owned Subsidiary's obligations and liabilities, directly or indirectly.

debt ratings. Long-term, unsecured, non-credit enhanced debt ratings.

Default. As of the relevant time of determination, an event or occurrence which solely with the giving of notice or the lapse of time, or both, would constitute an Event of Default.

Delinquent Lender. See §14.5.

Disqualifying Environmental Event. Any Release or threatened Release of Hazardous Substances, any violation of Environmental Laws or any other similar environmental event with respect to any Real Estate that is reasonably likely to have a material adverse effect on the value of such Real Estate.

Distribution.

(i) with respect to the Borrower or its Subsidiaries, any dividend or distribution of cash or other cash equivalent, directly or indirectly, to the partners or other equity interest holders of the Borrower or its Subsidiaries in respect of such partnership or other equity interest or interests so characterizable; or any other distribution on or in respect of any partnership interests of the Borrower or its Subsidiaries; and

(ii) with respect to MCRC, the declaration or payment of any cash dividend or distribution on or in respect of any shares of any class of capital stock of MCRC.

Dollars or $. Dollars in lawful currency of the United States of America.

Drawdown Date. The date on which any Loan is made or is to be made, and the date on which any Loan is converted or continued in accordance with §2.6.

Eligible Assignee. Any of (a) a commercial bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of $1,000,000,000; (b) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of $1,000,000,000, calculated in accordance with GAAP; (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "***OECD***"), or a political subdivision of any such country, and having total assets in excess of $1,000,000,000, *provided* that such bank is acting at all times with respect to this Agreement through a branch or agency located in the United States of America, (d) the central bank of any country which is a member of OECD, (e) a financial institution reasonably acceptable to the Administrative Agent which is regularly engaged in making, purchasing or investing in loans and having total assets in excess of $300,000,000 and (f) a Lender or a Lender Affiliate.

Eligible Cash 1031 Proceeds. The cash proceeds held by a "qualified intermediary" from the sale of Real Estate, which proceeds are intended to be used by the qualified intermediary to acquire one or more "replacement properties" that are of "like-kind" to such Real Estate in an exchange that qualifies as a tax-free exchange under Section 1031 of the Code, and no portion of which proceeds MCRC, the Borrower or any Subsidiary has the right to receive, pledge, borrow or otherwise obtain the benefits of until such time as provided under the applicable "exchange agreement" (as such terms in quotations are defined in Treasury Regulations Section 1.1031(k)-1(g)(4)) (the "***Regulations***")) or until such exchange is terminated. Upon the cash proceeds no longer being held by the qualified intermediary pursuant to the Regulations or otherwise qualifying under the Regulations for like-kind exchange treatment, such proceeds shall cease being Eligible Cash 1031 Proceeds.

Eligible Ground Lease. A ground lease that (a) has a minimum remaining term of thirty (30) years, including tenant controlled options, as of any date of determination, (b) has customary notice rights, default cure rights, bankruptcy new lease rights and other customary provisions for the benefit of a leasehold mortgagee or has equivalent protection for a leasehold permanent mortgagee by a subordination to such leasehold permanent mortgagee of the landlord's fee interest, and (c) is otherwise acceptable for Without Recourse leasehold mortgage financing (with the exception permitted under clause (b) above) under customary prudent lending requirements. The Eligible Ground Leases as of the date of this Agreement are listed on ***Schedule EG***.

Employee Benefit Plan. Any employee benefit plan within the meaning of §3(3) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

Environmental Laws. See §6.18(a).

Equity Interests. With respect to any Person, shares of capital stock of (or other ownership interests in) such Person, warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership interests

in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and other ownership interests in such Person (including, without limitation, partnership, member, beneficial or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

ERISA. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

ERISA Affiliate. Any Person which is treated as a single employer with the Borrower under §414 of the Code.

ERISA Reportable Event. A reportable event with respect to a Guaranteed Pension Plan within the meaning of §4043 of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived.

Eurocurrency Reserve Rate. For any day with respect to a LIBOR Rate Loan, the weighted average of the rates (expressed as a decimal) at which all of the Lenders subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against "Eurocurrency Liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The Eurocurrency Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Rate.

Event of Default. See §12.1.

Fee Letter. The fee letter agreement dated as of the date hereof among MCRC, the Borrower, the Administrative Agent and the Arranger.

Financial Statement Date. With respect to the Borrower, MCRC and their respective subsidiaries, December 31, 2005.

Fitch. Fitch Ratings, a division of Fitch, Inc., and its successors.

Funds From Operations. As defined in accordance with resolutions adopted by the Board of Governors of the National Association of Real Estate Investment Trusts as in effect from time to time, but in any event excluding one-time or non-recurring charges and non-cash valuation charges.

GAAP. Generally accepted accounting principles in effect from time to time in the United States, consistently applied.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of §3(2) of ERISA maintained or contributed to by the Borrower or any Guarantor, as the case may be, or any ERISA Affiliate of any of them the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Guaranties. Collectively, (i) the MCRC Guaranty, (ii) the Subsidiary Guaranty, and (iii) any other guaranty of the Obligations made by an Affiliate of the Borrower in favor of the Administrative Agent and the Lenders.

Guarantors. Collectively, MCRC, the Subsidiary Guarantors and any other Affiliate of the Borrower executing a Guaranty; *provided*, *however*, when the context so requires, Guarantor shall refer to MCRC or such Affiliate, as appropriate. Any Guarantor that is the owner or ground lessee of an Unencumbered Property shall be a wholly-owned Subsidiary. *Provided further*, *however*, from and after the release of the Guaranty of any Subsidiary Guarantor pursuant to §5 below, such Subsidiary Guarantor shall no longer be considered a "Guarantor" for purposes of this Agreement.

Hazardous Substances. See §6.18(b).

Indebtedness. All obligations, contingent and otherwise, that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, including, without limitation, (a) all obligations for borrowed money and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, negative pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all obligations under any Capitalized Lease (determined in accordance with §9.9) or any Synthetic Lease; (d) all guarantees for borrowed money, endorsements and other contingent obligations, whether direct or indirect, (without double counting and in accordance with §9.0) in respect of indebtedness or obligations of others, including any obligation to supply funds (including partnership obligations and capital requirements) to or in any manner to invest in, directly or indirectly, the debtor, to purchase indebtedness, or to assure the owner of indebtedness against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise, (e) the obligations to reimburse the issuer in respect of any letters of credit (f) obligations in respect of banker acceptances, (g) obligations for the deferred purchase price of property to the extent of the value of such property (excluding accounts payable and expenses arising in the ordinary course of business), (h) payment obligations in respect of interest rate contracts, financial derivatives contracts and foreign exchange contracts, net of liabilities owed by the counterparties thereon, and (i) to the extent not otherwise included, obligations of the Borrower under so-called forward equity purchase contracts to the extent that such obligations are not payable solely in equity interests in MCRC; but, in any case, excluding Other Investments and the Newco Investment.

Initial Funding Date. The date, on or after the Closing Date, and on which the Initial Term Loan under this Agreement is requested by the Borrower and made by the Lenders to the Borrower.

Initial Term Loan. See §2.1.

Intercompany Secured Debt. See §8.2(xii).

Interest Payment Date. (i) As to any Alternate Base Rate Loan, the last day of the calendar month which includes the Drawdown Date thereof; and (ii) as to any LIBOR Rate Loan, the last day of the Interest Period for such LIBOR Rate Loan.

Interest Period. With respect to each Loan, (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of one of the following periods (as selected by the Borrower in a Completed Loan Request or as otherwise in accordance with the terms of this Agreement): (i) for any Alternate Base Rate Loan, the last day of the calendar month, and (ii) for any LIBOR Rate Loan, 1, 2, or 3 months (*provided* that the Interest Period for LIBOR Rate Loans may be shorter than one (1) month in order to consolidate two (2) or more LIBOR Rate Loans); and (b) thereafter, each period commencing at the end of the last day of the immediately preceding Interest Period applicable to such Loan and ending on the last day of the applicable period set forth in (a) above as selected by the Borrower in a Conversion Request or as otherwise in accordance with this Agreement; *provided* that all of the foregoing provisions relating to Interest Periods are subject to the following:

(A) if any Interest Period with respect to a Alternate Base Rate Loan would end on a day that is not a Business Day, that Interest Period shall end on the next succeeding Business Day;

(B) if any Interest Period with respect to a LIBOR Rate Loan would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;

(C) if the Borrower shall fail to give a Conversion Request as provided in §2.6, the Borrower shall be deemed to have requested a continuation of the affected LIBOR Rate Loan as a LIBOR Rate Loan with an Interest Period of one (1) month on the last day of the then current Interest Period with respect thereto, other than during the continuance of a Default or an Event of Default;

(D) any Interest Period relating to any LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall,

subject to subparagraph (E) below, end on the last Business Day of a calendar month; and

(E) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

Investment Grade Credit Rating. A long-term unsecured, non-credit enhanced debt rating (a) from Moody's of Baa3 or higher, (b) from S&P of BBB- or higher, or (c) from a Third Rating Agency of the Baa3/BBB- equivalent or higher.

Investments. All expenditures made and all liabilities incurred (contingently or otherwise, but without double-counting): (i) for the acquisition of stock, partnership or other equity interests or Indebtedness of, or for loans, advances, capital contributions or transfers of property to, any Person; and (ii) for the acquisition of any other obligations of any Person. In determining the aggregate amount of Investments outstanding at any particular time: (a) there shall be included as an Investment all interest accrued with respect to Indebtedness constituting an Investment unless and until such interest is paid; (b) there shall be deducted in respect of each such Investment any amount received as a return of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution); (c) there shall not be deducted in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest or otherwise, except that accrued interest included as provided in the foregoing clause (a) may be deducted when paid; and (d) there shall not be deducted from the aggregate amount of Investments any decrease in the value thereof.

Leases. Leases, licenses and agreements, whether written or oral, relating to the use or occupation of space in or on the Buildings or on the Real Estate by persons other than the Borrower, its Subsidiaries or any Partially-Owned Entity, *provided* that "Leases" shall include any such lease, license or other such agreement with a Partially-Owned Entity if such lease, license or other agreement is at a market level rent and related tenant charges, which are required to be paid monthly or, in the case of non-rent tenant charges, when usually and customarily required to be paid by other tenants of the same Real Estate (and at least annually).

Lender Affiliate. With respect to any Lender, an Affiliate of such Lender.

Lenders. Collectively, the Administrative Agent, any other lenders which may provide additional commitments and become parties to this Agreement, and any other Person who becomes an assignee of any rights of a Lender pursuant to §18 or a Person who acquires all or substantially all of the stock or assets of a Lender.

LIBOR Breakage Costs. With respect to any LIBOR Rate Loan to be prepaid or not drawn after elected, or converted prior to the last day of the applicable Interest Period, a prepayment "breakage" fee in an amount determined by the Administrative Agent in the following manner:

(i) First, the Administrative Agent shall determine the amount by which (a) the total amount of interest which would have otherwise accrued hereunder on each installment of principal prepaid or not so drawn, during the period beginning on the date of such prepayment or failure to draw and ending on the last day of the applicable LIBOR Rate Loan Interest Period (the "***Reemployment Period***"), exceeds (b) the total amount of interest which would accrue, during the Reemployment Period, on any readily marketable bond or other obligation of the United States of America designated by the Administrative Agent in its sole discretion at or about the time of such payment, such bond or other obligation of the United States of America to be in an amount equal (as nearly as may be) to the amount of principal so paid or not drawn after elected and to have maturity at the end of the Reemployment Period, and the interest to accrue thereon to take account of amortization of any discount from par or accretion of premium above par at which the same is selling at the time of designation. Each such amount is hereinafter referred to as an "***Installment Amount***".

(ii) Second, each Installment Amount shall be treated as payable on the last day of the LIBOR Rate Loan Interest Period which would have been applicable had such principal installment not been prepaid or not borrowed.

(iii) Third, the amount to be paid on each such breakage date shall be the present value of the Installment Amount determined by discounting the amount thereof from the date on which such Installment Amount is to be treated as payable, at the same yield to maturity as that payable upon the bond or other obligation of the United States of America designated as aforesaid by the Administrative Agent.

If by reason of an Event of Default the Administrative Agent elects to declare a LIBOR Rate Loan to be immediately due and payable, then any breakage fee with respect to such LIBOR Rate Loan shall become due and payable in the same manner as though the Borrower had exercised such right of prepayment.

LIBOR Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London.

LIBOR Rate. For any Interest Period with respect to a LIBOR Rate Loan, the rate of interest per annum (rounded upward, if necessary, to the nearest 1/100 of one percent) equal to the rate appearing on the display known as "Telerate Page 3750" (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as reasonably determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time

for any reason, then the "LIBOR Rate" with respect to such LIBOR Rate Loan for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

In the event that the Board of Governors of the Federal Reserve System shall impose a reserve requirement with respect to LIBOR deposits of the Lenders, then for any period during which such reserve requirement shall apply, the LIBOR Rate shall be equal to the amount determined above divided by an amount equal to one (1.00) minus the Eurocurrency Reserve Rate.

LIBOR Rate Loan(s). Loans bearing interest calculated by reference to the LIBOR Rate.

Lien. See §8.2.

Loan Documents. Collectively, this Agreement, the Notes, the Guaranties, and any and all other agreements, instruments or documents now or hereafter identified thereon as a "Loan Document" under this Agreement, and all schedules, exhibits and annexes hereto or thereto, as the same may from time to time be amended and in effect.

Loans. The Term Loan made by the Lenders pursuant to Section 2.1; provided, that if any such loan (or portions thereof) are combined or subdivided pursuant to a Conversion Request, the term "Loans" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

Majority Lenders. The Lenders holding fifty-one percent (51%) of the sum of the aggregate outstanding principal amount of the Loans and the aggregate unsused (and available) Commitments of all Lenders on such date.

Material Adverse Effect. Any event or occurrence of whatever nature which: (a) has a material adverse effect on the business, properties, operations or financial condition of (i) the Borrower or (ii) MCRC or (iii) the Borrower, the Guarantors and their respective Subsidiaries, taken as a whole, (b) has a material adverse effect on the ability of the Borrower or any Guarantor to perform its payment and other material obligations under any of the Loan Documents, or (c) causes a material impairment of the validity or enforceability of any of the Loan Documents or any material impairment of the rights, remedies and benefits available to the Administrative Agent and the Lenders under any of the Loan Documents.

Maturity Date. May 29, 2007, or such earlier date on which the Loans shall become due and payable pursuant to the terms thereof. The Borrower may, by notice to the

Administrative Agent given at least thirty (30) days prior to the May 29, 2007, extend the Maturity Date up to six (6) months (until November 29, 2007), *provided* that no Default or Event of Default shall have occurred and be continuing and that the Borrower pay an aggregate extension fee equal to 0.05% of the then outstanding principal amount of the Loans (to the Administrative Agent for the ratable benefit of the Lenders).

MCRC Guaranty. The Guaranty dated as of the date hereof made by MCRC in favor of the Administrative Agent and the Lenders pursuant to which MCRC guarantees to the Administrative Agent and the Lenders the unconditional payment and performance of the Obligations.

MCRC Organizational Change. See §7.7.

Moody's. Moody's Investors Service, Inc., and its successors.

Multiemployer Plan. Any multiemployer plan within the meaning of §3(37) of ERISA maintained or contributed to by the Borrower or any Guarantor as the case may be or any ERISA Affiliate.

Net Cash Proceeds. With respect to (i) any sale, lease, transfer or other disposition of any asset or (ii) the incurrence or issuance of any Indebtedness or (iii) the sale or issuance of any Equity Interests to any Person (other than by the Borrower to MCRC or by any Subsidiary of the Borrower to the Borrower or another Subsidiary of the Borrower and other than option exercises under MCRC's stock option plans) (including, without limitation, receipt of any capital contribution) by any Person, the aggregate amount of cash received from time to time (whether as initial consideration or through payment or disposition of deferred consideration) by or on behalf of such Person in connection with such transaction after deducting therefrom only (without duplication) (a) reasonable and customary brokerage commissions, underwriting fees and discounts, legal fees, finder's fees and other similar fees and commissions, (b) the amount of taxes payable (or reasonably estimated to be payable) in connection with or as a result of such transaction, (c) the amount of any Indebtedness secured by a Lien on such asset that, by the terms of the agreement or instrument governing such Indebtedness, is required to be repaid (and that is repaid) upon such disposition and (d) the amount of any Indebtedness that is required to be repaid (and is repaid) under the Revolving Credit Agreement in order for the Borrower to maintain compliance with the covenants set forth in §8.3 and §9 of the Revolving Credit Agreement.

Newco Investment. An investment made by the Borrower, any Guarantor or any Subsidiary in one or more joint ventures to be formed substantially simultaneously with the Closing Date in order to acquire Real Estate assets or interests in entities that own Real Estate assets and in which the Borrower and its Subsidiaries will own not more than 50% of the Equity Interests; *provided* that (a) such investment would not jeopardize MCRC's status as a REIT, (b) subject to the next sentence, such investment is Without Recourse to the Person making such investment and the liability of the Person making such investment is limited solely (including in any insolvency proceeding affecting such Person) to the amount

so invested, and (c) if the Person making such investment exercises any management or control responsibilities, such management and/or control shall be exercised through a so-called "bankruptcy-remote entity". Notwithstanding anything contained in the foregoing definition to the contrary, an investment may still be a Newco Investment if it provides for (i) guaranties of completion, (ii) guaranties of payment (which shall be included in Consolidated Total Liabilities), (iii) environmental guaranties and indemnities, and/or (iv) other typical recourse carve-outs from otherwise long-term, non-recourse debt, such a s for fraud, waste, misappropriation of proceeds and material misrepresentations.

Non-Material Breach. A (i) breach of a representation or warranty or covenant contained in §6 or §7 (other than §7.1), (ii) breach of any other representation or warranty or covenant as to which such term "Non-Material Breach" is specifically applied, or (iii) Permitted Event; but only to the extent any such breach under (i) or (ii) or an event under (iii) (other than §7.1), neither (A) singularly or in conjunction with any other existing breaches or events under (iii), materially adversely affect the business, properties or financial condition of (x) MCRC; (y) MCRLP; or (z) the Borrower, the Guarantors and their Subsidiaries, taken as whole nor (B) singularly or in conjunction with any other existing breaches or events under (iii), materially adversely affect the ability of (x) MCRC; (y) MCRLP; or (z) the Borrower, the Guarantors and their Subsidiaries, taken as a whole, to fulfill the obligations to the Lenders under the Loan Documents (including, without limitation, the repayment of all amounts outstanding under the Loans, together with interest and charges thereon, when first due) nor (C) has been identified in this Agreement specifically as a matter that does not constitute a Non-Material Breach. During the continuance of any Permitted Event, the Real Estate (including Unencumbered Property) and other assets of any affected Guarantor shall be excluded from asset (but not liability) and income (but not loss) calculation under §9 which exclusions shall be evidenced in all compliance certificates provided as required by this Agreement.

A breach or event which may constitute a Non-Material Breach shall be identified when first known to the Borrower, any Guarantor or Subsidiary on the next compliance certificate required to be delivered to the Lenders pursuant to the terms of this Agreement; *provided* that the identification of such breach or event as a Non-Material Breach by the Borrower, any Guarantor or any Subsidiary shall not be binding on the Lenders.

Note Record. A Record with respect to the Notes.

Notes. Collectively, the separate promissory notes of the Borrower in favor of each Lender in substantially the form of ***Exhibit A*** hereto, in the aggregate principal amount of the Total Commitment, dated as of the date hereof or as of such later date as any Person becomes a Lender under this Agreement, and completed with appropriate insertions, as each of such notes may be amended and/or restated from time to time.

Obligations. All indebtedness, obligations and liabilities of the Borrower and its Subsidiaries to any of the Lenders and the Administrative Agent, individually or collectively, under this Agreement or any of the other Loan Documents or in respect of any

of the Loans or the Notes or other instruments at any time evidencing any thereof, whether existing on the date of this Agreement or arising or incurred hereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

Operating Subsidiaries. Those Subsidiaries of the Borrower that, at any time of reference, provide management, construction, design or other services (excluding any such Subsidiary which may provide any such services which are only incidental to that Subsidiary's ownership of one or more Real Estate), and any successors or assigns of their respective businesses and/or assets which are Subsidiaries of the Borrower or the Guarantors.

Other Investment. An investment made by the Borrower, any Guarantor or any Subsidiary which has been or is designated by the Borrower at the time of investment or from time to time as an "Other Investment" (including an investment company but excluding the Newco Investment); *provided* that (a) such investment would not jeopardize MCRC's status as a REIT, (b) subject to the next sentence, such investment is Without Recourse to the Person making such investment and the liability of the Person making such investment is limited solely (including in any insolvency proceeding affecting such Person) to the amount so invested, (c) if the Person making such investment exercises any management or control responsibilities, such management and/or control shall be exercised through a so-called "bankruptcy-remote entity" and (d) such investment complies with the requirements of §9.8(b) hereof. Notwithstanding anything contained in the foregoing definition to the contrary, an investment may still be an Other Investment if it provides for (i) guaranties of completion, (ii) guaranties of payment (which shall be included in Consolidated Total Liabilities), (iii) environmental guaranties and indemnities, and/or (iv) other typical recourse carve-outs from otherwise long-term, non-recourse debt, such as for fraud, waste, misappropriation of proceeds and material misrepresentations.

Partially-Owned Entity(ies). Any of the partnerships, joint ventures and other entities owning real estate assets (other than an Other Investment or the Newco Investment) in which MCRLP and/or MCRC collectively, directly or indirectly through its full or partial ownership of another entity, own less than 100% of the equity interests, whether or not such entity is required in accordance with GAAP to be consolidated with MCRLP for financial reporting purposes.

PBGC. The Pension Benefit Guaranty Corporation created by §4002 of ERISA and any successor entity or entities having similar responsibilities.

Permits. All governmental permits, licenses, and approvals necessary for the lawful operation and maintenance of the Real Estate.

Permitted Event. The exclusion of a Guarantor (other than MCRC) or any other Subsidiary or Operating Subsidiary as a Credit Party by the Borrower solely for the purposes of the proceedings of a bankruptcy filed by or against such Person and involving for all

creditors of such bankruptcy a total Indebtedness which is in an amount permitted within §12.1(f)(i) cumulatively with any other then pending Permitted Event or other matter affecting §12.1(f)(i). For purposes of a Permitted Event, the term "bankruptcy" shall include all actions or proceedings described in §12.1(g) or §12.1(h). The Borrower may exercise the provisions of §12.1 (last paragraph) for Permitted Event(s) provided such exercise shall not allow for a breach of the limitation on Permitted Events relating to §12.1(f)(i) or otherwise cause a Default or Event of Default.

Permitted Liens. Liens, security interests and other encumbrances permitted by §8.2.

Person. Any individual, corporation, partnership, trust, unincorporated association, business, or other legal entity, and any government (or any governmental agency or political subdivision thereof).

Project Costs. With respect to Construction-In-Process, the actual project cost of such Construction-In-Process shown on schedules submitted to the Administrative Agent from time to time; *provided* that for Construction-In-Process owned by any Partially-Owned Entity, the Project Cost of such Construction-In-Process shall be the Borrower's or its subsidiaries' pro-rata share of the actual project cost of such Construction-In-Process (based on the greater of (x) the Borrower's or its subsidiaries' percentage equity interest in such Partially-Owned Entity or (y) the Borrower's or its subsidiaries' obligation to provide, or liability for providing, funds to such Partially-Owned Entity).

Public Debt. Unsecured Indebtedness, not subordinated to the Obligations (or to the holders thereof), issued by the Borrower and which is either (a) in offerings registered under the Securities Act of 1933, as amended, or in transactions exempt from registration pursuant to rule 144A or Regulation B thereunder or listed on non-U.S. securities exchanges or (b) pursuant to the Indenture dated as of March 16, 1999 by and between the Borrower, MCRC and Wilmington Trust Company, a Delaware banking corporation as trustee, or any successor trustee or assignee thereof (collectively, the "***Trustee***"), as supplemented by Supplemental Indenture No. 1 dated as of the same date between the Borrower and the Trustee, and by Supplemental Indenture No. 2 dated as of August 2, 1999 between the Borrower and the Trustee, and by Supplemental Indenture No. 3 dated as of December 21, 2000 between the Borrower and the Trustee, and by Supplemental Indenture No. 4 dated as of January 29, 2001 between the Borrower and the Trustee, and by Supplemental Indenture No. 5 dated as of December 20, 2002 between the Borrower and the Trustee, and by Supplemental Indenture No. 6 dated as of March 14, 2003 between the Borrower and the Trustee, and by Supplemental Indenture No. 7 dated as of June 12, 2003 between the Borrower and the Trustee, and by Supplemental Indenture No. 8 dated as of February 9, 2004 between the Borrower and the Trustee, and by Supplemental Indenture No. 9 dated as of March 22, 2004 between the Borrower and the Trustee and by Supplemental Indenture No. 10 dated as of January 25, 2005 between the Borrower and the Trustee, and by Supplemental Indenture No. 11 dated as of April 15, 2005 between the Borrower and the Trustee, and by Supplemental Indenture No. 12 dated as of November 30, 2005 between the Borrower and the Trustee, and by Supplemental Indenture No. 13 dated as of January 24,

2006 between the Borrower and the Trustee, and as the Indenture may be further supplemented and/or amended from time to time.

RCRA. See §6.18.

Real Estate. The fixed and tangible properties consisting of land, buildings and/or other improvements owned or ground-leased as a lessee by the Borrower, by any Guarantor or by any other entity in which the Borrower is the holder of an equity interest (other than Other Investments or the Newco Investment) at the relevant time of reference thereto, including, without limitation, (i) the Unencumbered Properties at such time of reference, and (ii) the real estate assets owned or ground-leased as a lessee by each of the Partially-Owned Entities at such time of reference.

Record. The grid attached to any Note, or the continuation of such grid, or any other similar record, including computer records, maintained by any Lender with respect to any Loan.

Recourse. With reference to any obligation or liability, any liability or obligation that is not Without Recourse to the obligor thereunder, directly or indirectly. For purposes hereof, a Person shall not be deemed to be "indirectly" liable for the liabilities or obligations of an obligor solely by reason of the fact that such Person has an ownership interest in such obligor, *provided* that such Person is not otherwise legally liable, directly or indirectly, for such obligor's liabilities or obligations (e.g., by reason of a guaranty or contribution obligation, by operation of law or by reason of such Person's being a general partner of such obligor).

Reinstated Commitment. See §2.1.

REIT. A "real estate investment trust", as such term is defined in Section 856 of the Code.

Release. See §6.18(c)(iii).

Required Lenders. The Lenders holding sixty-six and two-thirds percent (66-2/3%) of the sum of the aggregate outstanding principal amount of the Loans and the aggregate unused (and available) Commitments of all Lenders on such date; and *provided further* that if any Lender shall be a Delinquent Lender at such time, then there shall be excluded from the determination of Required Lenders the amount of the Commitment and Loans of such Lender, as applicable, at such time.

Revised Adjusted Unencumbered Property NOI. With respect to any fiscal period for any Unencumbered Property, Adjusted Unencumbered Property NOI for such Unencumbered Property for such period; *minus* (a) interest income relating to such Unencumbered Property and (b) a management fee reserve in an amount equal to three percent (3%) of total revenue (after deduction of interest income of such Unencumbered

Property for such period); *plus* (i) actual general and administrative expenses to the extent included in Adjusted Unencumbered Property NOI relating to such Unencumbered Property for such period and (ii) actual management fees relating to such Unencumbered Property for such period.

Revised Consolidated Adjusted Net Income. For any period, Consolidated Adjusted Net Income for such period; *minus* (a) interest income and (b) a management fee reserve in an amount equal to three percent (3%) of consolidated total revenue (after deduction of interest income of MCRC, the Borrower and their respective Subsidiaries for such period), *plus* (i) actual general and administrative expenses for such period to the extent included in Consolidated Adjusted Net Income and (ii) actual management fees relating to Real Estate for such period.

Revolving Credit Agreement. The Second Amended and Restated Revolving Credit Agreement dated as of November 23, 2004 among the Borrower, JPMorgan and the other lenders party thereto, and JPMorgan as administrative agent for such lenders, as modified by the Extension and Modification Agreement dated as of September 16, 2005 and the Second Modification Agreement dated as of July 14, 2006.

Revolving Credit Facility. The revolving credit facility evidenced by the Revolving Credit Agreement.

S&P. Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., and its successors.

SARA. See §6.18.

SEC Filings. Collectively, (a) the MCRC's Annual Report on Forms 10-K and 10-K/A for the year ended December 31, 2005, filed with the Securities and Exchange Commission (the "***SEC***") pursuant to the Securities and Exchange Act of 1934, as amended (the "***Exchange Act***"), and (b) MCRC's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2006, filed with the SEC pursuant to the Exchange Act.

subsidiary. Any entity required to be consolidated with its direct or indirect parent in accordance with GAAP.

Subsidiary. Any corporation, association, partnership, limited liability company, trust, or other business entity of which the designated parent shall at any time own directly, or indirectly through a Subsidiary or Subsidiaries, at least a majority (by number of votes or controlling interests) of the outstanding voting interests or at least a majority of the economic interests (including, in any case, the Operating Subsidiaries and any entity required to be consolidated with its designated parent in accordance with GAAP; but, in any case, specifically excluding any Other Investments or the Newco Investment).

Subsidiary Guarantor. Any Guarantor other than MCRC. The Subsidiary Guarantors on the Closing Date are listed on ***Schedule SG*** hereto.

Subsidiary Guaranty. The Guaranty made by the Subsidiary Guarantors in favor of the Administrative Agent and the Lenders in substantially the form of ***Exhibit B*** hereto, pursuant to which the Subsidiary Guarantors jointly and severally guaranty the unconditional payment and performance of the Obligations.

Subsidiary Guaranty Proceeds. See §5.2.

Synthetic Lease. Any lease which is treated as an operating lease under GAAP and as a loan or financing for U.S. income tax purposes.

Third Debt Rating. MCRLP's long term unsecured, non-credit enhanced debt rating from a Third Rating Agency.

Third Rating Agency. Fitch or another nationally-recognized rating agency (other than S&P or Moody's) reasonably satisfactory to the Administrative Agent.

Total Commitment. The sum of the Commitments of the Lenders, which shall equal $350,000,000, as the same may be reinstated in accordance with §2.1 or reduced or terminated in accordance with §2.11.

Type. As to any Loan, its nature as a Alternate Base Rate Loan or a LIBOR Rate Loan.

Unanimous Lender Approval. The written consent of each Lender that is a party to this Agreement at the time of reference.

Unencumbered Property. Any Real Estate located in the United States that on any date of determination: (a) is not subject to any Liens (including any such Lien imposed by the organizational documents of the owner of such asset, but excluding Permitted Liens other than those listed in §8.2(iii) and §8.2(x)), as certified to his knowledge by an officer of the Borrower on the Closing Date or such later date on which such Real Estate becomes an Unencumbered Property, (b) is not the subject of a Disqualifying Environmental Event, as certified to his knowledge by an officer of the Borrower on the Closing Date or such later date on which such Real Estate becomes an Unencumbered Property (which certification may be based on third party reports) (c) has been improved with a Building or Buildings which (1) have been issued a certificate of occupancy (where available) or is otherwise lawfully occupied for its intended use, and (2) are fully operational, including in each case, an Unencumbered Property that is being renovated and such renovation is proceeding to completion without undue delay from Permit denial, construction delays or otherwise, (d) is not in violation of the covenant set forth in §7.9 hereof, (e) is wholly owned or ground-leased under an Eligible Ground Lease by the Borrower or a Guarantor that is a wholly

owned Subsidiary, and (f) has not been the subject of an event or occurrence that has had a Material Adverse Effect on such Guarantor.

Unimproved Non-Income Producing Land. Any Real Estate consisting of raw land which is unimproved by Buildings and does not generate any rental income or other income for MCRC or the Borrower or any of their respective Subsidiaries.

Unrestricted Cash and Cash Equivalents. As of any date of determination, the sum of (a) the aggregate amount of unrestricted cash then held by the Borrower or any of its Subsidiaries and (b) the aggregate amount of unrestricted cash equivalents (valued at fair market value) then held by the Borrower or any of its Subsidiaries. As used in this definition, (i) "unrestricted" means the specified asset is not subject to any Liens in favor of any Person and (ii) "cash equivalents" includes overnight deposits and also means that such asset has a liquid, par value in cash and is convertible to cash within 3 months. Notwithstanding anything contained herein to the contrary, the term Unrestricted Cash and Cash Equivalents shall not include the Commitments of the Lenders to make Loans under the Revolving Credit Facility or any other commitments from which the access to such cash or cash equivalents would create Indebtedness.

Unsecured Indebtedness. All Indebtedness of any Person that is not secured by a Lien on any asset of such Person.

wholly-owned Subsidiary. Any Subsidiary (a) of which MCRLP and/or MCRC shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a controlling majority (by number of votes or controlling interests) of the outstanding voting interests and one hundred percent (100%) of the economic interests, of which at least ninety-five percent (95%) of the economic interests shall be owned by MCRLP and (b) of which MCRC directly or indirectly (through wholly-owned Subsidiaries) acts as sole general partner or managing member; *provided* that the Subsidiary Guarantors shall be wholly-owned Subsidiaries.

"Without Recourse" or "without recourse". With reference to any obligation or liability, any obligation or liability for which the obligor thereunder is not liable or obligated other than as to its interest in a designated Real Estate or other specifically identified asset only, subject to such limited exceptions to the non-recourse nature of such obligation or liability, such as fraud, misappropriation, misapplication and environmental indemnities, as are usual and customary in like transactions involving institutional lenders at the time of the incurrence of such obligation or liability.

§1.2. Rules of Interpretation.

(i) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms (and so amended, modified or supplemented in accordance with this Agreement) or the terms of this Agreement.

(ii) The singular includes the plural and the plural includes the singular.

(iii) A reference to any law includes any amendment or modification to such law.

(iv) A reference to any Person includes its permitted successors and permitted assigns.

(v) Accounting terms (a) not otherwise defined herein have the meanings assigned to them by GAAP applied on a consistent basis by the accounting entity to which they refer and (b) shall not provide for double counting of items included within such term.

(vi) The words "include", "includes" and "including" are not limiting.

(vii) All terms not specifically defined herein or by GAAP, which terms are defined in the Uniform Commercial Code as in effect in New York, have the meanings assigned to them therein.

(viii) Reference to a particular "§" refers to that section of this Agreement unless otherwise indicated.

(ix) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

(x) Any provision granting any right to the Borrower or any Guarantor during the continuance of (a) an Event of Default shall not modify, limit, waive or estopp the rights of the Lenders during the continuance of such Event of Default, including the rights of the Lenders to accelerate the Loans under §12.1 and the rights of the Lenders under §§12.2 or 12.3, or (b) a Default, shall not extend the time for curing same or modify any otherwise applicable notice regarding same.

(xi) As applied to Real Estate, the word "owns" includes the ownership of the fee interest in such Real Estate or the tenant's interest in a ground lease of such Real Estate.

§2. THE TERM LOAN FACILITY.

§2.1. Commitment to Lend. Subject to the terms and conditions set forth in this Agreement, each Lender hereby severally and not jointly agrees to make a term loan in Dollars (the ***"Initial Term Loan"*** and collectively with any Additional Term Loans (as defined below), the " ***Term Loans***") to the Borrower on the Initial Funding Date, in an amount equal to such Lender's Commitment Percentage of the principal amount of

$350,000,000 (or such lesser amount as shall be requested by the Borrower). The aggregate amount of the Initial Term Loans to be made hereunder shall not exceed $350,000,000. The Initial Term Loan shall be made by the Lenders simultaneously and proportionately to their respective Commitment Percentages, it being understood that no Lender shall be responsible for any failure by any other Lender to perform its obligation to make the Initial Term Loan hereunder nor shall the Initial Term Loan of any Lender be increased or decreased as a result of any such failure. The Commitments shall expire on the earlier of (i) the date on which the Initial Term Loan is made and (ii) December 4, 2006; provided that if a portion of the Loans have been repaid in accordance with §2.10(c), then the Commitments shall be reinstated to the extent of and in an amount equal to the portion of the Loans so repaid (the "***Reinstated Commitments***") and such Reinstated Commitments shall be available for reborrowing in accordance with the next paragraph.

Subject to the terms and conditions set forth in this Agreement, each Lender hereby severally and not jointly agrees to make an additional term loan in a single draw in Dollars (the ***"Additional Term Loan"***) to the Borrower on the Additional Funding Date, in an amount equal to such Lender's Commitment Percentage of the principal amount of the Reinstated Commitments as shall be requested by the Borrower. The amount of the Additional Term Loan shall not exceed the amount of the Reinstated Commitments, and the aggregate outstanding amount of the Term Loans (after giving effect to such Additional Term Loan) shall not exceed $350,000,000. The Additional Term Loan shall be made by the Lenders simultaneously and proportionately to their respective Commitment Percentages, it being understood that no Lender shall be responsible for any failure by any other Lender to perform its obligation to make an Additional Term Loan hereunder nor shall the Additional Term Loan of any Lender be increased or decreased as a result of any such failure. The Reinstated Commitment shall expire on the earlier of (i) the date on which the Additional Term Loan is made and (ii) January 31, 2007.

Each request for a Loan made pursuant to §2.5 hereof shall constitute a representation and warranty by the Borrower that the conditions set forth in §10 have been satisfied as of the Closing Date and that the conditions set forth in §11 have been satisfied on the date of such request and will be satisfied on the proposed Drawdown Date of the requested Loan, *provided* that the making of such representation and warranty by the Borrower shall not limit the right of any Lender not to lend if such conditions have not been met. No Loan shall be required to be made by any Lender unless all of the conditions contained in §10 have been satisfied as of the Closing Date and all of the conditions set forth in §11 have been met at the time of any request for a Loan.

§2.2. [Reserved].

§2.3. The Notes. The Loans shall be evidenced by the Notes. A Note shall be payable to the order of each Lender in an aggregate principal amount equal to such Lender's Commitment. The Borrower irrevocably authorizes each Lender to make or cause to be made, at or about the time of the Drawdown Date of any Loan or at the time of receipt of any payment of principal on such Lender's Notes, an appropriate notation on such Lender's Note Record reflecting the making of such Loan or (as the case may be) the receipt of such

payment. The outstanding amount of the Loans set forth on such Lender's Note Record shall be *prima facie* evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender's Note Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Note to make payments of principal of or interest on any Note when due. The Administrative Agent hereby agrees to provide the Borrower with a statement concerning the outstanding amount of the Loans, in reasonable detail, on a monthly basis. Although each Note shall be dated the Closing Date, interest in respect thereof shall be payable only for the periods during which the Loans evidenced thereby to the Borrower are outstanding, and although the stated amount of such Notes shall be equal to the Total Commitment as of the date hereof, such Notes shall be enforceable, with respect to obligations of the Borrower to pay the principal amount thereof, only to the extent of the unpaid principal amount of the Loans to them as of any date of determination.

§2.4. Interest on Loans; Fees.

(a) Interest on Alternate Base Rate Loans. Except as otherwise provided in §4.9, each Alternate Base Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of the Interest Period with respect thereto (unless earlier paid in accordance with §2.9) at a rate equal to the Alternate Base Rate *plus* the Applicable Margin for Alternate Base Rate Loans, if any.

(b) Interest on LIBOR Rate Loans. Except as otherwise provided in §4.9, each LIBOR Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of the Interest Period with respect thereto (unless earlier paid in accordance with §2.9) at a rate equal to the LIBOR Rate determined for such Interest Period *plus* the Applicable Margin for LIBOR Rate Loans.

(c) Interest Payments. The Borrower unconditionally promises to pay interest on each Loan in arrears on each Interest Payment Date with respect thereto.

(d) Fees. The Borrower shall pay the fees as set forth in the Fee Letter.

§2.5. Requests for Loans.

The following provisions shall apply to the request by the Borrower for a Loan:

(i) The Borrower shall submit a Completed Loan Request to the Administrative Agent as provided in this §2.5. Such Completed Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Loans requested from the Lenders on the proposed Drawdown Date.

(ii) Each Completed Loan Request may be delivered by the Borrower to the Administrative Agent by 12:00 p.m. noon (New York City time) on any Business Day. Such delivery shall be made at least by 12:00 p.m. noon (New York time) on

the proposed Drawdown Date of any Alternate Base Rate Loan, and at least three (3) Business Days prior to the proposed Drawdown Date of any LIBOR Rate Loan.

(iii) Each Completed Loan Request shall include a completed writing in the form of ***Exhibit C*** hereto specifying: (1) the principal amount of the Loan requested, (2) the proposed Drawdown Date of such Loan, (3) the Interest Period applicable to such Loan, and (4) the Type of such Loan being requested.

(iv) No Lender shall be obligated to fund any Loan unless:

(a) a Completed Loan Request has been timely received by the Administrative Agent as provided in subsection (i) above; and

(b) both before and after giving effect to the Loan to be made pursuant to the Completed Loan Request, all of the conditions contained in §10 shall have been satisfied as of the Closing Date and all of the conditions set forth in §11 shall have been met, including, without limitation, the condition under §11.1 that there be no Default or Event of Default under this Agreement; and

(c) the Administrative Agent shall have received a certificate in the form of ***Exhibit D*** hereto signed by the chief financial officer or senior vice president of finance or other thereon designated officer of the Borrower setting forth computations evidencing compliance with the covenants contained in §§9.1 and 9.6 on a *pro forma* basis after giving effect to such requested Loan (including, to the extent necessary to evidence compliance thereunder, the estimated results for all Real Estate to be acquired with the proceeds of such requested Loan), and, certifying that, both before and after giving effect to such requested Loan, no Default or Event of Default exists or will exist under this Agreement or any other Loan Document, and that after taking into account such requested Loan, no Default or Event of Default will exist as of the Drawdown Date or thereafter.

(v) The Administrative Agent will cause the Completed Loan Request (and the Certificate in the form of ***Exhibit D***) to be delivered to each Lender in accordance with §14.12 and in any event on the same day that such request is received by the Administrative Agent (in the case of an Alternate Base Rate Loan) and on the same day or the Business Day following the day a Completed Loan Request is received by the Administrative Agent (in the case of a LIBOR Rate Loan).

§2.6. Conversion Options.

(a) The Borrower may elect from time to time by delivering a Conversion Request in the form of ***Exhibit L*** to convert all or a portion of any outstanding Loan to a

Loan of another Type, *provided* that (i) with respect to any such conversion of a LIBOR Rate Loan to an Alternate Base Rate Loan, the Borrower shall give the Administrative Agent at least three (3) Business Days prior written notice of such election; (ii) with respect to any such conversion of an Alternate Base Rate Loan to a LIBOR Rate Loan, the Borrower shall give the Administrative Agent at least three (3) LIBOR Business Days prior written notice of such election; (iii) with respect to any such conversion of a LIBOR Rate Loan into a Alternate Base Rate Loan, such conversion shall only be made on the last day of the Interest Period with respect thereto unless the Borrower pays the related LIBOR Breakage Costs at the time of such conversion and (iv) no Loan may be converted into a LIBOR Rate Loan when any Default or Event of Default has occurred and is continuing. All or any part of outstanding Loans of any Type may be converted into a Loan of another Type as provided herein, *provided* that any partial conversion shall be in an aggregate principal amount of $2,000,000 or a integral multiple of $500,000 in excess thereof. Each Conversion Request relating to the conversion of a Alternate Base Rate Loan to a LIBOR Rate Loan shall be irrevocable by the Borrower.

(b) Any Loan of any Type may be continued as such upon the expiration of the Interest Period with respect thereto (i) in the case of Alternate Base Rate Loans, automatically and (ii) in the case of LIBOR Rate Loans by compliance by the Borrower with the notice provisions contained in §2.6(a) or (c); *provided* that no LIBOR Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing but shall be automatically converted to a Alternate Base Rate Loan on the last day of the first Interest Period relating thereto ending during the continuance of any Default or Event of Default. The Administrative Agent shall notify the Lenders promptly when any such automatic conversion contemplated by this §2.6(b) is scheduled to occur.

(c) In the event that the Borrower does not notify the Administrative Agent of its election hereunder with respect to the continuation of any LIBOR Rate Loan as such, the affected LIBOR Rate Loan shall automatically be continued as a LIBOR Rate Loan with an Interest Period of one (1) month at the end of the applicable Interest Period other than during the continuance of a Default or Event of Default, in which case it will be continued as a Alternate Base Rate Loan at the end of the applicable Interest Period. In such event, the Borrower shall be deemed to have requested a LIBOR Rate Loan hereunder and shall be subject to all provisions of this Agreement relating to LIBOR Rate Loans, including, without limitation, those set forth in §§4.5, 4.6, and 4.8 hereof.

(d) The Borrower may not request or elect a LIBOR Rate Loan pursuant to §2.5, elect to convert a Alternate Base Rate Loan to a LIBOR Rate Loan pursuant to §2.6(a), elect to continue a LIBOR Rate Loan pursuant to §2.6(b) or have continued a LIBOR Rate Loan pursuant to §2.6(c) if, after giving effect thereto, there would be greater than three (3) LIBOR Rate Loans then outstanding. Any Loan Request for a LIBOR Rate Loan that would create greater than three (3) LIBOR Rate Loans outstanding shall be deemed to be a Loan Request for a Alternate Base Rate Loan.

§2.7. Funds for Loans.

(a) Subject to the other provisions of this §2, not later than 12:00 p.m. (New York City time) on the proposed Drawdown Date of any Loan, each of the Lenders will make available to the Administrative Agent, at the Administrative Agent's Head Office, in immediately available funds, the amount of such Lender's Commitment Percentage of the amount of the requested Loan; *provided* that each Lender shall provide notice to the Administrative Agent of its intent not to make available its Commitment Percentage of any requested Loan as soon as possible after receipt of any Completed Loan Request, and in any event not later than 4:00 p.m. (New York City time) on (x) the Business Day prior to the Drawdown Date of any requested Alternate Base Rate Loan and (y) the third Business Day prior to the Drawdown Date of any requested LIBOR Rate Loan. Upon receipt from each Lender of such amount, the Administrative Agent will make available to the Borrower, in the Borrower's account with the Administrative Agent or as otherwise directed to the Administrative Agent by the Borrower, the aggregate amount of such Loan made available to the Administrative Agent by the Lenders; all such funds received by the Administrative Agent by the times set forth above will be made available to the Borrower not later than 2:00 p.m. on the same Business Day. Funds received after such time will be made available by not later than 12:00 p.m. on the next Business Day. The Administrative Agent hereby agrees to promptly provide the Borrower with a statement confirming the particulars of each LIBOR Rate Loan, in reasonable detail, when each such Loan is made. The failure or refusal of any Lender to make available to the Administrative Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Loan shall not relieve any other Lender from its several obligation hereunder to make available to the Administrative Agent the amount of its Commitment Percentage of any requested Loan but in no event shall the Administrative Agent (in its capacity as Administrative Agent) have any obligation to make any funding or shall any Lender be obligated to fund more than its Commitment Percentage of the requested Loan or to increase its Commitment Percentage on account of such failure or otherwise.

(b) The Administrative Agent may, unless notified to the contrary by any Lender prior to a Drawdown Date, assume that such Lender has made available to the Administrative Agent on such Drawdown Date the amount of such Lender's Commitment Percentage of the Loan to be made on such Drawdown Date, and the Administrative Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender makes available to the Administrative Agent such amount on a date after such Drawdown Date, such Lender shall pay to the Administrative Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by the Administrative Agent for federal funds acquired by the Administrative Agent during each day included in such period, *multiplied by* (ii) the amount of such Lender's Commitment Percentage of such Loan, *multiplied by* (iii) a fraction, the numerator of which is the number of days that elapsed from and including such Drawdown Date to the date on which the amount of such Lender's Commitment Percentage of such Loan shall become immediately available to the Administrative Agent, and the denominator of which is

360. A statement of the Administrative Agent submitted to such Lender with respect to any amounts owing under this paragraph shall be *prima facie* evidence of the amount due and owing to the Administrative Agent by such Lender. If the amount of such Lender's Commitment Percentage of such Loans is not made available to the Administrative Agent by such Lender within three (3) Business Days following such Drawdown Date, the Administrative Agent shall be entitled to recover such amount from the Borrower on demand, with interest thereon at the rate per annum applicable to the Loans made on such Drawdown Date.

§2.8. Repayment of Loans at Maturity. The Borrower promises to pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all unpaid principal of the Loans outstanding on such date, together with any and all accrued and unpaid interest thereon, and any and all other unpaid amounts due under this Agreement, the Notes or any other of the Loan Documents.

§2.9. Optional Repayments of Loans. The Borrower shall have the right, at its election, to prepay the outstanding amount of the Loans, in whole or in part, at any time without penalty or premium; *provided* that the outstanding amount of any LIBOR Rate Loans may not be prepaid unless the Borrower pays any LIBOR Breakage Costs for each LIBOR Rate Loan so prepaid at the time of such prepayment. The Borrower shall give the Administrative Agent, no later than 11:00 a.m., New York City time, at least one (1) Business Day's prior written notice of any prepayment pursuant to this §2.9 of any Alternate Base Rate Loans, and at least three (3) LIBOR Business Days' notice of any proposed prepayment pursuant to this §2.9 of LIBOR Rate Loans, specifying the proposed date of prepayment of Loans and the principal amount to be prepaid. Each such partial prepayment shall be in an amount of $2,000,000 or integral multiple of $500,000 in excess thereof or, if less, the outstanding balance of the Loans then being repaid, shall be accompanied by the payment of all charges outstanding on all Loans so prepaid and of all accrued interest on the principal prepaid to the date of payment. Amounts repaid pursuant to this §2.9 may not be reborrowed.

§2.10. Mandatory Prepayments. (a) The Borrower shall, on the date of receipt of any Net Cash Proceeds by MCRC, the Borrower or their respective Subsidiaries from (a) the sale, lease, transfer or other disposition of any assets of MCRC, the Borrower or their respective Subsidiaries (other than any sale, lease, transfer or other disposition of assets for Net Cash Proceeds in the aggregate not to exceed $25,000,000 during the term of this Agreement), (b) the incurrence or issuance by MCRC, the Borrower or their respective Subsidiaries of any Indebtedness (other than borrowings under the Revolving Credit Facility); provided, however, that if any Indebtedness is incurred for a particular acquisition or transaction and such acquisition or transaction is either unwound or not consummated, then the Net Cash Proceeds of such Indebtedness shall be used to pay back the lender of such Indebtedness, or (c) the issuance and sale by MCRC, the Borrower or their respective Subsidiaries of any Equity Interests for cash, prepay the Loans in an aggregate amount equal to such Net Cash Proceeds. The Borrower shall make such prepayment together with all

accrued interest on the amount prepaid. Notwithstanding the foregoing, (1) the Borrower shall not be required to make the prepayment described in clause (a) if and to the extent that the Borrower uses such Net Cash Proceeds to purchase other real property assets, in a bona fide, qualified, deferred exchange under §1031 of the Code, provided that (i) the Borrower shall deposit all such Net Cash Proceeds of sale or other disposition, until required in connection with the purchase of a property, with a qualified intermediary reasonably acceptable to the Administrative Agent and (ii) such qualified intermediary shall be instructed to pay such net proceeds to the Administrative Agent on behalf of the Lenders in the event that either (x) such other real property assets are not identified within 45 days of such sale, or (y) such purchase does not occur within 180 days of such sale and (2) if MCRC, the Borrower or their respective Subsidiaries receives Net Cash Proceeds from the sale of the Real Estate located at 795 Folsom Street in San Francisco, California that would otherwise be required to be used to prepay the Loans, the Borrower may elect to retain such Net Cash Proceeds if it instead reduces the Total Commitment pursuant to §2.11 in an amount equal to such Net Cash Proceeds that would have otherwise been used to prepay the Loans. Amounts repaid pursuant to this §2.10(a) may not be reborrowed.

(b) If any transaction to which the Borrower applies the proceeds of the Loans does not close for any reason, or if the Borrower uses the proceeds of the Loans to make a deposit on any transaction (whether into an escrow account or otherwise) and such deposit is thereafter returned or refunded to MCRC, the Borrower or their respective Subsidiaries, then in each case, the Borrower shall, on the date such proceeds are returned to MCRC, the Borrower or any of their respective Subsidiaries, prepay the Loans in an aggregate amount equal to such returned amount. Amounts repaid pursuant to this §2.10(b) may not be reborrowed.

(c) As soon as possible after the Initial Funding Date, the Borrower shall borrow $200,000,000 under the Revolving Credit Facility, and the Borrower shall, on the date such loan proceeds are received by it, prepay $200,000,000 of the principal amount of the Loans. Amounts repaid pursuant to this §2.10(c) may be reborrowed in accordance with §2.1.

§2.11. Reduction of Total Commitment.

The Borrower shall have the right at any time and from time to time upon written notice to the Administrative Agent not later than 5:00 p.m. (New York time) on the reduction or termination date (if prior to December 6, 2006, or one (1) Business Day notice, if thereafter) to reduce by $10,000,000 or an integral multiple thereof or terminate entirely the unborrowed portion of the Total Commitment (including any Reinstated Commitments), whereupon the Commitments of the Lenders shall be reduced pro rata in accordance with their respective Commitment Percentages of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of the Borrower delivered pursuant to this §2.11, the Administrative Agent will notify the Lenders of the substance thereof. No reduction of the Commitments may be reinstated.

§3. [RESERVED].

§4. CERTAIN GENERAL PROVISIONS.

§4.1. Funds for Payments.

(a) All payments of principal, interest, fees, and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent, for the respective accounts of the Lenders or (as the case may be) the Administrative Agent, at the Administrative Agent's Head Office, in each case in Dollars and in immediately available funds.

(b) All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory liens, restrictions or conditions of any nature now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein unless the Borrower is compelled by law to make such deduction or withholding. If any such obligation is imposed upon the Borrower with respect to any amount payable by it hereunder or under any of the other Loan Documents, the Borrower shall pay to the Administrative Agent, for the account of the Lenders or (as the case may be) the Administrative Agent, on the date on which such amount is due and payable hereunder or under such other Loan Document, such additional amount in Dollars as shall be necessary to enable the Lenders to receive the same net amount which the Lenders would have received on such due date had no such obligation been imposed upon the Borrower. The Borrower will deliver promptly to the Administrative Agent certificates or other valid vouchers for all taxes or other charges deducted from or paid with respect to payments made by the Borrower hereunder or under such other Loan Document.

§4.2. Computations. All computations of interest on the Loans and of other fees to the extent applicable shall be based on a 360-day year and paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "***Interest Period***" with respect to LIBOR Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension. The outstanding amount of the Loans as reflected on the Note Records from time to time shall constitute *prima facie* evidence of the principal amount thereof.

§4.3. Inability to Determine LIBOR Rate. In the event, prior to the commencement of any Interest Period relating to any LIBOR Rate Loan, the Administrative Agent shall reasonably determine that adequate and reasonable methods do not exist for ascertaining the LIBOR Rate that would otherwise determine the rate of interest to be applicable to any LIBOR Rate Loan during any Interest Period, the Administrative Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower) to the Borrower and the Lenders. In such event (a) any Loan Request with respect to LIBOR Rate

Loans shall be automatically withdrawn and shall be deemed a request for Alternate Base Rate Loans, (b) each LIBOR Rate Loan will automatically, on the last day of the then current Interest Period thereof, become a Alternate Base Rate Loan, and (c) the obligations of the Lenders to make LIBOR Rate Loans shall be suspended until the Administrative Agent reasonably determines that the circumstances giving rise to such suspension no longer exist, whereupon the Administrative Agent shall so notify the Borrower and the Lenders.

§4.4. Illegality. Subject to §§4.10 and 4.11 hereof, but notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or change in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain LIBOR Rate Loans, such Lender shall forthwith give notice of such circumstances (which shall be conclusive and binding on the Borrower) to the Borrower and the other Lenders and thereupon (a) the commitment of such Lender to make LIBOR Rate Loans or convert Alternate Base Rate Loans to LIBOR Rate Loans shall forthwith be suspended and (b) such Lender's Commitment Percentage of LIBOR Rate Loans then outstanding shall be converted automatically to Alternate Base Rate Loans on the last day of each Interest Period applicable to such LIBOR Rate Loans or within such earlier period as may be required by law, all until such time as it is no longer unlawful for such Lender to make or maintain LIBOR Rate Loans. Subject to §§4.10 and 4.11 hereof, the Borrower hereby agrees to promptly pay the Administrative Agent for the account of such Lender, upon demand, any additional amounts necessary to compensate such Lender for any costs incurred by such Lender in making any conversion required by this §4.4 prior to the last day of an Interest Period with respect to a LIBOR Rate Loan, including any interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain its LIBOR Rate Loans hereunder.

§4.5. Additional Costs, Etc. Subject to §§4.10 and 4.11 hereof, if any present or future applicable law, which expression, as used herein, includes statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Lender or the Administrative Agent by any central bank or other fiscal, monetary or other authority (whether or not having the force of law), shall:

(a) subject any Lender or the Administrative Agent to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, such Lender's Commitment or the Loans (other than taxes based upon or measured by the income or profits of such Lender or the Administrative Agent), or

(b) materially change the basis of taxation (except for changes in taxes on income or profits) of payments to any Lender of the principal of or the interest on any Loans or any other amounts payable to the Administrative Agent or any Lender under this Agreement or the other Loan Documents, or

(c) impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or letters of credit issued by, or commitments of an office of any Lender, or

(d) impose on any Lender or the Administrative Agent any other conditions or requirements with respect to this Agreement, the other Loan Documents, the Loans, such Lender's Commitment, or any class of loans, letters of credit or commitments of which any of the Loans or such Lender's Commitment forms a part;

and the result of any of the foregoing is:

(i) to increase the cost to any Lender of making, funding, issuing, renewing, extending or maintaining any of the Loans or such Lender's Commitment, or

(ii) to reduce the amount of principal, interest, or other amount payable to such Lender or the Administrative Agent hereunder on account of such Lender's Commitment or any of the Loans, or

(iii) to require such Lender or the Administrative Agent to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Lender or the Administrative Agent from the Borrower hereunder,

then; and in each such case arising or occurring in the immediately preceding 365 days from such demand, the Borrower will, within thirty (30) days after demand made by such Lender or (as the case may be) the Administrative Agent at any time and from time to time and as often as the occasion therefor may arise, within the shorter of such maximum allowable period as permitted by law or such Lender's internal policies (but no longer than one year or the occurrence of the Maturity Date, if sooner) pay to such Lender such additional amounts as such Lender shall determine in good faith to be sufficient to compensate such Lender for such additional cost, reduction, payment or foregone interest or other sum, *provided* that such Lender is generally imposing similar charges on its other similarly situated borrowers.

§4.6. Capital Adequacy. Subject to §§4.10 and 4.11 hereof, if after the date hereof any Lender or the Administrative Agent determines in good faith that (i) the adoption of or change in any law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) regarding capital requirements for banks or bank holding companies or any change in the interpretation or application thereof by a court or governmental authority with appropriate jurisdiction, or (ii) compliance by such Lender or

the Administrative Agent or any Person controlling such Lender or the Administrative Agent with any law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) of any such Person regarding capital adequacy, has the effect of reducing the return on such Lender's or the Administrative Agent's Commitment with respect to any Loans to a level below that which such Lender or the Administrative Agent could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or the Administrative Agent's then existing policies with respect to capital adequacy and assuming full utilization of such entity's capital) by any amount deemed by such Lender or (as the case may be) the Administrative Agent to be material, then such Lender or the Administrative Agent may notify the Borrower of such fact. To the extent that the amount of such reduction in the return on capital is not reflected in the Alternate Base Rate, the Borrower agrees to pay such Lender or (as the case may be) the Administrative Agent the amount of such reduction in the return on capital as and when such reduction is determined, within thirty (30) days after presentation by such Lender or (as the case may be) the Administrative Agent of a certificate in accordance with §4.7 hereof which certificate shall be presented within the shorter of such maximum allowable period as permitted by law or such Lender's internal policies (but no longer than one year or the occurrence of the Maturity Date, if sooner). Each Lender shall allocate such cost increases among its customers in good faith and on an equitable basis.

§4.7. Certificate. A certificate setting forth any additional amounts payable pursuant to §§4.5 or 4.6 and a brief explanation of such amounts which are due, submitted by any Lender or the Administrative Agent to the Borrower shall be *prima facie* evidence that such amounts are due and owing.

§4.8. Indemnity. In addition to the other provisions of this Agreement regarding such matters, the Borrower agrees to indemnify the Administrative Agent and each Lender and to hold the Administrative Agent and each Lender harmless from and against any loss, cost or expense (including LIBOR Breakage Costs, but excluding any loss of Applicable Margin on the relevant Loans) that the Administrative Agent or such Lender may sustain or incur as a consequence of (a) the failure by the Borrower to pay any principal amount of or any interest on any LIBOR Rate Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by the Administrative Agent or such Lender to lenders of funds obtained by it in order to maintain its LIBOR Rate Loans, (b) the failure by the Borrower to make a borrowing or conversion after the Borrower has given or is deemed pursuant to §2.6(c) to have given a Completed Loan Request for a LIBOR Rate Loan or a Conversion Request to convert a Alternate Base Rate Loan into a LIBOR Rate Loan, and (c) the making of any payment of a LIBOR Rate Loan or the making of any conversion of any such Loan to a Alternate Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto, including interest or fees payable by the Administrative Agent or a Lender to lenders of funds obtained by it in order to maintain any such LIBOR Rate Loans.

§4.9. Interest During Event of Default. During the continuance of an Event of Default, outstanding principal and (to the extent permitted by applicable law) interest on the

Loans and all other amounts payable hereunder or under any of the other Loan Documents shall bear interest at a rate per annum equal to four percent (4%) above the rate otherwise then in effect until such amount shall be paid in full (after as well as before judgment).

§4.10. Reasonable Efforts to Mitigate.

Each Lender agrees that as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected under §§4.4, 4.5 or 4.6, such Lender will give notice thereof to the Borrower, with a copy to the Administrative Agent and, to the extent so requested by the Borrower and not inconsistent with regulatory policies applicable to such Lender, such Lender shall use reasonable efforts and take such actions as are reasonably appropriate (including the changing of its lending office or branch) if as a result thereof the additional moneys which would otherwise be required to be paid to such Lender pursuant to such sections would be reduced other than for de minimis amounts, or the illegality or other adverse circumstances which would otherwise require a conversion of such Loans or result in the inability to make such Loans pursuant to such sections would cease to exist, and in each case if, as determined by such Lender in its sole discretion, the taking such actions would not adversely affect such Loans.

§4.11. Replacement of Lenders.

If any Lender (an "***Affected Lender***") (i) makes demand upon the Borrower for (or if the Borrower is otherwise required to pay) amounts pursuant to §§4.4, 4.5 or 4.6, or (ii) is unable to make or maintain LIBOR Rate Loans as a result of a condition described in §4.4, the Borrower may, within 90 days of receipt of such demand, notice (or the occurrence of such other event causing the Borrower to be required to pay such compensation or causing §4.4 to be applicable) as the case may be, by notice (a "***Replacement Notice***") in writing to the Administrative Agent and such Affected Lender (A) request the Affected Lender to cooperate with the Borrower in obtaining a replacement lender satisfactory to the Administrative Agent and the Borrower (the "***Replacement Lender***"); (B) request the non-Affected Lenders to acquire and assume all of the Affected Lender's Loans and Commitment, as provided herein, but none of such Lenders shall be under an obligation to do so; or (C) designate a Replacement Lender which is an Eligible Assignee and is reasonably satisfactory to the Administrative Agent other than when an Event of Default has occurred and is continuing and absolutely satisfactory to the Administrative Agent when an Event of Default has occurred and is continuing. If any satisfactory Replacement Lender shall be obtained, and/or any of the non-Affected Lenders shall agree to acquire and assume all of the Affected Lender's Loans and Commitment, and/or participate in Letters of Credit, then such Affected Lender shall assign, in accordance with §18, all of its Commitment, Loans, Notes and other rights and obligations under this Agreement and all other Loan Documents to such Replacement Lender or non-Affected Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Affected Lender; *provided, however*, that (x) such assignment shall be in accordance with the provisions of §18, shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Affected Lender and such Replacement Lender and/or non-Affected Lenders, as the case may be, and (y) prior to any such

assignment, the Borrower shall have paid to such Affected Lender all amounts properly demanded and unreimbursed under §§4.4, 4.5, 4.6 and 4.8.

§5. GUARANTIES.

§5.1. Guaranties. Each of the Guarantors will jointly and severally guaranty all of the Obligations pursuant to its Guaranty. The Obligations are full recourse obligations of the Borrower and each Guarantor, and all of the respective assets and properties of the Borrower and each such Guarantor shall be available for the payment in full in cash and performance of the Obligations (subject to Permitted Liens and senior claims enforceable as senior in accordance with applicable law, without the Lenders hereby agreeing to any such senior claim that is otherwise prohibited by this Agreement). Other than during the continuance of a Default or Event of Default, at the request of the Borrower, the Guaranty of any Subsidiary Guarantor shall be released by the Administrative Agent if and when all of the Real Estate owned or ground-leased by such Subsidiary Guarantor shall cease (not thereby creating a Default or Event of Default) to be owned by such Subsidiary Guarantor or by any other Borrower, Guarantor, Subsidiary or other Affiliate of any of same, *provided* the foregoing shall never permit the release of MCRC.

§5.2. Subsidiary Guaranty Proceeds. (a) Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, the Administrative Agent and the Lenders agree with the Borrower that any funds, claims, or distributions actually received by the Administrative Agent or any Lender for the account of any Lender as a result of the enforcement of, or pursuant to a claim relating solely to the Loans under, any Subsidiary Guaranty, net of the Administrative Agent's and the Lenders' expenses of collection thereof (such net amount, "***Subsidiary Guaranty Proceeds***"), shall be made available for distribution equally and ratably (in proportion of the aggregate amount of principal, interest and other amounts then owed in respect of the Obligations or of the issuance of Public Debt, as the case may be) among the Administrative Agent, the Lenders and the trustee or trustees of any Public Debt so long as the Administrative Agent receives written notice of the amounts then owed under the Public Debt; *provided* that such agreement to distribute Subsidiary Guaranty Proceeds shall not be effective if the holders of the Public Debt have the benefit of guaranties at any time from the Subsidiaries of the Borrower and have not made a reciprocal agreement to share the proceeds of such guaranties with the Lenders. The Administrative Agent is hereby authorized, by the Borrower, by each Lender and by the Borrower on behalf of each Subsidiary Guarantor to make such Subsidiary Guaranty Proceeds available pursuant to the immediately preceding sentence. No Lender shall have any interest in any amount paid over by the Administrative Agent or any other Lender to the trustee or trustees in respect of any Public Debt (or to the holders thereof) pursuant to the foregoing authorization. This §5.2 shall apply solely to Subsidiary Guaranty Proceeds, and not to any payments, funds, claims or distributions received by the Administrative Agent or any Lender directly or indirectly from Borrower or any other Person (including a Subsidiary Guarantor) other than from a Subsidiary Guarantor pursuant to the enforcement of, or the making of a claim relating solely to the Loans under, a Subsidiary Guaranty. The Borrower is aware of the terms of the Subsidiary Guarantees, and specifically understands and agrees

with the Administrative Agent, and the Lenders that, to the extent Subsidiary Guaranty Proceeds are distributed to holders of Public Debt or their respective trustees, such Subsidiary Guarantor has agreed that the Obligations under this Agreement and any other Loan Document will not be deemed reduced by any such distributions, and each Subsidiary Guarantor shall continue to make payments pursuant to its Subsidiary Guaranty until such time as the Obligations have been paid in full (and the Commitments have been terminated).

(b) Nothing contained in this §5.2 shall be deemed (i) to limit, modify, or alter the rights of the Administrative Agent or any of the Lenders under any Subsidiary Guaranty or other Guaranty, (ii) to subordinate the Obligations to any Public Debt, or (iii) to give any holder of Public Debt (or any trustee for such holder) any rights of subrogation.

(c) This §5.2, and each Guaranty, are for the sole benefit of the Administrative Agent, the Lenders and their respective successors and assigns. Nothing contained herein or in any Guaranty shall be deemed for the benefit of any holder of Public Debt, or any trustee for such holder, nor shall anything contained herein or therein be construed to impose on the Administrative Agent or any Lender any fiduciary duties, obligations or responsibilities to the holders of any Public Debt or their trustees (including, but not limited to, any duty to pursue any Guarantor for payment under its Subsidiary Guaranty).

§6. REPRESENTATIONS AND WARRANTIES. The Borrower for itself and for each Guarantor insofar as any such statements relate to such Guarantor represents and warrants to the Administrative Agent and the Lenders all of the statements contained in this §6.

§6.1. Authority; Etc.

(a) Organization; Good Standing.

(i) MCRLP is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware; each Subsidiary of MCRLP that owns Real Estate is duly organized or formed, validly existing and in good standing as a corporation or a partnership or other entity, as the case may be, under the laws of the state of its organization or formation; the Borrower and each of the Borrower's Subsidiaries that owns Real Estate has all requisite partnership or corporate or other entity, as the case may be, power to own its respective properties and conduct its respective business as now conducted and as presently contemplated; and the Borrower and each of the Borrower's Subsidiaries that owns Real Estate is in good standing as a foreign entity and is duly authorized to do business in the jurisdictions where the Unencumbered Properties or other Real Estate owned or ground-leased by it are located and in each other jurisdiction where such qualification is necessary except where a

failure to be so qualified in such other jurisdiction would not have a materially adverse effect on any of their respective businesses, assets or financial conditions.

(ii) MCRC is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland; each Subsidiary of MCRC that owns Real Estate is duly organized or formed, validly existing and in good standing as a corporation or partnership or other entity, as the case may be, under the laws of the state of its organization or formation; MCRC and each of its Subsidiaries that owns Real Estate has all requisite corporate or partnership or other entity, as the case may be, power to own its respective properties and conduct its respective business as now conducted and as presently contemplated; and MCRC and each of its Subsidiaries that owns Real Estate is in good standing as a foreign entity and is duly authorized to do business in the jurisdictions where such qualification is necessary (including, as to MCRC, in the State of New Jersey) except where a failure to be so qualified in such other jurisdiction would not have a materially adverse effect on the business, assets or financial condition of MCRC or such Subsidiary.

(iii) As to each subsequent Guarantor, a provision similar, as applicable, to (a) (i) or (ii) above shall be included in each such subsequent Guarantor's Subsidiary Guaranty, and the Borrower shall be deemed to make for itself and on behalf of each such subsequent Guarantor a representation and warranty as to such provision regarding such subsequent Guarantor.

(b) Capitalization.

(i) The outstanding equity of MCRLP is comprised of a general partner interest and limited partner interests, all of which have been duly issued and are outstanding and fully paid and non-assessable as set forth in ***Schedule 6.1(b)*** hereto, as of the Closing Date. All of the issued and outstanding general partner interests of MCRLP are owned and held of record by MCRC. Except as disclosed in ***Schedule 6.1(b)*** hereto, as of the Closing Date there are no outstanding securities or agreements exchangeable for or convertible into or carrying any rights to acquire any general partnership interests in MCRLP. Except as disclosed in ***Schedule 6.1(b)***, as of the Closing Date, there are no outstanding commitments, options, warrants, calls or other agreements (whether written or oral) binding on MCRLP or MCRC which require or could require MCRLP or MCRC to sell, grant, transfer, assign, mortgage, pledge or otherwise dispose of any general partnership interests of MCRLP. Except as set forth in the Agreement

of Limited Partnership of MCRLP, no general partnership interests of MCRLP are subject to any restrictions on transfer or any partner agreements, voting agreements, trust deeds, irrevocable proxies, or any other similar agreements or interests (whether written or oral).

(ii) As of the Closing Date, the authorized capital stock of, or any other equity interests in, each of MCRC's Subsidiaries are as set forth in ***Schedule 6.1(b)***, and the issued and outstanding voting and non-voting shares of the common stock of each of MCRC's Subsidiaries, and all of the other equity interests in such Subsidiaries, all of which have been duly issued and are outstanding and fully paid and non-assessable, are owned and held of record as set forth in ***Schedule 6.1(b)***. Except as disclosed in ***Schedule 6.1(b)***, as of the Closing Date there are no outstanding securities or agreements exchangeable for or convertible into or carrying any rights to acquire any equity interests in any of MCRC's Subsidiaries, and there are no outstanding options, warrants, or other similar rights to acquire any shares of any class in the capital of or any other equity interests in any of MCRC's Subsidiaries. Except as disclosed in ***Schedule 6.1(b)***, as of the Closing Date there are no outstanding commitments, options, warrants, calls or other agreements or obligations (whether written or oral) binding on any of MCRC's Subsidiaries to issue, sell, grant, transfer, assign, mortgage, pledge or otherwise dispose of any shares of any class in the capital of or other equity interests in any of MCRC's Subsidiaries. Except as disclosed in ***Schedule 6.1(b)***, as of the Closing Date, no shares of, or equity interests in, any of MCRC's Subsidiaries held by MCRC are subject to any restrictions on transfer pursuant to any of MCRC's Subsidiaries' applicable partnership, charter, by-laws or any shareholder agreements, voting agreements, voting trusts, trust agreements, trust deeds, irrevocable proxies or any other similar agreements or instruments (whether written or oral).

(c) Due Authorization. The execution, delivery and performance of this Agreement and the other Loan Documents to which the Borrower or any of the Guarantors is a party and the transactions contemplated hereby and thereby (i) are within the authority of the Borrower and such Guarantor, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower or such Guarantor and any general partner or other controlling Person thereof, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which the Borrower or such Guarantor is subject or any judgment, order, writ, injunction, license or permit applicable to the Borrower or such Guarantor, (iv) do not conflict with any provision of the agreement of limited partnership, any certificate of limited partnership, the charter documents or by-laws of the Borrower or such Guarantor or any general partner or other controlling Person thereof, and (v) do not contravene any provisions of, or constitute a default, Default or Event of Default hereunder or a failure to comply with any term, condition or provision of, any other

agreement, instrument, judgment, order, decree, permit, license or undertaking binding upon or applicable to the Borrower or such Guarantor or any of the Borrower's or such Guarantor's properties (except for any such failure to comply under any such other agreement, instrument, judgment, order, decree, permit, license, or undertaking as would not materially and adversely affect the condition (financial or otherwise), properties, business or results of operations of the Borrower, the Operating Subsidiaries or any Guarantor) or result in the creation of any mortgage, pledge, security interest, lien, encumbrance or charge upon any of the properties or assets of the Borrower, the Operating Subsidiaries or any Guarantor.

(d) Enforceability. Each of the Loan Documents to which the Borrower or any of the Guarantors is a party has been duly executed and delivered and constitutes the legal, valid and binding obligations of the Borrower and each such Guarantor, as the case may be, subject only to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and to the fact that the availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

§6.2. Governmental Approvals. The execution, delivery and performance by the Borrower of this Agreement and by the Borrower and each Guarantor of the other Loan Documents to which the Borrower or such Guarantor is a party and the transactions contemplated hereby and thereby do not require (i) the approval or consent of any governmental agency or authority other than those already obtained, or (ii) filing with any governmental agency or authority, other than filings which will be made with the SEC when and as required by law.

§6.3. Title to Properties; Leases.

The Borrower, the Guarantors and their respective Subsidiaries that own Real Estate each has good title to all of its respective Real Estate purported to be owned by it, including, without limitation, that:

(a) As of the Closing Date (with respect to Unencumbered Properties designated as such on the Closing Date) or the date of designation as an Unencumbered Property (with respect to Unencumbered Properties acquired and/or designated as such after the Closing Date), and in each case to its knowledge thereafter, (i) the Borrower or a Guarantor holds good and clear record and marketable fee simple or leasehold title to the Unencumbered Properties, subject to no rights of others, including any mortgages, conditional sales agreements, title retention agreements, liens or encumbrances, except for Permitted Liens and, in the case of any ground-leased Unencumbered Property, the terms of such ground lease (which shall be an Eligible Ground Lease), as the same may then or thereafter be amended from time to time in a manner consistent with the requirements for an Eligible Ground Lease and (ii) the Unencumbered Properties satisfy the requirements for an Unencumbered Property set forth in the definition thereof. ***Schedule 6.3(a)*** sets forth a list of all Unencumbered Properties as of the Closing Date.

(b) The Borrower and each of the then Guarantors will, as of the Closing Date, own all of the assets as reflected in the financial statements of the Borrower and MCRC described in §6.4 or acquired in fee title (or, if Real Estate, leasehold title under an Eligible Ground Lease) since the date of such financial statements (except property and assets sold or otherwise disposed of in the ordinary course of business since that date).

(c) As of the Closing Date, each of the direct or indirect interests of MCRC, the Borrower or MCRC's other Subsidiaries in any Partially-Owned Entity that owns Real Estate is set forth on ***Schedule 6.3(c)*** hereto, including the type of entity in which the interest is held, the percentage interest owned by MCRC, the Borrower or such Subsidiary in such entity, the capacity in which MCRC, the Borrower or such Subsidiary holds the interest, and MCRC's, the Borrower's or such Subsidiary's ownership interest therein. ***Schedule 6.3(c)*** will be updated quarterly at the time of delivery of the financial statements pursuant to §7.4(b).

§6.4. Financial Statements. The following financial statements have been furnished to each of the Lenders:

(a) The audited consolidated balance sheet of MCRC and its Subsidiaries (including, without limitation, MCRLP and its Subsidiaries) as of December 31, 2005 and their related consolidated income statements for the fiscal year ended December 31, 2005. Such balance sheet and income statements have been prepared in accordance with GAAP and fairly present the financial condition of MCRC and its Subsidiaries as of the close of business on the date thereof and the results of operations for the fiscal year then ended. There are no contingent liabilities of MCRC as of such dates involving material amounts, known to the officers of the Borrower or of MCRC, not disclosed in said financial statements and the related notes thereto.

(b) The SEC Filings.

§6.5 Fiscal Year. MCRC, the Borrower and its Subsidiaries each has a fiscal year which is the twelve months ending on December 31 of each calendar year, unless changed in accordance with §8.8 hereof.

§6.6. Franchises, Patents, Copyrights, Etc. The Borrower, each Guarantor and each of their respective Subsidiaries that owns Real Estate possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of their respective businesses substantially as now conducted without known material conflict with any rights of others, including all Permits.

§6.7. Litigation. Except as stated on ***Schedule 6.7***, as updated at the time of each compliance certificate, there are no actions, suits, proceedings or investigations of any kind pending or, to the knowledge of the Borrower and the Guarantors, threatened against the Borrower, any Guarantor or any of their respective Subsidiaries before any court, tribunal or

administrative agency or board that, if adversely determined, could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect or materially impair the rights of the Borrower or such Guarantor to carry on their respective businesses substantially as now conducted by them, or result in any substantial liability not adequately covered by insurance, or for which adequate reserves are not maintained, as reflected in the applicable financial statements of MCRLP and MCRC, or which question the validity of this Agreement or any of the other Loan Documents, or any action taken or to be taken pursuant hereto or thereto.

§6.8. No Materially Adverse Contracts, Etc. None of the Borrower, any Guarantor or any of their respective Subsidiaries is subject to any charter, corporate, partnership or other legal restriction, or any judgment, decree, order, rule or regulation that has or is reasonably expected to have a Material Adverse Effect. None of the Borrower, any Guarantor or any of their respective Subsidiaries that owns Real Estate is a party to any contract or agreement that has or is reasonably expected, in the judgment of their respective officers, to have a Material Adverse Effect.

§6.9. Compliance With Other Instruments, Laws, Etc. None of the Borrower, any Guarantor or any of their respective Subsidiaries that owns Real Estate is in violation of any provision of its partnership agreement, charter documents, bylaws or other organizational documents, as the case may be, or any respective agreement or instrument to which it is subject or by which it or any of its properties (including, in the case of MCRC and MCRLP, any of their respective Subsidiaries) are bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could reasonably be expected to result, individually or in the aggregate, in the imposition of substantial penalties or have a Material Adverse Effect.

§6.10. Tax Status.

(a) (i) Each of the Borrower, the Guarantors and their respective Subsidiaries (A) has timely made or filed all federal, state and local income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (B) has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings and (C) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply, and (ii) there are no unpaid taxes in an aggregate amount in excess of $10,000,000 at any one time claimed to be due by the taxing authority of any jurisdiction for which payment is required to be made in accordance with the provisions of §7.9 and has not been timely made, and the respective officers of the Borrower and the Guarantors and their respective Subsidiaries know of no basis for any such claim.

(b) To the Borrower's knowledge, each Partially-Owned Entity (i) has timely made or filed all federal, state and local income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and

other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings and (iii) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. To the best of the Borrower's knowledge, except as otherwise disclosed in writing to the Administrative Agent, there are no unpaid taxes in an aggregate amount in excess of $10,000,000 at any one time claimed to be due by the taxing authority of any jurisdiction for which payment is required to be made in accordance with the provisions of §7.9 and has not been timely made by any Partially-Owned Entity, and the officers of the Borrower know of no basis for any such claim.

§6.11. No Event of Default; No Materially Adverse Changes. No Default or Event of Default has occurred and is continuing. Since September 30, 2006 there has occurred no materially adverse change in the financial condition or business of MCRC and its Subsidiaries or MCRLP and its Subsidiaries as shown on or reflected in the SEC Filings or the consolidated balance sheet of MCRC and its Subsidiaries as at September 30, 2006, or the consolidated statement of income for the fiscal quarter then ended, other than changes in the ordinary course of business that have not had a Material Adverse Effect on the Borrower, Guarantors and their respective Subsidiaries, taken as a whole.

§6.12. Investment Company Acts; Public Utility Holding Company Act. None of the Borrower, any Guarantor or any of their respective Subsidiaries is (a) an "investment company", or an "affiliated company" or a "principal underwriter" of an "investment company", as such terms are defined in the Investment Company Act of 1940 or (b) subject to regulation as a "holding company" or a "public-utility company" under the Public Utility Holding Act of 2005 and the regulations thereunder ("PUHCA 2005"), or to accounting or cost-allocation regulation under PUHCA 2005, or to regulation as a "public utility" under the Federal Power Act of 1935, as amended, and the regulations thereunder.

§6.13. Absence of UCC Financing Statements, Etc. Except for Permitted Liens, as of the Closing Date there will be no financing statement, security agreement, chattel mortgage, real estate mortgage, equipment lease, financing lease, option, encumbrance or other document filed or recorded with any filing records, registry, or other public office, that purports to cover, affect or give notice of any present or possible future lien or encumbrance on, or security interest in, any Unencumbered Property. Neither the Borrower nor any Guarantor has pledged or granted any lien on or security interest in or otherwise encumbered or transferred any of their respective interests in any Subsidiary (including in the case of MCRC, its interests in MCRLP, and in the case of the Borrower, its interests in the Operating Subsidiaries) or in any Partially-Owned Entity.

§6.14. Absence of Liens The Borrower or a Guarantor is the owner of or the holder of a ground leasehold interest under an Eligible Ground Lease in the Unencumbered Properties free from any lien, security interest, encumbrance and any other claim or demand, except for Permitted Liens.

§6.15. Certain Transactions. Except as set forth on ***Schedule 6.15*** or for transactions that have been determined by the Board of Directors of the relevant Borrower, Guarantor or Subsidiary (or its respective general partner) to be on terms as favorable to such Person as in an arms-length transaction with a third party, none of the officers, partners, directors, or employees of the Borrower or any Guarantor or any of their respective Subsidiaries is presently a party to any transaction with the Borrower, any Guarantor or any of their respective Subsidiaries (other than for or in connection with services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, partner, director or such employee or, to the knowledge of the Borrower, any corporation, partnership, trust or other entity in which any officer, partner, director, or any such employee or natural Person related to such officer, partner, director or employee or other Person in which such officer, partner, director or employee has a direct or indirect beneficial interest has a substantial interest or is an officer, director, trustee or partner.

§6.16. Employee Benefit Plans.

§6.16.1 In General.

Each Employee Benefit Plan and each Guaranteed Pension Plan has been maintained and operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions and the bonding of fiduciaries and other persons handling plan funds as required by §412 of ERISA. The Borrower has heretofore delivered to the Administrative Agent the most recently completed annual report, Form 5500, with all required attachments, and actuarial statement required to be submitted under §103(d) of ERISA, with respect to each Guaranteed Pension Plan.

§6.16.2 Terminability of Welfare Plans.

No Employee Benefit Plan, which is an employee welfare benefit plan within the meaning of §3(1) or §3(2)(B) of ERISA, provides benefit coverage subsequent to termination of employment, except as required by Title I, Part 6 of ERISA or the applicable state insurance laws. The Borrower may terminate each such Plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) in the discretion of the Borrower without material liability to any Person other than for claims arising prior to termination.

§6.16.3 Guaranteed Pension Plans.

Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of §302(f) of ERISA, or otherwise, has been timely

made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan, and neither the Borrower nor any Guarantor nor any ERISA Affiliate is obligated to or has posted security in connection with an amendment to a Guaranteed Pension Plan pursuant to §307 of ERISA or §401(a)(29) of the Code. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the Borrower nor any Guarantor nor any ERISA Affiliate with respect to any Guaranteed Pension Plan and there has not been any ERISA Reportable Event (other than an ERISA Reportable Event as to which the requirement of 30 days notice has been waived), or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within twelve months of the date of this representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of §4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities, by more than $500,000.

§6.16.4 Multiemployer Plans.

Neither the Borrower nor any Guarantor nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under §4201 of ERISA or as a result of a sale of assets described in §4204 of ERISA. Neither the Borrower nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or insolvent under and within the meaning of §4241 or §4245 of ERISA or is at material risk of entering reorganization or becoming insolvent, or that any Multiemployer Plan intends to terminate or has been terminated under §4041A of ERISA.

§6.17. Regulations U and X. The proceeds of the Loans shall be used for the purposes described in §7.12. No portion of any Loan is to be used for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224, *provided* the Borrower may purchase MCRC stock as long as it does not at any time cause the Lenders to be in violation of Regulations U and X and such action does not otherwise constitute a Default or an Event of Default.

§6.18. Environmental Compliance. The Borrower has caused environmental assessments to be conducted and/or taken other steps to investigate the past and present environmental condition and usage of the Real Estate and the operations conducted thereon. Based upon such assessments and/or investigation, except as set forth on Schedule 6.18 or in any update to Schedule 6.18 in the case of any new Real Estate that becomes an

Unencumbered Property under this Agreement after the Closing Date, to the Borrower's knowledge, the Borrower represents and warrants that as of the Closing Date as to all Real Estate held by it as of the Closing Date and as of the date any new Real Estate becomes an Unencumbered Property under this Agreement as to such new Unencumbered Property:

(a) None of the Borrower, any Guarantor, any of their respective Subsidiaries or any operator of the Real Estate or any portion thereof, or any operations thereon is in violation, or alleged violation (in writing), of any judgment, order, law, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act ("***RCRA***"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("***CERCLA***"), the Superfund Amendments and Reauthorization Act of 1986 ("***SARA***"), the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any state or local statute, regulation, ordinance or order relating to health, safety or the environment (hereinafter "***Environmental Laws***"), which violation or alleged violation (in writing) has, or its remediation would have, by itself or when aggregated with all such other violations or alleged violations, a Material Adverse Effect or constitutes a Disqualifying Environmental Event.

(b) None of the Borrower, any Guarantor or any of their respective Subsidiaries has received notice from any third party, including, without limitation, any federal, state or local governmental authority, (i) that it has been identified by the United States Environmental Protection Agency ("***EPA***") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986), (ii) that any hazardous waste, as defined by 42 U.S.C. §6903(5), any hazardous substances as defined by 42 U.S.C. § 9601(14), any pollutant or contaminant as defined by 42 U.S.C. §9601(33) or any toxic substances, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("***Hazardous Substances***") which it has generated, transported or disposed of has been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that the Borrower, any Guarantor or any of their respective Subsidiaries conduct a remedial investigation, removal or other response action pursuant to any Environmental Law, or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, or legal or administrative proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Substances; which event described in any such notice would have a Material Adverse Effect or constitutes a Disqualifying Environmental Event.

(c) (i) No portion of the Real Estate has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance with applicable Environmental Laws; and no underground tank or other underground storage receptacle for Hazardous Substances is located on any portion of any Real Estate except in accordance with applicable Environmental Laws, (ii) in the course of any activities conducted by the Borrower, the Guarantors, their respective Subsidiaries or to the

knowledge of the Borrower, without any independent inquiry other than as set forth in the environmental assessments, the operators of the Real Estate, or any ground or space tenants on any Real Estate, no Hazardous Substances have been generated or are being used on such Real Estate except in accordance with applicable Environmental Laws, (iii) there has been no present or past releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping (a "***Release***") or threatened Release of Hazardous Substances on, upon, into or from the Real Estate, (iv) to the knowledge of the Borrower without any independent inquiry other than as set forth in the environmental assessments, there have been no Releases on, upon, from or into any real property in the vicinity of any of the Real Estate which, through soil or groundwater contamination, may have come to be located on such Real Estate, and (v) any Hazardous Substances that have been generated by the Borrower or a Guarantor or any of their respective Subsidiaries at any of the Real Estate have been transported off-site only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws; any of which events described in clauses (i) through (v) above would have a Material Adverse Effect, or constitutes a Disqualifying Environmental Event.

(d) By virtue of the use of the Loans proceeds contemplated hereby, or as a condition to the effectiveness of any of the Loan Documents, none of the Borrower, any Guarantor or any of the Real Estate is subject to any applicable Environmental Law requiring the performance of Hazardous Substances site assessments, or the removal or remediation of Hazardous Substances, or the giving of notice to any governmental agency or the recording or delivery to other Persons of an environmental disclosure document or statement.

§6.19. Subsidiaries. As of the Closing Date, ***Schedule 6.19*** sets forth all of the respective Subsidiaries of MCRC or MCRLP and any other Guarantor, and ***Schedule 6.19*** will be updated annually at the time of delivery of the financial statements pursuant to §7.4(a) to reflect any changes, including subsequent Guarantor and its Subsidiaries, if any.

§6.20. Loan Documents. All of the representations and warranties of the Borrower and the Guarantors made in this Agreement and in the other Loan Documents or any document or instrument delivered to the Administrative Agent or the Lenders pursuant to or in connection with any of such Loan Documents are true and correct in all material respects and do not include any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make such representations and warranties not materially misleading.

§6.21. REIT Status. MCRC has not taken any action that would prevent it from maintaining its qualification as a REIT or from maintaining such qualification at all times during the term of the Loans.

§6.22. Subsequent Guarantors. The foregoing representations and warranties in §6.3 through §6.20, as the same are true, correct and applicable to Guarantors existing on the
Closing Date, shall be true, correct and applicable to each subsequent Guarantor in all material respects as of the date it becomes a Guarantor.

§7. AFFIRMATIVE COVENANTS OF THE BORROWER AND THE GUARANTORS. The Borrower for itself and on behalf of each of the Guarantors (if and to the extent expressly included in Subsections contained in this Section) covenants and agrees that, so long as any Loan or Note is outstanding or the Lenders have any obligation or commitment to make any Loans:

§7.1. Punctual Payment. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans and all interest, fees, charges and other amounts provided for in this Agreement and the other Loan Documents, all in accordance with the terms of this Agreement and the Notes, and the other Loan Documents.

§7.2. Maintenance of Office. The Borrower and each of the Guarantors will maintain its chief executive office in Cranford, New Jersey, or at such other place in the United States of America as each of them shall designate upon written notice to the Administrative Agent to be delivered within five (5) days of such change, where notices, presentations and demands to or upon the Borrower and the Guarantors, as the case may be, in respect of the Loan Documents may be given or made.

§7.3. Records and Accounts. The Borrower and each of the Guarantors will (a) keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP in all material respects, and will cause each of its Subsidiaries that owns Real Estate to keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP in all material respects, (b) maintain adequate accounts and reserves for all taxes (including income taxes), contingencies, depreciation and amortization of its properties and the properties of its Subsidiaries and (c) at all times engage PricewaterhouseCoopers LLP or other Accountants as the independent certified public accountants of MCRC, MCRLP and their respective Subsidiaries and will not permit more than thirty (30) days to elapse between the cessation of such firm's (or any successor firm's) engagement as the independent certified public accountants of MCRC, MCRLP and their respective Subsidiaries and the appointment in such capacity of a successor firm as Accountants.

§7.4. Financial Statements, Certificates and Information. The Borrower will deliver and will cause MCRC to deliver to the Administrative Agent:

(a) as soon as practicable, but in any event not later than ninety (90) days after the end of each of its fiscal years, unless, in the case of MCRC, MCRC has filed for an extension in accordance with §7.4(g) hereof, in which case such annual financial statements shall be due in accordance with the proviso to §7.4(g):

(i) in the case of MCRLP, the audited consolidated balance sheet of MCRLP and its subsidiaries at the end of such year, the related audited consolidated statements of operations, owner's equity (deficit) and cash flows for the year then ended, in each case (except for statements of cash flow and owner's equity) with supplemental consolidating schedules provided by MCRLP; and

(ii) in the case of MCRC, the audited consolidated balance sheet of MCRC and its subsidiaries (including, without limitation, MCRLP and its subsidiaries) at the end of such year, the related audited consolidated statements of operations, stockholders' equity (deficit) and cash flows for the year then ended, in each case with supplemental consolidating schedules (except for statements of cash flow and stockholders' equity) provided by MCRC;

each setting forth in comparative form the figures for the previous fiscal year and all such statements to be in reasonable detail, prepared in accordance with GAAP, and, in each case, accompanied by an auditor's report prepared by the Accountants without a "going-concern" or like qualification or exception and without any qualification or exception as to the scope of such audit;

(b) as soon as practicable, but in any event not later than forty-five (45) days after the end of each of its first three (3) fiscal quarters:

(i) in the case of MCRLP, copies of the unaudited consolidated balance sheet of MCRLP and its subsidiaries as at the end of such quarter, the related unaudited consolidated statements of operations, owner's equity (deficit) and cash flows for the portion of MCRLP's fiscal year then elapsed, with supplemental consolidating schedules (except with respect to statements of cash flow and owner's equity) provided by MCRLP; and

(ii) in the case of MCRC, copies of the unaudited consolidated balance sheet of MCRC and its subsidiaries (including, without limitation, MCRLP and its subsidiaries) as at the end of such quarter, the related unaudited consolidated statements of operations, stockholders' equity (deficit) and cash flows for the portion of MCRC's fiscal year then elapsed, with supplemental consolidating schedules (except with respect to statements of cash flow and stockholders' equity) provided by MCRC;

all in reasonable detail and prepared in accordance with GAAP on the same basis as used in preparation of MCRC's Form 10-Q statements filed with the SEC, together with a certification by the chief financial officer or senior vice president of finance of MCRLP or MCRC, as applicable, that the information contained in such financial statements fairly presents the financial position of MCRLP or MCRC (as the case may be) and its subsidiaries on the date thereof (subject to year-end adjustments);

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) (for the fourth fiscal quarter of each fiscal year) above and (b) (for the first three fiscal quarters of each fiscal year), a statement in the form of ***Exhibit D*** hereto signedy the chief financial officer or senior vice president of finance of the MCRLP or MCRC, as applicable, and (if applicable) reconciliations to reflect changes in GAAP since the applicable Financial Statement Date, but only to the extent that such changes in GAAP affect the financial covenants set forth in §9 hereof; and, in the case of MCRLP, setting forth in reasonable detail computations evidencing compliance with the covenants contained in §8.6 and §9 hereof;

(d) promptly if requested by the Administrative Agent, a copy of each report (including any so-called letters of reportable conditions or letters of no material weakness) submitted to the Borrower, MCRC, or any other Guarantor or any of their respective subsidiaries by the Accountants in connection with each annual audit of the books of the Borrower, MCRC, or any other Guarantor or such subsidiary by such Accountants or in connection with any interim audit thereof pertaining to any phase of the business of the Borrower, MCRC or any other Guarantor or any such subsidiary;

(e) contemporaneously with the filing or mailing thereof, copies of all material of a financial nature sent to the holders of any Indebtedness of the Borrower or any Guarantor (other than the Loans) for borrowed money, to the extent that the information or disclosure contained in such material refers to or could reasonably be expected to have a Material Adverse Effect;

(f) subject to subsection (g) below, contemporaneously with the filing or mailing thereof, copies of all material of a financial nature filed with the SEC or sent to the stockholders of MCRC;

(g) as soon as practicable, but in any event not later than ninety (90) days after the end of each fiscal year of MCRC, copies of the Form 10-K statement filed by MCRC with the SEC for such fiscal year, and as soon as practicable, but in any event not later than forty-five (45) days after the end of each fiscal quarter of MCRC, copies of the Form 10-Q statement filed by MCRC with the SEC for such fiscal quarter, *provided* that, in either case, if MCRC has filed an extension for the filing of such statements, MCRC shall deliver such statements to the Administrative Agent within ten (10) days after the filing thereof with the SEC which filing shall be within fifteen (15) days of MCRC's filing for such extension or such sooner time as required to avert a Material Adverse Effect on MCRC;

(h) from time to time, but not more frequently than once each calendar quarter so long as no Default or Event of Default has occurred and is continuing, such other financial data and information about the Borrower, MCRC, the other Guarantors, their respective Subsidiaries, the Real Estate and the Partially-Owned Entities as the Administrative Agent or any Lender acting through the Administrative Agent may reasonably request, and which is prepared by such Person in the normal course of its business or is required for securities and tax law compliance, including pro forma financial statements described in §9.9(b)(ii), complete rent rolls for the Unencumbered Properties and summary rent rolls for the other Real Estate, and insurance certificates with respect to the Real Estate (including the Unencumbered Properties) and tax returns (following the occurrence of a Default or Event of Default or, in the case of MCRC, to confirm MCRC's REIT status), but excluding working drafts and papers and privileged documents; and

(i) simultaneously with the delivery of the financial statements referred to in subsections (a) (for the fourth fiscal quarter of each fiscal year) above and (b) (for the first three fiscal quarters of each fiscal year) above, updates to ***Schedule 6.3(a)*** and ***Schedule 6.3(c)*** hereto, and simultaneously with the delivery of the financial statements referred to in subsection (a) above, updates to ***Schedule 6.19*** hereto.

§7.5. Notices.

(a) Defaults. The Borrower will, and will cause each Guarantor, as applicable, to, promptly notify the Administrative Agent in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice or take any other action in respect of (x) a claimed default (whether or not constituting a Default or Event of Default under this Agreement) or (y) a claimed default by the Borrower, any Guarantor or any of their respective Subsidiaries, as applicable, under any note, evidence of Indebtedness, indenture or other obligation for borrowed money to which or with respect to which any of them is a party or obligor, whether as principal, guarantor or surety, and such default would permit the holder of such note or obligation or other evidence of Indebtedness to accelerate the maturity thereof or otherwise cause the entire Indebtedness to become due, the Borrower, MCRC or such other Guarantor, as the case may be, shall forthwith give written notice thereof to the Administrative Agent, describing the notice or action and the nature of the claimed failure to comply.

(b) Environmental Events. The Borrower will, and will cause each Guarantor to, promptly give notice in writing to the Administrative Agent (i) upon the Borrower's or such Guarantor's obtaining knowledge of any material violation of any Environmental Law affecting any Real Estate or the Borrower's or such Guarantor's operations or the operations of any of their Subsidiaries, (ii) upon the Borrower's or such Guarantor's obtaining knowledge of any known Release of any Hazardous Substance at, from, or into any Real Estate which it reports in writing or is reportable by it in writing to any governmental authority and which is material in amount or nature or which could materially adversely affect the value of such Real Estate, (iii) upon the Borrower's or such Guarantor's receipt of any notice of material violation of any Environmental Laws or of any material Release of Hazardous Substances in violation of any Environmental Laws or any matter that may be a Disqualifying Environmental Event, including a notice or claim of liability or potential responsibility from any third party (including without limitation any federal, state or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A) the Borrower's or such Guarantor's or any other Person's operation of any Real Estate, (B) contamination on, from or into any Real Estate, or (C) investigation or remediation of off-site locations at which the Borrower or such Guarantor or any of its predecessors are alleged to have directly or indirectly disposed of Hazardous Substances, or (iv) upon the Borrower's or such Guarantor's obtaining knowledge that any expense or loss has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Substances with respect to which the Borrower or such Guarantor or any Partially-Owned Entity may be liable or for which a lien may be imposed on any Real Estate; provided any of which events described in clauses (i) through (iv) above would have a Material Adverse Effect or constitute a Disqualifying Environmental Event with respect to any Unencumbered Property.

(c) Notification of Claims against Unencumbered Properties. The Borrower will, and will cause each Guarantor to, promptly upon becoming aware thereof, notify the Administrative Agent in writing of any setoff, claims, withholdings or other defenses to which any of the Unencumbered Properties are subject, which (i) would have a material adverse effect on the value of such Unencumbered Property, (ii) would have a Material Adverse Effect, or (iii) with respect to such Unencumbered Property, would constitute a Disqualifying Environmental Event or a Lien which is not a Permitted Lien.

(d) Notice of Litigation and Judgments. The Borrower will, and will cause each Guarantor and each Guarantor's Subsidiaries to, and the Borrower will cause each of its respective Subsidiaries to, give notice to the Administrative Agent in writing within ten (10) days of becoming aware of any litigation or proceedings threatened in writing or any pending litigation and proceedings an adverse determination in which could reasonably be expected to have a Material Adverse Effect or materially adversely affect any Unencumbered Property, or to which the Borrower, any Guarantor or any of their respective Subsidiaries is or is to become a party involving an uninsured claim against the Borrower, any Guarantor or any of their respective Subsidiaries that could reasonably be expected to have a Materially Adverse Effect or materially adversely affect the value or operation of the Unencumbered Properties and stating the nature and status of such litigation or proceedings. The Borrower will, and will cause each of the Guarantors and the Subsidiaries to, give notice to the Administrative Agent, in writing, in form and detail reasonably satisfactory to the Administrative Agent, within ten (10) days of any judgment not covered by insurance, final or otherwise, against the Borrower, any Guarantor or any of their Subsidiaries in an amount in excess of $5,000,000.

(e) Acquisition of Real Estate. The Borrower shall promptly provide the Administrative Agent and the Lenders with any press releases relating to the acquisition of any Real Estate by the Borrower, any Guarantor, any of their respective Subsidiaries or any Partially-Owned Entity for consideration in excess of $50,000,000, together with a statement as to whether such Real Estate qualifies as an Unencumbered Property.

§7.6. Existence of Borrower and Subsidiary Guarantors; Maintenance of Properties. The Borrower for itself and for each Subsidiary Guarantor insofar as any such statements relate to such Subsidiary Guarantor will do or cause to be done all things necessary to, and shall, preserve and keep in full force and effect its existence as a limited partnership or its existence as another legally constituted entity, and will do or cause to be done all things necessary to preserve and keep in full force all of its material rights and franchises and those of its Subsidiaries. The Borrower (a) will cause all necessary repairs, renewals,

replacements, betterments and improvements to be made to all Real Estate owned or controlled by it or by any of its Subsidiaries or any Subsidiary Guarantor, all as in the judgment of the Borrower or such Subsidiary or such Subsidiary Guarantor may be necessary so that the business carried on in connection therewith may be properly conducted at all times, subject to the terms of the applicable Leases and partnership agreements or other entity charter documents, (b) will cause all of its other properties and those of its Subsidiaries and the Subsidiary Guarantors used or useful in the conduct of its business or the business of its Subsidiaries or such Subsidiary Guarantor to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear excepted, and (c) will, and will cause each of its Subsidiaries and each Subsidiary Guarantor to, continue to engage primarily in the businesses now conducted by it and in related businesses consistent with the requirements of the fourth sentence of §7.7 hereof; *provided* that nothing in this §7.6 shall prevent the Borrower from discontinuing the operation and maintenance of any of its properties or any of those of its Subsidiaries if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of its or their business and such discontinuance does not cause a Default or an Event of Default hereunder and does not in the aggregate have a Material Adverse Effect on the Borrower, Guarantors and their respective Subsidiaries taken as a whole.

§7.7. Existence of MCRC; Maintenance of REIT Status of MCRC; Maintenance of Properties. Except as expressly set forth in the second paragraph of this §7.7, the Borrower will cause MCRC to do or cause to be done all things necessary to preserve and keep in full force and effect MCRC's existence as a Maryland corporation. The Borrower will cause MCRC at all times to maintain its status as a REIT and not to take any action which could lead to its disqualification as a REIT. The Borrower shall cause MCRC at all times to maintain its listing on the New York Stock Exchange or any successor thereto. The Borrower will cause MCRC to continue to operate as a fully-integrated, self-administered and self-managed real estate investment trust which, together with its Subsidiaries (including, without limitation MCRLP) owns and operates an improved property portfolio comprised primarily (i.e., 85% or more by value) of office, office/flex, warehouse and industrial/warehouse properties. The Borrower will cause MCRC not to engage in any business other than the business of acting as a REIT and serving as the general partner and limited partner of MCRLP, as a member, partner or stockholder of other Persons and as a Guarantor. The Borrower shall cause MCRC to conduct all or substantially all of its business operations through MCRLP or through subsidiary partnerships or other entities in which (x) MCRLP directly or indirectly owns at least 95% of the economic interests and (y) MCRC directly or indirectly (through wholly-owned Subsidiaries) acts as sole general partner or managing member. The Borrower shall cause MCRC not to own real estate assets outside of its interests in MCRLP. The Borrower will cause MCRC and its Subsidiaries to do or cause to be done all things necessary to preserve and keep in full force all of its rights and franchises and those of its Subsidiaries. The Borrower will cause MCRC (a) to cause all of its properties and those of its Subsidiaries used or useful in the conduct of its business or the business of its Subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear excepted, (b) to cause to be made all necessary repairs, renewals, replacements, betterments and

improvements thereof, all as in the judgment of MCRC may be necessary so that the business carried on in connection therewith may be properly conducted at all times, and (c) to cause each of its Subsidiaries to continue to engage primarily in the businesses now conducted by it and in related businesses, consistent with the requirements of the fourth sentence of this §7.7; *provided* that nothing in this §7.7 shall prevent MCRC from discontinuing the operation and maintenance of any of its properties or any of those of its Subsidiaries if such discontinuance is, in the judgment of MCRC, desirable in the conduct of its or their business and such discontinuance does not cause a Default or an Event of Default hereunder and does not in the aggregate materially adversely affect the business of MCRC and its Subsidiaries on a consolidated basis.

Notwithstanding the foregoing, MCRC shall be permitted to change its organizational status to become a Maryland business trust (the "***MCRC Organizational Change***"), *provided* the following conditions are satisfied: (i) the Borrower gives the Administrative Agent at least ten (10) Business Days prior written notice of such change; (ii) no Event of Default has occurred and is continuing at the time such change occurs and no Default or Event of Default would result therefrom; (iii) such change would not otherwise reasonably be expected to have a Material Adverse Effect; (iv) MCRC reaffirms its obligations under the MCRC Guaranty; (v) counsel for MCRC issues updated legal opinions reasonably acceptable to the Administrative Agent and its counsel as to the consummation of the MCRC Organizational Change and the continued enforceability of the MCRC Guaranty; and (vi) MCRC and the Borrower provide any other documentation reasonably requested by the Administrative Agent.

§7.8. Insurance. The Borrower will, and will cause each Guarantor to, maintain with respect to its properties, and will cause each of its Subsidiaries to maintain with financially sound and reputable insurers, insurance with respect to such properties and its business against such casualties and contingencies as shall be commercially reasonable and in accordance with the customary and general practices of businesses having similar operations and real estate portfolios in similar geographic areas and in amounts, containing such terms, in such forms and for such periods as may be reasonable and prudent for such businesses.

§7.9. Taxes. The Borrower will, and will cause each Guarantor to, pay or cause to be paid real estate taxes, other taxes, assessments and other governmental charges against the Real Estate before the same become delinquent and will duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges imposed upon its sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon any of the Real Estate; *provided* that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Guarantor shall have set aside on its books adequate reserves with respect thereto; and *provided further* that the Borrower or such Guarantor will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement of

proceedings to foreclose any lien that may have attached as security therefor. If requested by the Administrative Agent, the Borrower will provide evidence of the payment of real estate taxes, other taxes, assessments and other governmental charges against the Real Estate in the form of receipted tax bills or other form reasonably acceptable to the Agent. Notwithstanding the foregoing, a breach of the covenants set forth in this §7.9 shall only constitute an Event of Default if such breach results in an aggregate amount in excess of $10,000,000 at any one time claimed due by the taxing authority of any jurisdiction for which payment is required to be made and has not been timely made.

§7.10. Inspection of Properties and Books. The Borrower will, and will cause each Guarantor to, permit the Lenders, coordinated through the Administrative Agent, (a) on an annual basis as a group, or more frequently if required by law or by regulatory requirements of a Lender or if a Default or an Event of Default shall have occurred and be continuing, to visit and inspect any of the properties of the Borrower, any Guarantor or any of their respective Subsidiaries, and to examine the books of account of the Borrower, the Guarantors and their respective Subsidiaries (and to make copies thereof and extracts therefrom) and (b) to discuss the affairs, finances and accounts of the Borrower, the Guarantors and their respective Subsidiaries with, and to be advised as to the same by, its officers, all at such reasonable times and intervals during normal business hours as the Administrative Agent may reasonably request; *provided* that the Borrower shall only be responsible for the costs and expenses incurred by the Administrative Agent in connection with such inspections after the occurrence and during the continuance of an Event of Default; and *provided further* that such Person has executed a confidentiality agreement in substantially the form previously executed by the Administrative Agent. The Administrative Agent and each Lender agrees to treat any non-public information delivered or made available by the Borrower to it in accordance with the provisions of the confidentiality agreement executed by such Person.

§7.11. Compliance with Laws, Contracts, Licenses, and Permits. The Borrower will, and will cause each Guarantor to, comply with, and will cause each of their respective Subsidiaries to comply with (a) all applicable laws and regulations now or hereafter in effect wherever its business is conducted, including, without limitation, all Environmental Laws and all applicable federal and state securities laws, (b) the provisions of its partnership agreement and certificate or corporate charter and other charter documents and by-laws, as applicable, (c) all material agreements and instruments to which it is a party or by which it or any of its properties may be bound (including the Real Estate and the Leases) and (d) all applicable decrees, orders, and judgments; *provided* that any such decree, order or judgment need not be complied with if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Guarantor shall have set aside on its books adequate reserves with respect thereto; and *provided further* that the Borrower or such Guarantor will comply with any such decree, order or judgment forthwith upon the commencement of proceedings to foreclose any Lien that may have attached as security therefor.

§7.12. Use of Proceeds. Subject at all times to the other provisions of this Agreement, the Borrower will use the proceeds of the Loans solely for general working capital needs and other general corporate purposes.

§7.13. Additional Guarantors; Solvency of Guarantors.

(a) If, after the Closing Date, a Subsidiary that is not a Guarantor, (i) acquires any Real Estate that then or thereafter qualifies under (a)-(d) of the definition of Unencumbered Property and is wholly-owned or ground leased under an Eligible Ground Lease, or (ii) extends, holds or acquires any Intercompany Secured Debt, in each case the Borrower shall cause such Person (which Person must be or become a wholly-owned Subsidiary) to execute and deliver a Guaranty to the Administrative Agent and the Lenders in substantially the form of ***Exhibit B*** hereto. Such Guaranty shall evidence consideration and equivalent value. The Borrower will not permit any Guarantor that owns or ground leases any Unencumbered Properties to have any Subsidiaries unless such Subsidiary's business, obligations and undertakings are exclusively related to the business of such Guarantor in the ownership of the Unencumbered Properties.

(b) The Borrower, MCRC, and each Subsidiary Guarantor is solvent, other than for Permitted Event(s) permitted by this Agreement which shall be the only Non-Material Breaches under this §7.13(b). The Borrower and MCRC each acknowledge that, subject to the indefeasible payment and performance in full of the Obligations, the rights of contribution among each of the them and the Subsidiary Guarantors are in accordance with applicable laws and in accordance with each such Person's benefits under the Loans and this Agreement. The Borrower further acknowledges that, subject to the indefeasible payment and performance in full of the Obligations, the rights of subrogation of the Subsidiary Guarantors as against the Borrower and MCRC are in accordance with applicable laws.

§7.14. Further Assurances. The Borrower will, and will cause each Guarantor to, cooperate with, and to cause each of its Subsidiaries to cooperate with, the Administrative Agent and the Lenders and execute such further instruments and documents as the Lenders or the Administrative Agent shall reasonably request to carry out to their reasonable satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

§7.15. Environmental Indemnification. The Borrower covenants and agrees that it and its Subsidiaries will indemnify and hold the Administrative Agent and each Lender, and each of their respective Affiliates, harmless from and against any and all claims, expense, damage, loss or liability incurred by the Administrative Agent or any Lender (including all reasonable costs of legal representation incurred by the Administrative Agent or any Lender in connection with any investigative, administrative or judicial proceeding, whether or not the Administrative Agent or any Lender is party thereto, but excluding, as applicable for the Administrative Agent or a Lender, any claim, expense, damage, loss or liability as a result of the gross negligence or willful misconduct of the Administrative Agent or such Lender or any of their respective Affiliates) relating to (a) any Release or threatened Release of Hazardous Substances on any Real Estate; (b) any violation of any Environmental Laws with

respect to conditions at any Real Estate or the operations conducted thereon; (c) the investigation or remediation of off-site locations at which the Borrower, any Guarantor or any of their respective Subsidiaries or their predecessors are alleged to have directly or indirectly disposed of Hazardous Substances; or (d) any action, suit, proceeding or investigation brought or threatened with respect to any Hazardous Substances relating to Real Estate (including, but not limited to, claims with respect to wrongful death, personal injury or damage to property). In litigation, or the preparation therefor, the Lenders and the Administrative Agent shall be entitled to select their own counsel and participate in the defense and investigation of such claim, action or proceeding, and the Borrower shall bear the expense of such separate counsel of the Administrative Agent and the Lenders if (i) in the written opinion of counsel to the Administrative Agent and the Lenders, use of counsel of the Borrower's choice could reasonably be expected to give rise to a conflict of interest, (ii) the Borrower shall not have employed counsel reasonably satisfactory to the Administrative Agent and the Lenders within a reasonable time after notice of the institution of any such litigation or proceeding, or (iii) the Borrower authorizes the Administrative Agent and the Lenders to employ separate counsel at the Borrower's expense. It is expressly acknowledged by the Borrower that this covenant of indemnification shall survive the payment of the Loans and shall inure to the benefit of the Administrative Agent and the Lenders and their respective Affiliates, their respective successors, and their respective assigns under the Loan Documents permitted under this Agreement.

§7.16. Response Actions. The Borrower covenants and agrees that if any Release or disposal of Hazardous Substances shall occur or shall have occurred on any Real Estate owned by it or any of its Subsidiaries, the Borrower will cause the prompt containment and removal of such Hazardous Substances and remediation of such Real Estate if necessary to comply with all Environmental Laws.

§7.17. Environmental Assessments. If the Majority Lenders have reasonable grounds to believe that a Disqualifying Environmental Event has occurred with respect to any Unencumbered Property, after reasonable notice by the Administrative Agent, whether or not a Default or an Event of Default shall have occurred, the Majority Lenders may determine that the affected Real Estate no longer qualifies as an Unencumbered Property; *provided* that prior to making such determination, the Administrative Agent shall give the Borrower reasonable notice and the opportunity to obtain one or more environmental assessments or audits of such Unencumbered Property prepared by a hydrogeologist, an independent engineer or other qualified consultant or expert approved by the Administrative Agent, which approval will not be unreasonably withheld, to evaluate or confirm (i) whether any Release of Hazardous Substances has occurred in the soil or water at such Unencumbered Property and (ii) whether the use and operation of such Unencumbered Property materially complies with all Environmental Laws (including not being subject to a matter that is a Disqualifying Environmental Event). Such assessment will then be used by the Administrative Agent to determine whether a Disqualifying Environmental Event has in fact occurred with respect to such Unencumbered Property. All such environmental assessments shall be at the sole cost and expense of the Borrower.

§7.18. Employee Benefit Plans.

(a) In General. Each Employee Benefit Plan maintained by the Borrower, any Guarantor or any of their respective ERISA Affiliates will be operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions.

(b) Terminability of Welfare Plans. With respect to each Employee Benefit Plan maintained by the Borrower, any Guarantor or any of their respective ERISA Affiliates which is an employee welfare benefit plan within the meaning of §3(1) or §3(2)(B) of ERISA, the Borrower, such Guarantor, or any of their respective ERISA Affiliates, as the case may be, has the right to terminate each such plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) without material liability other than liability to pay claims incurred prior to the date of termination.

(c) Unfunded or Underfunded Liabilities. The Borrower will not, and will not permit any Guarantor to, at any time, have accruing or accrued unfunded or underfunded liabilities with respect to any Employee Benefit Plan, Guaranteed Pension Plan or Multiemployer Plan, or permit any condition to exist under any Multiemployer Plan that would create a withdrawal liability.

§7.19. No Amendments to Certain Documents. The Borrower will not, and will not permit any Guarantor to, at any time cause or permit its certificate of limited partnership, agreement of limited partnership, articles of incorporation, by-laws, certificate of formation, operating agreement or other charter documents, as the case may be, to be modified, amended or supplemented in any respect whatever, without (in each case) the express prior written consent or approval of the Administrative Agent, if such changes would adversely affect MCRC's REIT status or otherwise materially adversely affect the rights of the Administrative Agent and the Lenders hereunder or under any other Loan Document.

§7.20. Distributions in the Ordinary Course. In the ordinary course of business MCRLP causes all of its and MCRC's Subsidiaries to make net transfers of cash and cash equivalents upstream to MCRLP and MCRC, and shall continue to follow such ordinary course of business. MCRLP shall not make net transfers of cash and cash equivalents downstream to its and MCRC's Subsidiaries except for any transfers of cash and cash equivalents in connection with the extension of Intercompany Secured Debt and except in the ordinary course of business consistent with past practice.

§8. CERTAIN NEGATIVE COVENANTS OF THE BORROWER AND THE GUARANTORS. The Borrower for itself and on behalf of the Guarantors covenants and agrees that, so long as any Loan or Note is outstanding or any of the Lenders has any obligation or commitment to make any Loans:

§8.1. Restrictions on Indebtedness.

The Borrower and the Guarantors may, and may permit their respective Subsidiaries to, create, incur, assume, guarantee or be or remain liable for, contingently or otherwise, any Indebtedness other than the specific Indebtedness which is prohibited under this §8.1 and with respect to which each of the Borrower and the Guarantors will not, and will not permit any Subsidiary to, create, incur, assume, guarantee or be or remain liable for, contingently or otherwise, singularly or in the aggregate as follows:

(a) Indebtedness which would result in a Default or Event of Default under §9 hereof or under any other provision of this Agreement; and

(b) Guarantees of the Indebtedness of any Other Investment or the Newco Investment which are not permitted under the definition of "Other Investment" or "Newco Investment" herein.

The terms and provisions of this §8.1 are in addition to, and not in limitation of, the covenants set forth in §9 of this Agreement.

§8.2. Restrictions on Liens, Etc. If the Revolving Credit Agreement is no longer in effect, none of the Borrower, any Guarantor, any Operating Subsidiary and any wholly-owned Subsidiary will: (a) create or incur or suffer to be created or incurred or to exist any lien, encumbrance, mortgage, pledge, negative pledge, charge, restriction or other security interest of any kind upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; (d) suffer to exist for a period of more than thirty (30) days after the same shall have been incurred any Indebtedness or claim or demand against it that if unpaid might by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over its general creditors; or (e) sell, assign, pledge or otherwise transfer any accounts, contract rights, general intangibles, chattel paper or instruments, with or without recourse (the foregoing items (a) through (e) being sometimes referred to in this §8.2 collectively as "***Liens***"), *provided* that the Borrower, the Guarantors and any Subsidiary may create or incur or suffer to be created or incurred or to exist:

(i) Liens securing taxes, assessments, governmental charges (including, without limitation, water, sewer and similar charges) or levies or claims for labor, material and supplies;

(ii) deposits or pledges made in connection with, or to secure payment of, worker's compensation, unemployment insurance, old age pensions or other social security obligations; and deposits with utility companies and other similar deposits made in the ordinary course of business;

(iii) Liens (other than affecting the Unencumbered Properties) in respect of judgments or awards;

(iv) encumbrances on properties consisting of easements, rights of way, covenants, notice of use limitations under Environmental Laws, restrictions on the use of real property and defects and irregularities in the title thereto; landlord's or lessor's Liens under Leases to which the Borrower, any Guarantor, or any Subsidiary is a party or bound; purchase options granted at a price not less than the market value of such property; and other similar Liens or encumbrances on properties, none of which interferes materially and adversely with the use of the property affected in the ordinary conduct of the business of the owner thereof, and which matters neither (x) individually or in the aggregate have a Material Adverse Effect nor (xx) make title to such property unmarketable by the conveyancing standards in effect where such property is located;

(v) any Leases (excluding Synthetic Leases) entered into in good faith with Persons that are not Affiliates; *provided* that Leases with Affiliates on market terms and with monthly market rent payments required to be paid are Permitted Liens;

(vi) Liens and other encumbrances or rights of others which exist on the date of this Agreement and which do not otherwise constitute a breach of this Agreement;

(vii) as to Real Estate, which is acquired after the date of this Agreement, Liens and other encumbrances or rights of others which exist on the date of acquisition and which do not otherwise constitute a breach of this Agreement;

(viii) Liens affecting the Unencumbered Properties in respect of judgments or awards that have been in force for less than the applicable period for taking an appeal, so long as execution is not levied thereunder or in respect of which, at the time, a good faith appeal or proceeding for review is being prosecuted, and in respect of which a stay of execution shall have been obtained pending such appeal or review; *provided* that the Borrower shall have obtained a bond or insurance with respect thereto to the Administrative Agent's reasonable satisfaction;

(ix) Liens securing Indebtedness for the purchase price of capital assets (other than Real Estate but including Indebtedness in respect of Capitalized Leases for equipment and other equipment leases) to the extent not otherwise prohibited by §8.1;

(x) other Liens (other than affecting the Unencumbered Properties) in connection with any Indebtedness not prohibited under §8.1, which do not otherwise result in a Default or Event of Default under this Agreement;

(xi) Liens granted in accordance with §8.3(b) hereof; and

(xii) Liens affecting an Unencumbered Property consisting of mortgages, deeds of trust or other security interests granted by a Subsidiary Guarantor to the Borrower

or another Guarantor to secure intercompany Indebtedness owing from such Subsidiary Guarantor to the Borrower or such other Guarantor; *provided* that at all times such Indebtedness and Liens (sometimes referred to herein collectively as the "***Intercompany Secured Debt***") shall be held by the Borrower or a Guarantor and the Borrower's or such Guarantor's rights or interests therein shall not be subject to any Liens.

Notwithstanding the foregoing provisions of this §8.2, the failure of any Unencumbered Property to comply with the covenants set forth in this §8.2 shall result in such Unencumbered Property's no longer qualifying as Unencumbered Property under this Agreement, but such disqualification shall not by itself constitute a Default or Event of Default, unless the cause of such non-qualification otherwise constitutes a Default or an Event of Default.

§8.3. Merger, Consolidation and Disposition of Assets.

None of the Borrower, any Guarantor, any Operating Subsidiary or any wholly-owned Subsidiary will:

(a) Become a party to any merger, consolidation or reorganization without the prior Unanimous Lender Approval, except that so long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, the merger, consolidation or reorganization of one or more Persons with and into the Borrower, any Guarantor, or any wholly-owned Subsidiary, shall be permitted if (i) such action is not hostile, (ii) the Borrower, any Guarantor, or any wholly owned Subsidiary, as the case may be, is the surviving entity or such merger, consolidation or reorganization involves only MCRC and its Affiliates and is done in connection with an MCRC Organizational Change otherwise permitted under this Agreement, and (iii) such merger, consolidation or reorganization does not cause a Default or Event of Default under §12.1(m) hereof; *provided,* that for any such merger, consolidation or reorganization (other than (v) the merger or consolidation of one or more Affiliates of MCRC with and into MCRC, or of MCRC into such Affiliate, in either case in connection with an MCRC Organizational Change otherwise permitted under this Agreement, (w) the merger or consolidation of one or more Subsidiaries of MCRLP with and into MCRLP, (x) the merger or consolidation of two or more Subsidiaries of MCRLP, (y) the merger or consolidation of one or more Subsidiaries of MCRC with and into MCRC, or (z) the merger or consolidation of two or more Subsidiaries of MCRC), the Borrower shall provide to the Administrative Agent a statement in the form of ***Exhibit D*** hereto signed by the chief financial officer or senior vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing compliance with the covenants contained in §9 hereof and certifying that no Default or Event of Default has occurred and is continuing, or would occur and be continuing after giving effect to such merger, consolidation or reorganization and all liabilities, fixed or contingent, pursuant thereto;

(b) Sell, transfer or otherwise dispose of (collectively and individually, "***Sell***" or a "***Sale***") or grant a Lien to secure Indebtedness (an "***Indebtedness Lien***") on any

of its now owned, ground leased or hereafter acquired assets without obtaining the prior written consent of the Required Lenders, except for:

(i) the Sale of or granting of an Indebtedness Lien on any Unencumbered Property or other Real Estate so long as no Default or Event of Default has then occurred and is continuing, or would occur and be continuing after giving effect to such Sale or Indebtedness Lien; *provided*, that prior to (A) any Sale of any Unencumbered Property (for consideration in excess of $25,000,000) or other Real Estate (for consideration in excess of $75,000,000) or (B) the granting of an Indebtedness Lien with respect to an Unencumbered Property (for consideration in excess of $25,000,000) or other Real Estate (for consideration in excess of $75,000,000), the Borrower shall provide to the Administrative Agent a statement in the form of ***Exhibit D*** hereto signed by the chief financial officer or senior vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing compliance with the covenants contained in §9 hereof and certifying that no Default or Event of Default has occurred and is continuing, or would occur and be continuing after giving effect to such proposed Sale or Indebtedness Lien and all liabilities, fixed or contingent, pursuant thereto; and *provided further,* if such Sale involves a qualified, deferred exchange under § 1031 of the Code, the Borrower shall also provide the statements and certifications described in the previous proviso on the date of any release from the escrow account of the proceeds of such qualified, deferred exchange under §1031 of the Code;

(ii) the Sale of or the granting of an Indebtedness Lien on any Unencumbered Property while a Default or Event of Default has then occurred and is continuing; *provided*, that (A) the Borrower shall (1) apply the net proceeds of each such permitted Sale or Indebtedness Lien to the repayment of the Loans or (2) segregate the net proceeds of such permitted Sale or Indebtedness Lien in an escrow account with the Administrative Agent or with a financial institution reasonably acceptable to the Administrative Agent and apply such net proceeds solely to a qualified, deferred exchange under §1031 of the Code or to another use with the prior written approval of the Required Lenders or (3) complete an exchange of such Unencumbered Property for other real property of equivalent value under §1031 of the Code so long as such other real property becomes an Unencumbered Property upon acquisition, (B) no Default or Event of Default would occur and be continuing after giving effect to such Sale or Indebtedness Lien and (C) prior to the date of such Sale or granting of an Indebtedness Lien for consideration in excess of $25,000,000, and on the date of any release from the escrow account of the proceeds of the qualified, deferred exchange under §1031 of the Code in excess of $25,000,000, the Borrower shall provide to the Administrative Agent a statement in the form of ***Exhibit D*** hereto signed by the chief financial officer or senior vice president of finance or other thereon designated officer and setting forth in reasonable detail computations evidencing compliance with the covenant in §9 hereof and certifying the use of the proceeds of such Sale or Indebtedness Lien and certifying that no

Default or Event of Default would occur and be continuing after giving effect to such Sale or Indebtedness Lien, and all liabilities fixed or contingent pursuant thereto or to such release of proceeds;

(iii) the Sale of or the granting of an Indebtedness Lien on any Real Estate (other than an Unencumbered Property) while a Default or Event of Default has then occurred and is continuing; *provided*, that (A) the Borrower shall (1) apply the net proceeds of each such Sale or Indebtedness Lien to the repayment of the Loans or (2) segregate the net proceeds of such Sale or Indebtedness Lien in an escrow account with the Administrative Agent or with a financial institution reasonably acceptable to the Administrative Agent and apply such net proceeds solely to a qualified, deferred exchange under §1031 of the Code or to another use with the prior written approval of the Required Lenders or (3) complete an exchange of such Real Estate for other real property of equivalent value under §1031 of the Code, (B) no Default or Event of Default would occur and be continuing after giving effect to such Sale or Indebtedness Lien and (C) prior to the date of any such Sale or granting of an Indebtedness Lien for consideration in excess of $75,000,000, the Borrower shall provide to the Administrative Agent a statement in the form of ***Exhibit D*** hereto signed by the chief financial officer or senior vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing compliance with the covenants contained in §9 hereof and certifying that no Default or Event of Default would occur and be continuing after giving effect to such Sale or Indebtedness Lien and all liabilities, fixed or contingent, pursuant thereto; and

(iv) the Sale of or the granting of an Indebtedness Lien on any of its now owned or hereafter acquired assets (other than Real Estate) in one or more transactions.

§8.4. Negative Pledge. From and after the date hereof, neither the Borrower nor any Guarantor will, and will not permit any Subsidiary to, enter into any agreement or permit to exist any agreement by it, containing any provision prohibiting the creation or assumption of any Lien upon its properties (other than prohibitions on liens for particular assets (other than an Unencumbered Property) set forth in a security instrument in connection with Secured Indebtedness for such assets and the granting or effect of such liens does not otherwise constitute a Default or Event of Default and other than prohibitions in the Revolving Credit Agreement), revenues or assets, whether now owned or hereafter acquired, or restricting the ability of the Borrower or the Guarantors to amend or modify this Agreement or any other Loan Document. The Borrower shall be permitted a period of (i) thirty (30) days to cure any Non-Material Breach affecting other than MCRC or MCRLP and (ii) ten (10) days to cure any Non-Material Breach affecting MCRC or MCRLP under this §8.4 before the same shall be an Event of Default under §12.1(c).

§8.5. Compliance with Environmental Laws. None of the Borrower, any Guarantor, or any Subsidiary will do any of the following: (a) use any of the Real Estate or any portion

thereof as a facility for the handling, processing, storage or disposal of Hazardous Substances except for quantities of Hazardous Substances used in the ordinary course of business and in compliance with all applicable Environmental Laws, (b) cause or permit to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances except in compliance with Environmental Laws, (c) generate any Hazardous Substances on any of the Real Estate except in compliance with Environmental Laws, or (d) conduct any activity at any Real Estate or use any Real Estate in any manner so as to cause a Release causing a violation of Environmental Laws or a Material Adverse Effect or a violation of any Environmental Law; *provided* that a breach of this covenant shall result in the affected Real Estate no longer being an Unencumbered Property, but shall only constitute an Event of Default under §12.1(d) if such breach is not a Non-Material Breach.

§8.6. Distributions. (a) The Borrower (i) will not in any period of four (4) consecutive completed fiscal quarters make Distributions with respect to common stock or other common equity interests in such period in an aggregate amount in excess of 90% of Funds From Operations for such period (for purposes of this clause, non-cash assets or interests in non-cash assets which are distributed to equity interest holders of the Borrower shall be valued at the value of such assets used in calculating Consolidated Total Capitalization) or (ii) will not make any Distributions during any period when any Event of Default under §12.1(a) (including, without limitation, any failure to pay resulting from acceleration of the Loans) §12.1(b), §12.1(c) resulting from a failure to comply with §7.7 (as to the legal existence and REIT status of MCRC), §9, §12.1(g), §12.1(h), or §12.1(j) has occurred and is continuing or (iii) will not make any Distributions or transfers of cash or cash equivalents to any Guarantor or its Subsidiaries when such Person is the subject of a Permitted Event except as required by order of the tribunal in which such Permitted Event is occurring; and except that such Person may make Distributions or transfers of cash or cash equivalents permitted under §7.20 to a Guarantor or Subsidiary while such distributing Person is the subject of a Permitted Event; *provided, however*, that the Borrower may at all times make Distributions (after taking into account all available funds of MCRC from all other sources) in the minimum aggregate amount required in order to enable MCRC to continue to qualify as a REIT. In the event that MCRC or MCRLP raises equity during the term of this Agreement, the permitted percentage of Distributions will be adjusted based on the total declared distribution per share and partnership units over the most recent four (4) quarters to Funds From Operations per weighted average share and partnership unit based on the most recent four (4) quarters.

(b) MCRC will not, during any period when any Event of Default has occurred and is continuing, make any Distributions in excess of the Distributions required to be made by MCRC in order to maintain its status as a REIT.

§8.7. Employee Benefit Plans. None of the Borrower, any Guarantor or any ERISA Affiliate will

(a) engage in any "prohibited transaction" within the meaning of §406 of ERISA or §4975 of the Code which could result in a material liability for the Borrower, any Guarantor or any of their respective Subsidiaries; or

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in §302 of ERISA, whether or not such deficiency is or may be waived; or

(c) fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of the Borrower, any Guarantor or any of their respective Subsidiaries pursuant to §302(f) or §4068 of ERISA; or

(d) amend any Guaranteed Pension Plan in circumstances requiring the posting of security pursuant to §307 of ERISA or §401(a)(29) of the Code; or

(e) permit or take any action which would result in the aggregate benefit liabilities (with the meaning of §4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities;

provided that none of (a) - (e) shall be an Event of Default under §12.1(c) if the prohibited matters occurring are in the aggregate within the Dollar limits permitted within §12.1(l) and are otherwise the subject of the matters that are covered by the Events of Default in §12.1(l)

§8.8. Fiscal Year.
The Borrower will not, and will not permit the Guarantors or any of their respective Subsidiaries to, change the date of the end of its fiscal year from that set forth in §6.5; *provided* that such persons may change their respective fiscal years if they give the Administrative Agent thirty (30) days prior written notice of such change and the parties make appropriate adjustments satisfactory to the Borrower and the Lenders to the provisions of this Agreement (including without limitation those set forth in §9) to reflect such change in fiscal year.

§9. FINANCIAL COVENANTS OF THE BORROWER. The Borrower covenants and agrees that, so long as any Loan or Note is outstanding or any Lender has any obligation or commitment to make any Loan:

§9.1. Leverage Ratio. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit the ratio of Consolidated Total Liabilities to Consolidated Total Capitalization to exceed 60%; provided that such ratio may exceed 60% from time to time so long as (a) such ratio does not exceed 65%, (b) such ratio ceases to exceed 60% within 180 days following each date such ratio first exceeded 60%, and (c) the Borrower provides a certificate in substantially the form of ***Exhibit H*** hereto to the

Administrative Agent when such ratio first exceeds 60% and when such ratio ceases to exceed 60%.

§9.2. Secured Indebtedness. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Secured Indebtedness to exceed 40% of Consolidated Total Capitalization.

§9.3. Tangible Net Worth. As at the end of any fiscal quarter or any other date of measurement, the Borrower shall not permit Consolidated Tangible Net Worth to be less than the sum of (a) $1,800,000,000 *plus* (b) 70% of the sum of (i) the aggregate proceeds received by MCRC (net of fees and expenses customarily incurred in transactions of such type) in connection with any offering of stock in MCRC and (ii) the aggregate value of operating units issued by MCRLP in connection with asset or stock acquisitions (valued at the time of issuance by reference to the terms of the agreement pursuant to which such units are issued), in each case after November 23, 2004 Date and on or prior to the date such determination of Consolidated Tangible Net Worth is made.

§9.4. [Intentionally Deleted.]

§9.5. Fixed Charge Coverage. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Adjusted Net Income to be less than one and one-half (1.5) times Consolidated Fixed Charges, based on the results of the most recent two (2) complete fiscal quarters.

§9.6. Unsecured Indebtedness. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit the ratio of (i) Consolidated Unsecured Indebtedness to (ii) the sum (the "***Section 9.6 Sum***") of (a) aggregate Capitalized Unencumbered Property NOI for all Unencumbered Properties (other than (1) Acquisition Properties and (2) Unencumbered Properties with a negative Capitalized Unencumbered Property NOI), *plus* (b) the cost of all Unencumbered Properties which are Acquisition Properties, *plus* (c) the value of all Eligible Cash 1031 Proceeds resulting from the sale of Unencumbered Properties to exceed 60%; provided that such ratio may exceed 60% from time to time so long as (x) such ratio does not exceed 65%, (y) such ratio ceases to exceed 60% within 180 days following each date such ratio first exceeded 60%, and (z) the Borrower provides a certificate in substantially the form of ***Exhibit H*** hereto to the Administrative Agent when such ratio first exceeds 60% and when such ratio ceases to exceed 60%.

§9.7. Unencumbered Property Interest Coverage. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit the aggregate Adjusted Unencumbered Property NOI for all Unencumbered Properties to be less than two (2) times Consolidated Total Unsecured Interest Expense, based on the results of the most recent two (2) complete fiscal quarters.

§9.8. Investment Limitation. None of the Borrower, any Guarantor, or any Subsidiary will make or permit to exist or to remain outstanding any Investment in violation of the following restrictions and limitations:

(a) As at the end of any fiscal quarter or other date of measurement, the book value of Unimproved Non-Income Producing Land shall not exceed ten (10%) of Consolidated Total Capitalization.

(b) Investments in Other Investments shall be Without Recourse to the Borrower, the Guarantors and their Subsidiaries other than as expressly permitted in the definition of Other Investment, shall otherwise comply with the requirements of the definition of Other Investment, and shall not exceed the lesser of 7.5% of Consolidated Total Capitalization or $200,000,000.

(c) As at the end of any fiscal quarter or other date of measurement, the aggregate Project Costs of all Construction-in-Process shall not exceed fifteen (15%) percent of Consolidated Total Capitalization. For purposes of this §9.8(c), Construction-in-Process shall not include so-called "build to suit" properties which are (i) seventy-five (75%) percent pre-leased (by rentable square foot) to tenants which have a minimum credit rating of BBB-from S&P or Baa3 from Moody's, as the case may be, or which have a financial condition reasonably acceptable to the Majority Lenders (provided that the Borrower shall submit any such request for the Lender's acceptance of a tenant's financial condition to the Administrative Agent in writing, and the Administrative Agent shall, in turn, promptly forward such request to each Lender; each Lender shall then have five (5) Business Days from its deemed receipt of such request to approve or disapprove of such tenant's financial condition, with any Lender's failure to send notice of disapproval to the Administrative Agent within five (5) Business Days being deemed to be its approval) and (ii) in substantial compliance, with respect to both time and cost, with the original construction budget and construction schedule, as amended by change orders or otherwise updated. A property shall continue to be considered Construction-in-Process until the date of substantial completion of such property; from such date, it will continue to be valued (for financial covenant compliance purposes) as if it were Construction-in-Process until the earlier of (i) the end of four (4) consecutive calendar quarters following substantial completion and (ii) the date upon which such property is 90% leased to tenants who are then paying rent.

(d) As at the end of any fiscal quarter or other date of measurement, the value of Indebtedness of third parties to the Borrower, the Guarantors, or their Subsidiaries for borrowed money which is unsecured or is secured by mortgage liens (valued at the book value of such Indebtedness) shall not exceed fifteen (15%) percent of Consolidated Total Capitalization.

(e) The Investments set forth in clauses (a) through (d) above, taken in the aggregate, shall not exceed thirty (30%) percent of Consolidated Total Capitalization.

(f) Investments in Real Estate other than office, office flex, and industrial/warehouse properties, taken in the aggregate, shall not exceed fifteen (15%) of Consolidated Total Capitalization.

§9.9. Covenant Calculations.

(a) For purposes of the calculations to be made pursuant to §§9.1-9.8 (and the defined terms relevant thereto, including, without limitation, those relating to "interest expense" and "fixed charges"), references to Indebtedness or liabilities of the Borrower shall mean Indebtedness or liabilities (including, without limitation, Consolidated Total Liabilities) of the Borrower, *plus* (but without double-counting):

(i) all Indebtedness or liabilities of the Operating Subsidiaries, the Guarantors and any other wholly-owned Subsidiary (excluding any such Indebtedness or liabilities owed to the Borrower or any Guarantor; *provided* that, as to MCRC, MCRC has a corresponding Indebtedness or liability to the Borrower),

(ii) all Indebtedness or liabilities of each Partially-Owned Entity (including for Capitalized Leases), but only to the extent, if any, that said Indebtedness or liability is Recourse to the Borrower, the Guarantors or their respective Subsidiaries or any of their respective assets (other than their respective interests in such Partially-Owned Entity); *provided* that Recourse Indebtedness arising from such Person's acting as general partner or guarantor of collection only (and not of payment or performance) of a Partially-Owned Entity shall be limited to the amount by which the Indebtedness exceeds the liquidation value of the Real Estate and other assets owned by such Partially-Owned Entity if the creditor owed such Indebtedness is required by law or by contract to seek repayment of such Indebtedness from such Real Estate and other assets before seeking repayment from such Person, and

(iii) Indebtedness or liabilities of each Partially-Owned Entity to the extent of the pro-rata share of such Indebtedness or liability allocable to the Borrower, the Guarantors or their respective Subsidiaries without double counting.

(b) For purposes of §§9.1-9.8 hereof, Consolidated Adjusted Net Income, Revised Consolidated Adjusted Net Income, Adjusted Unencumbered Property NOI and Revised Adjusted Unencumbered Property NOI (and all defined terms and calculations using such terms) shall be adjusted (i) to deduct the actual results of any Real Estate disposed of by the Borrower, a Guarantor or any of their respective Subsidiaries during the relevant fiscal period (for Revised Consolidated Adjusted Net Income and Revised Adjusted Unencumbered Property NOI only), and (ii) to the extent applicable, to include the pro rata share of results attributable to the Borrower from unconsolidated Subsidiaries of MCRC, the Borrower and their respective Subsidiaries and from unconsolidated Partially-Owned Entities; *provided* that income shall not be included until received without restriction in cash by the Borrower.

(c) For purposes of §§9.1 - 9.8 hereof, together with each other section of this Agreement that refers or relates to GAAP, if any change in GAAP after the Financial Statement Date results in a change in the calculation to be performed in any such section, solely as a result of such change in GAAP, then (i) the Borrower's compliance with such covenant(s) or section shall be determined on the basis of GAAP in effect as of the Financial Statement Date, and (ii) the Administrative Agent and the Borrower shall negotiate in good faith a modification of any such covenant(s) or sections so that the economic effect of the calculation of such covenant(s) or sections using GAAP as so changed is as close as feasible to what the economic effect of the calculation of such covenant(s) or sections would have been using GAAP in effect as of the Financial Statement Date.

(d) For purposes of §§9.1-9.8 hereof, Consolidated Total Capitalization and the Section 9.6 Sum (as such term is defined in §9.6 hereof) shall be adjusted (without double-counting) to include the Eligible Cash 1031 Proceeds from any Real Estate disposed of by the Borrower, a Guarantor or any of their respective Subsidiaries and for which the results have been deducted pursuant to §9.9(b).

§10. CONDITIONS TO THE CLOSING DATE. The obligations of the Lenders to make the Term Loan shall be subject to the satisfaction of the following conditions precedent:

§10.1. Loan Documents. Each of the Loan Documents shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect.

§10.2. Certified Copies of Organization Documents. The Administrative Agent shall have received (i) from the Borrower and each of the Subsidiary Guarantors a copy, certified as of the Closing Date by a duly authorized officer of such Person (or its general partner, if such Person is a partnership, or its managing member, if such Person is a limited liability company) to be true and complete, of each of its certificate of limited partnership, agreement of limited partnership, incorporation documents, by-laws, certificate of formation, operating agreement and/or other organizational documents as in effect on the Closing Date; provided that any Subsidiary Guarantor which has previously delivered such organizational documents may satisfy this condition by providing a certificate of a duly authorized officer of such Person as to the absence of changes or as to the changes, if any, to those organizational documents previously delivered, and (ii) from MCRC a copy, certified as of a date within thirty (30) days prior to the Closing Date by the appropriate officer of the State of Maryland to be true and correct, of the corporate charter of MCRC, in each case along with any other organization documents of the Borrower and each Subsidiary Guarantor (and its general partner, if such Person is a partnership, or its managing member, if such Person is a limited liability company) or MCRC, as the case may be, and each as in effect on the date of such certification.

§10.3. By-laws; Resolutions. All action on the part of the Borrower, the Subsidiary Guarantors and MCRC necessary for the valid execution, delivery and performance by the Borrower, the Subsidiary Guarantors and MCRC of this Agreement and the other Loan Documents to which any of them is or is to become a party as of the Closing Date shall have been duly and effectively taken, and evidence thereof satisfactory to the Lenders shall have been provided to the Administrative Agent. Without limiting the foregoing, the Administrative Agent shall have received from MCRC true copies of its by-laws and the resolutions adopted by its board of directors authorizing the transactions described herein and evidencing the due authorization, execution and delivery of the Loan Documents to which MCRC and the Borrower and Subsidiary Guarantors of which MCRC is a controlling Person are a party, each certified by the secretary as of a recent date to be true and complete.

§10.4. Incumbency Certificate; Authorized Signers. The Administrative Agent shall have received from each of the Borrower, MCRC and the Subsidiary Guarantors an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer of such Person and giving the name of each individual who shall be authorized: (a) to sign, in the name and on behalf of such Person, each of the Loan Documents to which such Person is or is to become a party as of the Closing Date; (b) in the case of the Borrower, to make the Loan Request and Conversion Requests on behalf of the Borrower; and (c) in the case of the Borrower, to give notices and to take other action on behalf of the Borrower and the Guarantors under the Loan Documents.

§10.5. Certificates of Insurance. The Administrative Agent shall have received (a) current certificates of insurance as to all of the insurance maintained by the Borrower and its Subsidiaries on the Real Estate (including flood insurance if necessary) from the insurer or an independent insurance broker, identifying insurers, types of insurance, insurance limits, and policy terms; and (b) such further information and certificates from the Borrower, its insurers and insurance brokers as the Administrative Agent may reasonably request.

§10.6. Opinion of Counsel Concerning Organization and Loan Documents. Each of the Lenders and the Administrative Agent shall have received favorable opinions addressed to the Lenders and the Administrative Agent in form and substance reasonably satisfactory to the Lenders and the Administrative Agent from (a) Pryor Cashman Sherman & Flynn LLP, as counsel to the Borrower, the Subsidiary Guarantors, MCRC and their respective Subsidiaries, with respect to New York and New Jersey law and certain matters of Delaware law, (b) Ballard Spahr Andrews and Ingersoll, LLP, as corporate counsel to MCRC, with respect to Maryland law, (c) Wiggin & Dana, as counsel to the Borrower and the Subsidiary Guarantors with respect to Connecticut law, (d) McCausland, Keen & Buckman, as counsel to the Borrower and the Subsidiary Guarantors with respect to Pennsylvania law, and (e) Jones, Day, Reavis & Pogue, as counsel to the Borrower and the Subsidiary Guarantors with respect to Texas and California law.

§10.7. Tax Law Compliance. Each of the Lenders and the Administrative Agent shall also have received from Seyfarth Shaw LLP, as counsel to the Borrower and MCRC, a favorable opinion addressed to the Lenders and the Administrative Agent, in form and substance satisfactory to each of the Lenders and the Administrative Agent, with respect to the qualification of MCRC as a REIT and certain other tax laws matters.

§10.8. Certifications from Government Officials. The Administrative Agent shall have received long-form certifications from government officials evidencing the legal existence, good standing and foreign qualification of the Borrower and each Guarantor, along with a certified copy of the certificate of limited partnership or certificate of incorporation of the Borrower and each Guarantor, all as of the most recent practicable date.

§10.9. Proceedings and Documents. All proceedings in connection with the transactions contemplated by this Agreement, the other Loan Documents and all other documents incident thereto shall be satisfactory in form and substance to each of the Lenders', the Borrower's, the Guarantors' and the Administrative Agent's counsel, and the Administrative Agent, each of the Lenders and such counsel shall have received all information and such counterpart originals or certified or other copies of such documents as the Administrative Agent may reasonably request.

§10.10. Fees. The Borrower shall have paid to the Administrative Agent, for the accounts of the Lenders, the Arranger or for its own account, as applicable, all of the fees and expenses that are due and payable as of the Closing Date in accordance with this Agreement and the Fee Letter.

§10.11. Closing Certificate; Compliance Certificate. The Borrower shall have delivered a Closing Certificate to the Administrative Agent, the form of which is attached hereto as ***Exhibit E***. The Borrower shall have delivered a compliance certificate in the form of ***Exhibit D*** hereto evidencing compliance with the covenants set forth in §9 hereof, the absence of any Default or Event of Default, and the accuracy of all representations and warranties in all material respects.

§10.12. Subsequent Guarantors. As a condition to the effectiveness of any subsequent Guaranty, each subsequent Guarantor shall deliver such documents, agreements, instruments and opinions as the Administrative Agent shall reasonably require as to such Guarantor and the Unencumbered Property owned or ground-leased by such Guarantor that are analogous to the deliveries made by the Guarantors as of the Closing Date pursuant to §10.2 through §10.6 and §10.8.

§10.13. No Default Under Revolving Credit Agreement. There shall exist no Default or Event of Default under the Revolving Credit Agreement.

§11. CONDITIONS TO ALL BORROWINGS. The obligations of the Lenders to make the Term Loan on the Closing Date shall also be subject to the satisfaction of the following conditions precedent:

§11.1. Representations True; No Event of Default; Compliance Certificate. Each of the representations and warranties of the Borrower and the Guarantors contained in this

Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true as of the date as of which they were made and shall also be true at and as of the time of the making of such Loan with the same effect as if made at and as of that time (except to the extent (i) of changes resulting from transactions contemplated or not prohibited by this Agreement or the other Loan Documents (ii) of changes occurring in the ordinary course of business, (iii) that such representations and warranties relate expressly to an earlier date and (iv) that such untruth is disclosed when first known to the Borrower or a Guarantor in the next delivered compliance certificate, and is a Non-Material Breach); and no Default or Event of Default under this Agreement shall have occurred and be continuing on the date of any Loan Request or on the Drawdown Date of any Loan. Each of the Lenders shall have received a certificate of the Borrower as provided in §2.5(iv)(c) or §2A.9.

§11.2. No Legal Impediment. No change shall have occurred in any law or regulations thereunder or interpretations thereof that in the reasonable opinion of the Administrative Agent or any Lender would make it illegal for any Lender to make such Loan.

§11.3. Governmental Regulation. Each Lender shall have received such statements in substance and form reasonably satisfactory to such Lender as such Lender shall require for the purpose of compliance with any applicable regulations of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System.

§12. EVENTS OF DEFAULT; ACCELERATION; ETC.

§12.1. Events of Default and Acceleration. If any of the following events ("***Events of Default***") shall occur:

(a) the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment; none of the foregoing is a Non-Material Breach.

(b) the Borrower shall fail to pay any interest on the Loans or any other sums due hereunder or under any of the other Loan Documents (including, without limitation, amounts due under §7.15) when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment, and such failure continues for five (5) days; none of the foregoing is a Non-Material Breach.

(c) the Borrower or any Guarantor or any of their respective Subsidiaries shall fail to comply with any of their respective covenants contained in: §7.1 within ten (10) days of any such amount being due (except with respect to interest, fees and other sums covered by clause (b) above or principal covered by clause (a) above); §7.6 (as to the legal existence of MCRLP for which no period to cure is granted); §7.7 (as to the legal existence and REIT status of MCRC for which no period to cure is granted); §7.12; §7.19 within ten (10) days of the occurrence of same; §8 (except with respect to §8.4 for Non-Material Breaches only, or §8.5); or §9; none of the foregoing is a Non-Material Breach.

(d) the Borrower or any Guarantor or any of their respective Subsidiaries shall fail to perform any other term, covenant or agreement contained herein or in any other Loan Document (other than those specified elsewhere in this §12) and such failure continues for thirty (30) days (other than a Non-Material Breach (excluding §8.4 for which the Non-Material Breach must be cured within the thirty or ten days, as applicable, provided therein) and such cure period shall not extend any specific cure period set forth in any term, covenant or agreement covered by this §12.1(d)).

(e) any representation or warranty of the Borrower or any Guarantor or any of their respective Subsidiaries in this Agreement or any of the other Loan Documents or in any other document or instrument delivered pursuant to or in connection with this Agreement shall prove to have been false in any material respect upon the date when made or deemed to have been made or repeated (other than a Non-Material Breach).

(f) the Borrower or any Guarantor or any of their respective Subsidiaries shall (i) fail to pay at maturity, or within any applicable period of grace or cure, any obligation for borrowed money or credit received by it (other than current obligations in the ordinary course of business) or in respect of any Capitalized Leases (x) in respect of any Recourse obligations or credit in an aggregate amount in excess of $20,000,000 (determined in accordance with §9.9 hereof) or (y) in respect of any Without Recourse obligations or credit in an aggregate amount in excess of $100,000,000 (determined in accordance with §9.9 hereof), or (ii) fail to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing borrowed money or credit received (other than current obligations in the ordinary course of business) or in respect of any Capitalized Leases (x) in respect of any Recourse obligations or credit in an aggregate amount in excess of $20,000,000 (determined in accordance with §9.9 hereof) for such period of time (after the giving of appropriate notice if required) as would permit the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof or (y) in respect of any Without Recourse obligations or credit in an aggregate amount in excess of $100,000,000 (determined in accordance with §9.9 hereof), and the holder or holders thereof shall have accelerated the maturity thereof; none of the foregoing is a Non-Material Breach.

(g) any Credit Party (other than for a Permitted Event) shall make an assignment for the benefit of creditors, or admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for the appointment of a trustee or other custodian, liquidator or receiver of any Credit Party or of any substantial part of the properties or assets of any Credit Party (other than for a Permitted Event) or shall commence any case or other proceeding relating to any Credit Party (other than for a Permitted Event) under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or shall take any action to authorize or in furtherance of any of the foregoing, or if any such petition or application shall be filed or any such case or other proceeding shall be commenced against any Credit Party (other than for a Permitted Event) and (i) any Credit Party (other than for a Permitted Event) shall indicate its approval thereof, consent thereto or acquiescence therein or (ii) any such petition, application, case or other proceeding shall continue undismissed, or unstayed and in effect, for a period of seventy-five (75) days.

(h) a decree or order is entered appointing any trustee, custodian, liquidator or receiver or adjudicating any Credit Party (other than for a Permitted Event) bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of any Credit Party (other than for a Permitted Event) in an involuntary case under federal bankruptcy laws as now or hereafter constituted, and such proceeding, decree or order shall continue undismissed, or unstayed and in effect, for a period of seventy-five (75) days.

(i) there shall remain in force, undischarged, unsatisfied and unstayed, for a period of more than thirty (30) days, any uninsured final judgment against the Borrower, any Guarantor or any of their respective Subsidiaries that, with other outstanding uninsured final judgments, undischarged, unsatisfied and unstayed, against the Borrower, any Guarantor or any of their respective Subsidiaries exceeds in the aggregate $10,000,000 (other than for a Permitted Event).

(j) any of the Loan Documents or any material provision of any Loan Documents shall be canceled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Administrative Agent, or any Guaranty shall be canceled, terminated, revoked or rescinded at any time or for any reason whatsoever, or any action at law, suit or in equity or other legal proceeding to make unenforceable, cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower or any of its Subsidiaries or any Guarantor or any of its Subsidiaries, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable as to any material terms thereof, other than as any of the same may occur from a Permitted Event permitted by this Agreement.

(k) any "Event of Default" or default (after notice and expiration of any period of grace, to the extent provided, and if none is specifically provided or denied, then for a period of thirty (30) days after notice), as defined or provided in any of the other Loan Documents, shall occur and be continuing.

(l) the Borrower or any ERISA Affiliate incurs any liability to the PBGC or a Guaranteed Pension Plan pursuant to Title IV of ERISA in an aggregate amount exceeding $5,000,000, or the Borrower or any ERISA Affiliate is assessed withdrawal liability pursuant to Title IV of ERISA by a Multiemployer Plan requiring aggregate annual

payments exceeding $5,000,000, or any of the following occurs with respect to a Guaranteed Pension Plan: (i) an ERISA Reportable Event, or a failure to make a required installment or other payment (within the meaning of §302(f)(1) of ERISA), *provided* that the Administrative Agent determines in its reasonable discretion that such event (A) could be expected to result in liability of the Borrower or any of its Subsidiaries to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding $5,000,000 and (B) could constitute grounds for the termination of such Guaranteed Pension Plan by the PBGC, for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan or for the imposition of a lien in favor of such Guaranteed Pension Plan; or (ii) the appointment by a United States District Court of a trustee to administer such Guaranteed Pension Plan; or (iii) the institution by the PBGC of proceedings to terminate such Guaranteed Pension Plan; to the extent that any breach of §6.16 or §7.18 is a matter that constitutes a specific breach of a provision of this §12.1(l), the breach of §6.16 or §7.18 shall not be a Non-Material Breach.

(m) Notwithstanding the provisions of §8.3(a), any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 40% or more of the outstanding shares of voting stock of MCRC in a transaction or a series of related transactions and, if at any time within one (1) year following such acquisition (i) fewer than three (3) of the five (5) Key Management Individuals remain active in the executive and/or operational management in their current (or comparable) positions with MCRC or (ii) individuals who were directors of MCRC on the date of such acquisition shall cease to constitute a majority of the voting members of the board of directors of MCRC. For purposes hereof, "Key Management Individuals" shall mean and include Mitchell E. Hersh, Barry Lefkowitz, Roger W. Thomas, Michael A. Grossman, and Anthony Krug and such replacement individuals as are reasonably acceptable to (and consented to in writing by) the Majority Lenders.

(n) Any "Event of Default" shall occur and be continuing under the Revolving Credit Agreement.

then, and in any such event, so long as the same may be continuing, the Administrative Agent with the consent of the Required Lenders may, and upon the request of the Required Lenders shall, by notice in writing to the Borrower, declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and each Guarantor; *provided* that in the event of any Event of Default specified in §12.1(g) or §12.1(h), all such amounts shall become immediately due and payable automatically and without any requirement of notice from any of the Lenders or the any of Administrative Agent or action by the Lenders or the Administrative Agent.

A Non-Material Breach shall require that the Borrower commence and continue to exercise reasonable diligent efforts to cure such breach (which shall occur within any specific time period for curing a Non-Material Breach elsewhere set forth in this Agreement if any). Such efforts may include (and for a Permitted Event shall include) the release of the affected Person(s) (other than MCRC) as the Guarantor pursuant to §5 so long as such release (i) cures such Non-Material Breach (ii) does not otherwise cause a Default or Event of Default, and (iii) does not have a Material Adverse Effect on the Borrower, the remaining Guarantors, and their respective Subsidiaries, taken as a whole. Continuing failure of the Borrower to comply with the requirements to commence and continue to exercise reasonable diligent efforts to cure such Non-Material Breach shall constitute a material breach after notice from the Administrative Agent.

§12.2. Termination of Commitments. If any one or more Events of Default specified in §12.1(g) or §12.1(h) shall occur, any unused portion of the Commitments hereunder shall forthwith terminate and the Lenders shall be relieved of all obligations to make Loans to the Borrower. If any other Event of Default shall have occurred and be continuing, whether or not the Lenders shall have accelerated the maturity of the Loans pursuant to §12.1, the Administrative Agent with the consent of the Required Lenders may, and upon the request of the Required Lenders shall, by notice to the Borrower, terminate the unused portion of the credit hereunder, and upon such notice being given such unused portion of the credit hereunder shall terminate immediately and each of the Lenders shall be relieved of all further obligations to make Loans. No such termination of the credit hereunder shall relieve the Borrower or any Guarantor of any of the Obligations or any of its existing obligations to the Lenders arising under other agreements or instruments.

§12.3. Remedies. In the event that one or more Events of Default shall have occurred and be continuing, whether or not the Lenders shall have accelerated the maturity of the Loans pursuant to §12.1, the Required Lenders may direct the Administrative Agent to proceed to protect and enforce the rights and remedies of the Administrative Agent and the Lenders under this Agreement, the Notes, any or all of the other Loan Documents or under applicable law by suit in equity, action at law or other appropriate proceeding (including for the specific performance of any covenant or agreement contained in this Agreement or the other Loan Documents or any instrument pursuant to which the Obligations are evidenced and, to the full extent permitted by applicable law, the obtaining of the *ex parte* appointment of a receiver), and, if any amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right or remedy of the Administrative Agent and the Lenders under the Loan Documents or applicable law. No remedy herein conferred upon the Lenders or the Administrative Agent or the holder of any Note is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any of the other Loan Documents or now or hereafter existing at law or in equity or by statute or any other provision of law.

§13. SETOFF. Without demand or notice, during the continuance of any Event of Default, any deposits (general or specific, time or demand, provisional or final, regardless of

currency, maturity, or the branch at which such deposits are held, but specifically excluding tenant security deposits, other fiduciary accounts and other segregated escrow accounts required to be maintained by the Borrower for the benefit of any third party) or other sums credited by or due from any of the Lenders to the Borrower or its Subsidiaries or any other property of the Borrower or its Subsidiaries in the possession of the Administrative Agent or a Lender may be applied to or set off against the payment of the Obligations. Each of the Lenders agrees with each other Lender that (a) if pursuant to any agreement between such Lender and the Borrower (other than this Agreement or any other Loan Document), an amount to be set off is to be applied to Indebtedness of the Borrower to such Lender, other than with respect to the Obligations, such amount shall be applied ratably to such other Indebtedness and to the Obligations, and (b) if such Lender shall receive from the Borrower or its Subsidiaries, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the Obligations by proceedings against the Borrower or its Subsidiaries at law or in equity or by proof thereof in bankruptcy, reorganization, liquidation, receivership or similar proceedings, or otherwise, and shall retain and apply to the payment of the Note or Notes held by such Lender any amount in excess of its ratable portion of the payments received by all of the Lenders with respect to the Notes held by all of the Lenders, such Lender will make such disposition and arrangements with the other Lenders with respect to such excess, either by way of distribution, *pro tanto* assignment of claims, subrogation or otherwise, as shall result in each Lender receiving in respect of the Notes held by it, its proportionate payment as contemplated by this Agreement; *provided* that if all or any part of such excess payment is thereafter recovered from such Lender, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest. Notwithstanding the foregoing, no Lender shall exercise a right of setoff if such exercise would limit or prevent the exercise of any other remedy or other recourse against the Borrower or its Subsidiaries; and *provided further*, if a Lender receives any amount in connection with the enforcement by such Lender against any particular assets held as collateral for Secured Indebtedness existing on the date hereof and unrelated to the Obligations which is owing to such Lender by the Borrower, such Lender shall not be required to ratably apply such amount to the Obligations.

§14. THE ADMINISTRATIVE AGENT.

§14.1. Authorization. (a) The Administrative Agent is authorized to take such action on behalf of each of the Lenders and to exercise all such powers as are hereunder and under any of the other Loan Documents and any related documents delegated to the Administrative Agent, together with such powers as are reasonably incident thereto, *provided* that no duties or responsibilities not expressly assumed herein or therein shall be implied to have been assumed by the Administrative Agent. The relationship between the Administrative Agent and the Lenders is and shall be that of agent and principal only, and nothing contained in this Agreement or any of the other Loan Documents shall be construed to constitute the Administrative Agent as a trustee or fiduciary for any Lender. Subject to the terms and conditions hereof, the Administrative Agent shall discharge its functions as "Administrative Agent" with the same degree of care as it performs administrative services for loans in which it is the sole lender.

(b) The Borrower, without further inquiry or investigation, shall, and is hereby authorized by the Lenders to, assume that all actions taken by the Administrative Agent hereunder and in connection with or under the Loan Documents are duly authorized by the Lenders. The Lenders shall notify the Borrower of any successor to Administrative Agent in accordance with §14.11 by a writing signed by Required Lenders.

§14.2. Employees and Agents. The Administrative Agent may exercise its powers and execute its duties by or through employees or agents and shall be entitled to take, and to rely on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement and the other Loan Documents. The Administrative Agent may utilize the services of such Persons as the Administrative Agent in its sole discretion may reasonably determine, and all reasonable fees and expenses of any such Persons shall be paid by the Borrower.

§14.3. No Liability. Neither the Administrative Agent, nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent or employee thereof, shall be liable for any waiver, consent or approval given or any action taken, or omitted to be taken, in good faith by it or them hereunder or under any of the other Loan Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever, except that the Administrative Agent shall be liable for losses due to its willful misconduct or gross negligence.

§14.4. No Representations. The Administrative Agent shall not be responsible for the execution or validity or enforceability of this Agreement, the Notes, or any of the other Loan Documents or for the validity, enforceability or collectibility of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties or representations made herein or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of any Guarantor or the Borrower or any of their respective Subsidiaries, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in this Agreement or the other Loan Documents. The Administrative Agent shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower or any Guarantor or any holder of any of the Notes shall have been duly authorized or is true, accurate and complete. The Administrative Agent has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Lenders, with respect to the creditworthiness or financial condition of the Borrower or any of its Subsidiaries or any Guarantor or any of the Subsidiaries or any tenant under a Lease or any other entity. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement.

§14.5. Payments.

(a) A payment by the Borrower to the Administrative Agent hereunder or any of the other Loan Documents for the account of any Lender shall constitute a payment to such Lender. The Administrative Agent agrees to distribute to each Lender such Lender's pro rata share of payments received by the Administrative Agent for the account of the Lenders, as provided herein or in any of the other Loan Documents. All such payments shall be made on the date received, if before 1:00 p.m., and if after 1:00 p.m., on the next Business Day. If payment is not made on the day received, interest thereon at the overnight federal funds effective rate shall be paid pro rata to the Lenders.

(b) If in the reasonable opinion of the Administrative Agent the distribution of any amount received by it in such capacity hereunder, under the Notes or under any of the other Loan Documents might involve it in material liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction, *provided* that interest thereon at the overnight federal funds effective rate shall be paid pro rata to the Lenders. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Administrative Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrative Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

(c) Notwithstanding anything to the contrary contained in this Agreement or any of the other Loan Documents, any Lender that fails (i) to make available to the Administrative Agent its pro rata share of any Loan or (ii) to comply with the provisions of §13 with respect to making dispositions and arrangements with the other Lenders, where such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Lenders, in each case as, when and to the full extent required by the provisions of this Agreement, or to adjust promptly such Lender's outstanding principal and its pro rata Commitment Percentage as provided in §2.1, shall be deemed delinquent (a "***Delinquent Lender***") and shall be deemed a Delinquent Lender until such time as such delinquency is satisfied. A Delinquent Lender shall be deemed to have assigned any and all payments due to it from the Borrower, whether on account of outstanding Loans, interest, fees or otherwise, to the remaining nondelinquent Lenders for application to, and reduction of, their respective pro rata shares of all outstanding Loans. The Delinquent Lender hereby authorizes the Administrative Agent to distribute such payments to the nondelinquent Lenders in proportion to their respective pro rata shares of all outstanding Loans. If not previously satisfied directly by the Delinquent Lender, a Delinquent Lender shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all outstanding Loans of the nondelinquent Lenders, the Lenders' respective pro rata shares of all outstanding Loans have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

§14.6. Holders of Notes. The Administrative Agent may deem and treat the payee of any Notes as the absolute owner or purchaser thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee or transferee.

§14.7. Indemnity. The Lenders ratably and severally agree hereby to indemnify and hold harmless the Administrative Agent (in its capacity as such and not in its capacity as a Lender) and its Affiliates from and against any and all claims, actions and suits (whether groundless or otherwise), losses, damages, costs, expenses (including any expenses for which the Administrative Agent has not been reimbursed by the Borrower as required by §15), and liabilities of every nature and character arising out of or related to this Agreement, the Notes, or any of the other Loan Documents or the transactions contemplated or evidenced hereby or thereby, or the Administrative Agent's actions taken hereunder or thereunder, except to the extent that any of the same shall be directly caused by the Administrative Agent's or such Affiliate's willful misconduct or gross negligence. Nothing in this §14.7 shall limit any indemnification obligations of the Borrower hereunder.

§14.8. Administrative Agent as Lender. In its individual capacity as a Lender, JPMorgan shall have the same obligations and the same rights, powers and privileges in respect to its Commitment and the Loans made by it, and as the holder of any of the Notes, as it would have were it not also the Administrative Agent. Except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, the Guarantors or their Subsidiaries that is communicated to or obtained by the bank serving as the Administrative Agent or any of its Affiliates in any capacity.

§14.9. Notification of Defaults and Events of Default. Each Lender hereby agrees that, upon learning of the existence of a default, Default or an Event of Default, it shall (to the extent notice has not previously been provided) promptly notify the Administrative Agent thereof. The Administrative Agent hereby agrees that upon receipt of any notice under this §14.9 it shall promptly notify the other Lenders of the existence of such default, Default or Event of Default.

§14.10. Duties in the Case of Enforcement. In case one or more Events of Default have occurred and shall be continuing, and whether or not acceleration of the Obligations shall have occurred, the Administrative Agent shall, if (a) so requested by the Required Lenders and (b) the Lenders have provided to the Administrative Agent such additional indemnities and assurances against expenses and liabilities as the Administrative Agent may reasonably request, proceed to enforce the provisions of this Agreement and exercise all or any such other legal and equitable and other rights or remedies as it may have in respect of enforcement of the Lenders' rights against the Borrower and the Guarantors under this Agreement and the other Loan Documents. The Required Lenders may direct the Administrative Agent in writing as to the method and the extent (other than when such direction as to extent requires Unanimous Lender Approval under §25) of any such enforcement, the Lenders (including any Lender which is not one of the Required Lenders) hereby agreeing to ratably and severally indemnify and hold the Administrative Agent harmless from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions other than actions taken in gross negligence or willful misconduct, *provided* that the Administrative Agent need not comply with any such direction to the extent that the Administrative Agent reasonably believes the Administrative Agent's compliance with such direction to be unlawful or commercially unreasonable in any applicable jurisdiction.

§14.11. Successor Administrative Agent. JPMorgan, or any successor Administrative Agent, may resign as Administrative Agent at any time by giving written notice thereof to the Lenders and to the Borrower. In addition, the Required Lenders may remove the Administrative Agent in the event of the Administrative Agent's gross negligence or willful misconduct. Any such resignation or removal shall be effective upon appointment and acceptance of a successor Administrative Agent, as hereinafter provided. Subject to the next sentence, any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent, which is a Lender under this Agreement, *provided* that so long as no Default or Event of Default has occurred and is continuing the Borrower shall have the right to approve any successor Administrative Agent, which approval shall not be unreasonably withheld. If, in the case of a resignation by the Administrative Agent, no successor Administrative Agent shall have been so appointed by the Required Lenders and, if applicable, approved by the Borrower, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint any one of the other Lenders as a successor Administrative Agent; *provided* that the Administrative Agent shall have first submitted the names of two (2) Lenders to the Borrower and, within ten (10) Business Days of such submission the Borrower shall not have selected one of such Lenders as the successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all further duties and obligations as Administrative Agent under this Agreement. After any Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this §14 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

§14.12. Notices. Any notices or other information required hereunder to be provided to the Administrative Agent and any formal statement or notice given by the Administrative Agent to the Borrower or any Lender shall be promptly forwarded by the Administrative Agent to each of the other Lenders.

§15. EXPENSES. The Borrower agrees to pay (a) the reasonable costs of incurred by JPMorgan and the Arranger in producing this Agreement, the other Loan Documents and the other agreements and instruments mentioned herein, (b) the reasonable fees, expenses

and disbursements of one outside counsel to the Administrative Agent, and one local counsel to the Administrative Agent, in each case incurred in connection with the preparation, administration or interpretation of the Loan Documents and other instruments mentioned herein, each closing hereunder, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (c) the reasonable fees, expenses and disbursements of the Administrative Agent incurred by the Administrative Agent in connection with the preparation, administration or interpretation of the Loan Documents and other instruments mentioned herein, each closing hereunder, any amendments, modifications, approvals, consents or waivers hereto or hereunder, or the cancellation of any Loan Document upon payment in full in cash of all of the Obligations or pursuant to any terms of such Loan Document for providing for such cancellation, including, without limitation, the reasonable fees and disbursements (including, without limitation, reasonable photocopying costs) of one counsel to the Administrative Agent in preparing the documentation, (d) the reasonable fees, costs, expenses and disbursements of the Arranger and its Affiliates incurred in connection with the syndication and/or participations of the Loans, including, without limitation, costs of preparing syndication materials and photocopying costs, subject to the limitations set forth in the Fee Letter, (e) all reasonable expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any Lender or the Administrative Agent, and the fees and costs of appraisers, engineers, investment bankers, surveyors or other experts retained by any Lender or the Administrative Agent in connection with any such enforcement, preservation proceedings or dispute) incurred by any Lender or the Administrative Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower or any of its Subsidiaries or any Guarantor or the administration thereof after the occurrence and during the continuance of a Default or Event of Default (including, without limitation, expenses incurred in any restructuring and/or "workout" of the Loans), and (ii) any litigation, proceeding or dispute whether arising hereunder or otherwise, in any way related to any Lender's or the Administrative Agent's relationship with the Borrower, any Guarantor or any of their Subsidiaries, (f) all reasonable fees, expenses and disbursements of the Administrative Agent incurred in connection with UCC searches and (g) all costs incurred by the Administrative Agent in the future in connection with its inspection of the Unencumbered Properties after the occurrence and during the continuance of an Event of Default. The covenants of this §15 shall survive payment or satisfaction of payment of amounts owing with respect to the Notes.

§16. INDEMNIFICATION. The Borrower agrees to indemnify and hold harmless the Administrative Agent, the Arranger and each of the Lenders and the shareholders, directors, agents, officers, employees, subsidiaries and affiliates of the Administrative Agent, the Arranger and each of the Lenders from and against any and all claims, actions and suits sought or brought by a third party, whether groundless or otherwise, and from and against any and all liabilities, losses, settlement payments, obligations, damages and expenses of every nature and character, including reasonable legal fees and expenses, arising out of or resulting in any way from this Agreement or any of the other Loan Documents or the transactions contemplated hereby or thereby or which otherwise arise in connection with the financing, including, without limitation, (a) any actual or proposed use by the Borrower

or any of its Subsidiaries of the proceeds of any of the Loans, (b) the Borrower or any of its Subsidiaries or any Guarantor entering into or performing this Agreement or any of the other Loan Documents, or (c) pursuant to §7.15 hereof, in each case including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any investigative, administrative or judicial proceeding (whether or not such indemnified Person is a party thereto), *provided, however*, that the Borrower shall not be obligated under this §16 to indemnify any Person for liabilities arising from such Person's own gross negligence or willful misconduct. In litigation, or the preparation therefor, the Borrower shall be entitled to select counsel reasonably acceptable to the Required Lenders, and the Lenders (as approved by the Required Lenders) shall be entitled to select their own supervisory counsel and, in addition to the foregoing indemnity, the Borrower agrees to pay promptly the reasonable fees and expenses of each such counsel if (i) in the written opinion of counsel to the Administrative Agent, the Arranger or the Lenders, as the case may be, use of counsel of the Borrower's choice could reasonably be expected to give rise to a conflict of interest, (ii) the Borrower shall not have employed counsel reasonably satisfactory to the Administrative Agent, the Arranger or the Lenders, as the case may be, within a reasonable time after notice of the institution of any such litigation or proceeding or (iii) the Borrower authorizes the Administrative Agent, the Arranger or the Lenders, as the case may be, to employ separate counsel at the Borrower's expense. If and to the extent that the obligations of the Borrower under this §16 are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law. The provisions of this §16 shall survive the repayment of the Loans and the termination of the obligations of the Lenders hereunder and shall continue in full force and effect as long as the possibility of any such claim, action, cause of action or suit exists.

§17. SURVIVAL OF COVENANTS, ETC. All covenants, agreements, representations and warranties made herein, in the Notes, in any of the other Loan Documents shall be deemed to have been relied upon by the Lenders and the Administrative Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Lenders of any of the Loans as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement or the Notes or any of the other Loan Documents remains outstanding or any Lender has any obligation to make any Loans. The indemnification obligations of the Borrower provided herein and in the other Loan Documents shall survive the full repayment of amounts due and the termination of the obligations of the Lenders hereunder and thereunder to the extent provided herein and therein. All statements contained in any certificate delivered to any Lender or the Administrative Agent at any time by or on behalf of the Borrower or any of its Subsidiaries or any Guarantor pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower or such Subsidiary or such Guarantor hereunder.

§18. ASSIGNMENT; PARTICIPATIONS; ETC.

§18.1. Conditions to Assignment by Lenders. Except as provided herein, each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment Percentage and Commitment and the same portion of the Loans at the time owing to it, the Notes held by it; *provided* that (a) the Administrative Agent and, except (x) in the case of an assignment to a Lender or a Lender Affiliate or (y) if an Event of Default shall have occurred and be continuing, the Borrower each shall have the right to approve any Eligible Assignee, which approval shall not be unreasonably withheld or delayed, (b) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement as to such interests, rights and obligations under this Agreement so assigned, (c) except in the case of an assignment to a Lender or a Lender Affiliate, each such assignment shall be in a minimum amount of $1,000,000 or an integral multiple of $1,000,000 in excess thereof, (d) unless the assigning Lender shall have assigned its entire Commitment, each Lender shall have at all times an amount of its Commitment of not less than $10,000,000 and (e) the parties to such assignment shall execute and deliver to the Administrative Agent, for recording in the Register (as hereinafter defined), an assignment and assumption, substantially in the form of ***Exhibit F*** hereto (an "***Assignment and Assumption***"), together with any Notes subject to such assignment. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Assumption, which effective date shall be at least five (5) Business Days after the execution thereof, (i) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Assumption, have the rights and obligations of a Lender hereunder and thereunder, and (ii) the assigning Lender shall, to the extent provided in such assignment and upon payment to the Administrative Agent of the registration fee referred to in §18.3, be released from its obligations under this Agreement. If the consent of the Borrower is required pursuant to this §18.1, and the Borrower does not respond to the Administrative Agent's request for consent within ten (10) Business Days of receipt of such written request, the consent shall be deemed given.

§18.2. Certain Representations and Warranties; Limitations; Covenants. By executing and delivering an Assignment and Assumption, the parties to the assignment thereunder confirm to and agree with each other and the other parties hereto as follows: (a) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto; (b) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any of its Subsidiaries or any Guarantor or any other Person primarily or secondarily liable in respect of any of the Obligations, or the performance or observance by the Borrower or any of its Subsidiaries or any Guarantor or any other Person primarily or secondarily liable in respect

of any of the Obligations of any of their obligations under this Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (c) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in §6.4 and §7.4 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (d) such assignee will, independently and without reliance upon the assigning Lender, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (e) such assignee represents and warrants that it is an Eligible Assignee; (f) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto; (g) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender; and (h) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Assumption.

§18.3. Register. The Administrative Agent shall maintain a copy of each Assignment and Assumption delivered to it and a register or similar list (the "***Register***") for the recordation of the names and addresses of the Lenders and the Commitment Percentages of, and principal amount of the Loans owing to, the Lenders from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and the Lenders at any reasonable time and from time to time upon reasonable prior notice. Upon each such recordation other than assignments pursuant to §4.11, the assigning Lender agrees to pay to the Administrative Agent a registration fee in the sum of $3,500.

§18.4. New Notes. Upon its receipt of an Assignment and Assumption executed by the parties to such assignment, together with each Note subject to such assignment, the Administrative Agent shall (a) record the information contained therein in the Register, and (b) give prompt written notice thereof to the Borrower and the Lenders (other than the assigning Lender). Within five (5) Business Days after receipt of such notice, the Borrower, at its own expense, (i) shall execute and deliver to the Administrative Agent, in exchange for each surrendered Note, a new Note to the order of such Eligible Assignee in an amount equal to the amount assumed by such Eligible Assignee pursuant to such Assignment and Assumption and, if the assigning Lender has retained some portion of its obligations hereunder, a new Note to the order of the assigning Lender in an amount equal to the amount retained by it hereunder and (ii) shall deliver an opinion from counsel to the Borrower in substantially the form delivered on the Closing Date pursuant to §10.6 as to such new Notes. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Assumption and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be canceled and returned to the Borrower.

§18.5. Participations. Each Lender may sell participations to one or more banks or other entities in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents without notice or consent of the Borrower, Administrative Agent or any other party hereto; *provided* that (a) any such sale or participation shall not affect the rights and duties of the selling Lender hereunder to the Borrower and the Administrative Agent and the Lender shall continue to exercise all approvals, disapprovals and other functions of a Lender, (b) the only rights granted to the participant pursuant to such participation arrangements with respect to waivers, amendments or modifications of, or approvals under, the Loan Documents shall be the rights to approve waivers, amendments or modifications that would reduce the principal of or the interest rate on any Loans, extend the term (other than any extension contemplated by the definition of "***Maturity Date***") or increase the amount of the Commitment of such Lender as it relates to such participant, reduce the amount of any fees to which such participant is entitled or extend any regularly scheduled payment date for principal or interest, and (c) no participant shall have the right to grant further participations or assign its rights, obligations or interests under such participation to other Persons without the prior written consent of the Administrative Agent.

§18.6. Pledge by Lender. Notwithstanding any other provision of this Agreement, any Lender at no cost to the Borrower may at any time pledge or assign a security interest in all or any portion of its interest and rights under this Agreement (including all or any portion of its Notes) to any Person. No such pledge or the enforcement thereof shall release the pledgor Lender from its obligations hereunder or under any of the other Loan Documents.

§18.7. Successors and Assigns; No Assignment by Borrower. This Agreement and the other Loan Documents shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their successors and permitted assigns. Notwithstanding the foregoing, the Borrower shall not assign or transfer any of its rights or obligations under any of the Loan Documents without prior Unanimous Lender Approval (and any such attempted assignment or transfer by the Borrower without such consent shall be null and void).

§18.8. Disclosure. The Borrower agrees that, in addition to disclosures made in accordance with standard banking practices, any Lender may disclose information obtained by such Lender pursuant to this Agreement to assignees or participants and potential assignees or participants hereunder. Any such disclosed information shall be treated by any assignee or participant with the same standard of confidentiality set forth in §7.10 hereof.

§19. NOTICES, ETC. Except as otherwise expressly provided in this Agreement, all notices and other communications made or required to be given pursuant to this Agreement or the Notes shall be in writing and shall be delivered in hand, or mailed by United States registered or certified first class mail, return receipt requested, postage prepaid; or sent by overnight courier; or sent by facsimile and confirmed by delivery via overnight courier or postal service; addressed as follows:

(a) if to the Borrower or any Guarantor, to it at Mack-Cali Realty Corporation, 343 Thornall Street, Edison, New Jersey 08837-2206, Attention: Mr. Roger W. Thomas, Executive Vice President and General Counsel and Mr. Barry Lefkowitz, Executive Vice President and Chief Financial Officer, with a copy to William M. Levine, Esq., Pryor Cashman Sherman & Flynn LLP, 410 Park Avenue, New York, New York 10022, or to such other address for notice as the Borrower or any Guarantor shall have last furnished in writing to the Administrative Agent;

(b) if to the Administrative Agent, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 1111 Fannin Street, 10th Floor, Houston, TX 77002, (Telecopy No. (713) 750-2892), with copies to JPMorgan Chase Bank, N.A., 277 Park Avenue, 3rd Floor, New York, New York 10172, Attention: Donald Shokrian (Telecopy No. (646) 534-0574), Jacqueline F. Stein, Esq., Vice President and Associate General Counsel (Telecopy No. 212-270-2930), and Stephen M. Miklus, Esq., Bingham McCutchen LLP, 150 Federal Street, Boston, Massachusetts 02110, or at such other address for notice as the Administrative Agent, shall last have furnished in writing to the Person giving the notice; and

(c) if to any Lender, at the address set forth on Schedule 1.2 hereto, or such other address for notice as such Lender shall have last furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier or facsimile to the party to which it is directed, at the time of the receipt thereof by such party or the sending of such facsimile and (ii) if sent by registered or certified first-class mail, postage prepaid, return receipt requested on the fifth Business Day following the mailing thereof.

§20. GOVERNING LAW; CONSENT TO JURISDICTION AND SERVICE . THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK, NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK, NEW YORK AND CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER OR THE GUARANTORS OR THE ADMINISTRATIVE AGENT OR THE LENDERS BY MAIL AT THE ADDRESS SPECIFIED IN §19. EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVES ANY OBJECTION THAT EITHER OF THEM MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

§21. HEADINGS. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

§22. COUNTERPARTS. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

§23. ENTIRE AGREEMENT, ETC. The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby and supersede any and all previous agreements and understandings, oral or written, relating to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in §25.

§24. WAIVER OF JURY TRIAL AND CERTAIN DAMAGE CLAIMS . EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, THE BORROWER AND EACH OF THE GUARANTORS HEREBY WAIVES ANY RIGHT ANY OF THEM MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH OF THE BORROWER AND THE GUARANTORS (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY LENDER OR THE ADMINISTRATIVE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH LENDER OR THE ADMINISTRATIVE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGE THAT THE ADMINISTRATIVE AGENT AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH THEY ARE PARTIES BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

§25. CONSENTS, AMENDMENTS, WAIVERS, ETC. Except as otherwise expressly provided in this Agreement, any acceptance, consent, approval or other authorization required or permitted by this Agreement may be given, and any term of this Agreement or of any of the other Loan Documents may be amended, and the performance or observance by the Borrower or any Guarantor of any terms of this Agreement or the other Loan Documents or the continuance of any default, Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Required Lenders.

Notwithstanding the foregoing, Unanimous Lender Approval shall be required for any amendment, modification or waiver of this Agreement or the other Loan Documents that:

(i) reduces or forgives any principal of any unpaid Loan or any interest thereon (including any interest "breakage" costs) or any fees due any Lender hereunder; or

(ii) changes the unpaid principal amount of, or the rate of interest on, any Loan; or

(iii) changes the date fixed for any payment of principal of or interest on any Loan (including, without limitation, any extension of the Maturity Date other than in accordance with the second sentence of the definition of "Maturity Date") or any fees payable hereunder; or

(iv) changes the amount of any Lender's Commitment (other than pursuant to an assignment permitted under §18.1 hereof or as consented to by such Lender) or increases the amount of the Total Commitment; or

(v) releases or reduces the liability of any Guarantor pursuant to its Guaranty other than as provided in §5; or

(vi) modifies this §25 or any other provision herein or in any other Loan Document which by the terms thereof expressly requires Unanimous Lender Approval; or

(vii) changes the definitions of Required Lenders, Majority Lenders or Unanimous Lender Approval;

provided that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of the Administrative Agent or the Lenders or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial to such right or any other rights of the Administrative Agent or the Lenders. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

§26. SEVERABILITY. The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

§27. [RESERVED].

§28. USA PATRIOT ACT. Each Lender hereby notifies the Credit Parties that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "***Act***"), it is required to obtain, verify and record information that identifies the Credit Parties, which information includes the names and addresses of the Credit Parties and other information that will allow such Lender to identity the Credit Parties in accordance with the Act.

§29. USURY SAVINGS CLAUSE. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as a sealed instrument as of the date first set forth above.

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation, its general partner

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

JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent

By: /s/ Donald S. Shokrian
Name: Donald S. Shokrian
Title: Managing Director

Mack-Cali Realty Corporation
Schedule CBD
CBD Properties

Property Address	City/State
Harborside Financial Center 1	**Jersey City, NJ**
Harborside Financial Center 2	**Jersey City, NJ**
Harborside Financial Center 3	**Jersey City, NJ**
Harborside Financial Center 4-A	**Jersey City, NJ**
Harborside Financial Center 5	**Jersey City, NJ**
101 Hudson Street	**Jersey City, NJ**
760 Market Street	**San Francisco, CA**
795 Folsom Street	**San Francisco, CA**
201 South Third Street	**San Francisco, CA**
1400 L Street	**Washington, DC**
1201 Connecticut Avenue NW	**Washington, DC**

Exhibit 21.1

Subsidiary	State of Incorporation or Organization
1 COMMERCE REALTY L.L.C.	NJ
1 EXECUTIVE REALTY L.L.C.	NJ
2 COMMERCE REALTY L.L.C.	NJ
2 EXECUTIVE REALTY L.L.C.	NJ
2 PARAGON REALTY L.L.C.	DE
2 TWOSOME REALTY L.L.C.	NJ
3 CAMPUS REALTY LLC	DE
3 ODELL REALTY L.L.C.	NY
3 PARAGON REALTY L.L.C.	DE
4 GATEHALL REALTY L.L.C.	NJ
4 SENTRY HOLDING L.L.C.	DE
4 SENTRY REALTY L.L.C.	DE
5 WOOD HOLLOW REALTY, L.L.C.	NJ
5/6 SKYLINE REALTY L.L.C.	NY
6 PARSIPPANY L.L.C.	NJ
9 CAMPUS REALTY L.L.C.	NJ
11 COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
12 SKYLINE ASSOCIATES L.L.C.	NY
14/16 SKYLINE REALTY L.L.C.	NY
14 COMMERCE REALTY L.L.C.	NJ
20 COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
25 COMMERCE REALTY, L.L.C.	NJ
30 TWOSOME REALTY L.L.C.	NJ
31 TWOSOME REALTY L.L.C.	NJ
35 WATERVIEW HOLDING L.L.C.	DE
35 WATERVIEW SPE LLC	DE
40 TWOSOME REALTY L.L.C.	NJ
41 TWOSOME REALTY L.L.C.	NJ
50 TWOSOME REALTY L.L.C.	NJ

78/PINSON PARTNERS L.L.C.	NJ
97 FORSTER REALTY L.L.C.	NJ
100 WILLOWBROOK REALTY L.L.C.	DE
101 COMMERCE REALTY L.L.C.	NJ
101 EXECUTIVE REALTY L.L.C.	NJ
102 EXECUTIVE REALTY L.L.C.	NJ
105 CHALLENGER HOLDING L.L.C.	DE
105 CHALLENGER OWNER LLC	NJ
120 PASSAIC STREET L.L.C.	NJ
201 COMMERCE REALTY L.L.C.	NJ
201 WILLOWBROOK FUNDING L.L.C.	NJ
225 CORPORATE REALTY L.L.C.	NY
225 EXECUTIVE REALTY L.L.C.	NJ
232 STRAWBRIDGE REALTY L.L.C.	NJ
300 HORIZON REALTY L.L.C.	NJ
300 TICE REALTY ASSOCIATES L.L.C.	NJ
343 THORNALL HOLDING L.L.C.	DE
343 THORNALL SPE LLC	DE
395 W. PASSAIC L.L.C.	NJ
400 CHESTNUT REALTY L.L.C.	NJ
400 RELLA REALTY ASSOCIATES L.L.C.	NY
461 FROM REALTY L.L.C.	NJ
470 CHESTNUT REALTY L.L.C.	NJ
500 COLUMBIA TURNPIKE ASSOCIATES L.L.C.	NJ
500 WEST PUTNAM L.L.C.	CT
530 CHESTNUT REALTY L.L.C.	NJ
600 HORIZON CENTER L.L.C.	NJ
600 PARSIPPANY ASSOCIATES L.L.C.	NJ
795 FOLSOM REALTY ASSOCIATES L.P.	CA
800 MAIN STREET, L.L.C.	DE
1000 BRIDGEPORT REALTY L.L.C.	CT
1256 N. CHURCH REALTY L.L.C.	NJ
1266 SOUNDVIEW REALTY L.L.C.	CT
1507 LANCER REALTY L.L.C.	NJ
1717 REALTY ASSOCIATES L.L.C.	NJ
A-B OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP	DE
AIRPORT PROPERTIES ASSOCIATES L.L.C.	NJ
BELMAR REALTY PARTNERS, LLC	DE
BMP MOORESTOWN REALTY L.L.C.	NJ
BMP SOUTH REALTY L.L.C.	NJ
BRIDGE PLAZA REALTY ASSOCIATES L.L.C.	NJ
C.W. ASSOCIATES L.L.C.	NJ
C-D OFFICE MEADOWLANDS MACK-CALI LIMITED PARTNERSHIP	DE
CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P.	NJ

CAL-HARBOR V LEASING ASSOCIATES L.L.C.	NJ
CAL-HARBOR V URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR VII LEASING ASSOCIATES L.L.C.	NJ
CAL-HARBOR VII URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR SO. PIER URBAN RENEWAL ASSOCIATES L.P.	NJ
CALI HARBORSIDE (FEE) ASSOCIATES L.P.	NJ
CAMPUS CONSERVATION AND MANAGEMENT, INC.	NJ
CENTURY PLAZA ASSOCIATES L.L.C.	NJ
CLEARBROOK ROAD ASSOCIATES L.L.C.	NY
COLLEGE ROAD REALTY L.L.C.	NJ
COMMERCENTER REALTY ASSOCIATES L.L.C.	NJ
CROSS WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
CWLT ROSELAND EXCHANGE L.L.C.	NJ
D.B.C. REALTY L.L.C.	NJ
ELEVENTH SPRINGHILL LAKE ASSOCIATES, LLC	MD
ELMSFORD REALTY ASSOCIATES L.L.C.	NY
FIVE SENTRY REALTY ASSOCIATES L.P.	PA
FOURTEENTH SPRINGHILL LAKE ASSOCIATES L.L.C.	DE
GMW VILLAGE ASSOCIATES, L.L.C.	DE
GALE CONSTRUCTION COMPANY, INC.	PA
GALE MICHIGAN MANAGEMENT LLC	DE
HARBORSIDE HOSPITALITY CORP.	NJ
HORIZON CENTER REALTY ASSOCIATES L.L.C.	NJ
JUMPING BROOK REALTY ASSOCIATES L.L.C.	NJ
KEMBLE PLAZA II REALTY L.L.C.	NJ
KNIGHTSBRIDGE REALTY L.L.C.	NJ
LINWOOD REALTY L.L.C.	NJ
LITTLETON REALTY ASSOCIATES L.L.C.	NJ
M-C 3 CAMPUS, LLC	DE
M-C 500 MAIN STREET, LLC	DE
M-C 800 MAIN STREET, LLC	DE
M-C BELMAR, LLC	DE
M-C CALIFORNIA SERVICES, INC.	DE
M-C CAPITOL ASSOCIATES L.L.C.	DE
M-C CHURCH REALTY L.L.C.	NJ
M-C HARBORSIDE PROMENADE LLC	NJ
M-C HARSIMUS PARTNERS L.L.C.	NJ
M-C HUDSON LLC	NJ
M-C HUDSON STREET LLC	NJ
M-C KIMBALL, LLC	DE
M-C LENOLA REALTY L.L.C.	NJ
M-C METROPOLITAN REALTY L.L.C.	NJ
M-C MICHIGAN INC.	DE
M-C NEWARK L.L.C.	DE

M-C PENN MANAGEMENT TRUST	MD
M-C PLAZA II & III LLC	NJ
M-C PLAZA IV LLC	NJ
M-C PLAZA V LLC	NJ
M-C PLAZA VI & VII LLC	NJ
M-C PLAZA VI LLC	NJ
M-C PLAZA VII LLC	NJ
M-C PROPERTIES CO. REALTY L.L.C.	NJ
M-C RED BANK REALTY L.L.C.	NJ
M-C ROCKLAND PARTNERS L.P.	NY
M-C ROSETREE REALTY, LLC	PA
M-C TRANSIT, LLC	DE
M-C VREELAND, LLC	DE
M-C WASHINGTON STREET L.L.C.	DE
M-C/SHARK JV, LLC	DE
MACK-CALI ADVANTAGE SERVICES CORPORATION	DE
MACK-CALI AIRPORT REALTY ASSOCIATES L.P.	PA
MACK-CALI B PROPERTIES, L.L.C.	NJ
MACK-CALI BELMAR REALTY LLC	DE
MACK-CALI BRIDGEWATER CO., L.P.	NJ
MACK-CALI BUILDING V ASSOCIATES L.L.C.	NJ
MACK-CALI BUSINESS CAMPUS ASSOCIATES, INC.	NJ
MACK-CALI CALIFORNIA DEVELOPMENT ASSOCIATES L.P.	CA
MACK-CALI CALIFORNIA PARTNERS L.P.	CA
MACK-CALI CAMPUS REALTY L.L.C.	NJ
MACK-CALI CHESTNUT RIDGE, L.L.C.	NJ
MACK-CALI CW REALTY ASSOCIATES L.L.C.	NY
MACK-CALI D.C. MANAGEMENT CORP	DE
MACK-CALI E-COMMERCE L.L.C.	DE
MACK-CALI EAST LAKEMONT L.L.C.	NJ
MACK-CALI F PROPERTIES L.P.	NJ
MACK-CALI FACILITY, LLC	NJ
MACK-CALI GLENDALE LIMITED PARTNERSHIP	AZ
MACK-CALI HAMILTON, L.L.C.	NJ
MACK-CALI HOLMDEL L.L.C.	DE
MACK-CALI JOHNSON ROAD L.L.C.	NJ
MACK-CALI MANAGEMENT L.L.C.	DE
MACK-CALI MATAWAN L.L.C.	NJ
MACK-CALI MEADOWLANDS CORPORATION	DE
MACK-CALI MEADOWLANDS ENTERTAINMENT L.L.C.	NJ
MACK-CALI MEADOWLANDS SPECIAL L.L.C.	NJ
MACK-CALI MID-WEST REALTY ASSOCIATES L.L.C.	NY
MACK-CALI MORRIS REALTY L.L.C.	NJ
MACK-CALI PENNSYLVANIA REALTY ASSOCIATES L.P.	PA
MACK-CALI PLAZA I L.L.C.	NJ
MACK-CALI PROPERTY TRUST	MD
MACK-CALI REALTY ACQUISITION CORP.	DE
MACK-CALI REALTY CONSTRUCTION CORPORATION	NJ
MACK-CALI REALTY, L.P.	DE

MACK-CALI RIVERSIDE REALTY L.L.C.	NJ
MACK-CALI SERVICES, INC.	NJ
MACK-CALI SHORT HILLS L.L.C.	NJ
MACK-CALI SO. WEST REALTY ASSOCIATES L.L.C.	NY
MACK-CALI SPRINGING L.L.C.	DE
MACK-CALI SUB I, INC.	DE
MACK-CALI SUB II, INC.	DE
MACK-CALI SUB III, INC.	DE
MACK-CALI SUB X, INC.	DE
MACK-CALI SUB XI, INC.	DE
MACK-CALI SUB XIV, INC.	DE
MACK-CALI SUB XV, TRUST	MD
MACK-CALI SUB XVII, INC.	DE
MACK-CALI SUB XXI, INC.	DE
MACK-CALI SUB XXII, INC.	DE
MACK-CALI SUB XXIII, INC.	DE
MACK-CALI TAXTER ASSOCIATES L.L.C.	NY
MACK-CALI TEXAS PROPERTY L.P.	TX
MACK-CALI TRANSIT VILLAGE LLC	DE
MACK-CALI TRS HOLDING CORPORATION	DE
MACK-CALI VENTURES L.L.C.	DE
MACK-CALI WILLOWBROOK COMPANY L.L.C.	NJ
MACK-CALI WOODBRIDGE L.L.C.	NJ
MACK-CALI WP REALTY ASSOCIATES L.L.C.	NY
MACK-CALI-R COMPANY NO. 1 L.P.	NJ
MAIN-MARTINE MAINTENANCE CORP.	NY
MANHASSET ASSOCIATES L.L.C.	NY
MAPLE 4 CAMPUS REALTY L.L.C.	NJ
MAPLE 6 CAMPUS REALTY L.L.C.	NJ
MC HUDSON HOLDING L.L.C.	NJ
MC HUDSON REALTY L.L.C.	NJ
MC ONE RIVER GENERAL L.L.C.	NJ
MC ONE RIVER LIMITED L.L.C.	NJ
MCPT TRS HOLDING CORPORATION	DE
MCPT TRUST	DE
MCRC TRUST	DE
MC-SJP PINSON DEVELOPMENT, L.L.C.	DE
MID-WEST MAINTENANCE CORP.	NY
MID-WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
MONMOUTH/ATLANTIC REALTY ASSOCIATES L.L.C.	NJ
MONUMENT 150 REALTY L.L.C.	DE
MONUMENT HOLDING L.L.C.	DE
MOORESTOWN REALTY ASSOCIATES L.L.C.	NJ
MOUNT AIRY REALTY ASSOCIATES L.L.C.	NJ
MOUNTAINVIEW REALTY L.L.C.	NJ
OFFICE ASSOCIATES L.L.C.	NJ
ONE RIVER ASSOCIATES	NJ
ONE SYLVAN REALTY, L.L.C.	NJ

PALLADIUM REALTY L.L.C.	NJ
PARSIPPANY 4/5 REALTY L.L.C.	NJ
PARSIPPANY CAMPUS REALTY ASSOCIATES L.L.C.	NJ
PHELAN REALTY ASSOCIATES L.P.	CA
PLAZA VIII & IX ASSOCIATES L.L.C.	NJ
PRINCETON CORPORATE CENTER REALTY ASSOCIATES L.L.C.	NJ
PRINCETON JUNCTION METRO OFFICE CENTER ASSOCIATES, INC.	NJ
PRINCETON OVERLOOK REALTY L.L.C.	NJ
RAMLAND REALTY ASSOCIATES L.L.C.	NY
ROSELAND II L.L.C.	NJ
ROSELAND OWNERS ASSOCIATES L.L.C.	NJ
SENTRY PARK WEST L.L.C.	PA
SIX COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
SKYLINE REALTY L.L.C.	NY
SO. WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
SOUTH-WEST MAINTENANCE CORP.	NY
STEVENS AIRPORT REALTY ASSOCIATES L.P.	PA
SYLVAN/CAMPUS REALTY L.L.C.	NJ
TALLEY MAINTENANCE CORP.	NY
TALLEYRAND REALTY ASSOCIATES L.L.C.	NY
TENTH SPRINGHILL LAKE ASSOCIATES, LLC	DE
TERRI REALTY ASSOCIATES L.L.C.	NJ
THE GALE COMPANY, L.L.C.	NJ
THE GALE CONSTRUCTION COMPANY, L.L.C.	DE
THE GALE CONSTRUCTION SERVICES COMPANY, L.L.C.	DE
THE GALE CONTRACTING COMPANY, L.L.C.	DE
THE GALE INVESTMENT SERVICES COMPANY, L.L.C.	DE
THE GALE MANAGEMENT COMPANY, L.L.C.	DE
THE GALE REAL ESTATE ADVISORS COMPANY, L.L.C.	DE
THE GALE REAL ESTATE SERVICES COMPANY L.L.C.	DE
THE GALE SERVICES COMPANY, L.L.C.	DE
THE HORIZON CENTER PROPERTY OWNERS ASSOCIATION, INC.	NJ
TRIAD REALTY ASSOCIATES L.L.C.	DE
TRIAD REALTY HOLDINGS L.L.C.	DE
TWELFTH SPRINGHILL LAKE ASSOCIATES, LLC	MD
VAUGHN PARTNERS L.L.C.	NJ
VAUGHN PRINCETON ASSOCIATES L.L.C.	NJ
WEST AVENUE REALTY ASSOCIATES L.L.C.	CT
WEST-AVE. MAINTENANCE CORP.	CT
WESTAGE REALTY L.L.C.	NY
WHITE PLAINS REALTY ASSOCIATES L.L.C.	NY

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-117047, 333-57194, 333-19101, 33-96542, 333-09081, 333-09875, 333-25475, 333-44433, 333-44441, 333-57103, 333-69029, 333-71133 and 333-80077) and in the Registration Statements on Form S-8 (Nos. 333-116437, 333-100244, 333-52478, 333-80081, 333-18275, 333-19831, 333-32661 and 333-44443) of Mack-Cali Realty Corporation of our report dated February 21, 2007 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 21, 2007