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

FORM 10-Q

(Mark One)
[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2014

or

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

For the transition period from ______________ to ______________

Commission File Number: 1-13274

Mack-Cali Realty Corporation
(Exact name of registrant as specified in its charter)

Maryland	22-3305147
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

343 Thornall Street, Edison, New Jersey	08837-2206
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety (90) days. YES X NO ___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No ___

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

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

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 July 23, 2014, there were 88,986,073 shares of the registrant's Common Stock, par value $0.01 per share, outstanding.

MACK-CALI REALTY CORPORATION

FORM 10-Q

INDEX

Part I	**Financial Information**		**Page**
	Item 1.	Financial Statements (*unaudited)*:	3
		Consolidated Balance Sheets as of June 30, 2014 and December 31, 2013	4
		Consolidated Statements of Operations for the three and six months ended June 30, 2014 and 2013	5
		Consolidated Statement of Changes in Equity for the six months ended June 30, 2014	6
		Consolidated Statements of Cash Flows for the six months ended June 30, 2014 and 2013	7
		Notes to Consolidated Financial Statements	8
	Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	39
	Item 3.	Quantitative and Qualitative Disclosures About Market Risk	59
	Item 4.	Controls and Procedures	60
Part II	**Other Information**		
	Item 1.	Legal Proceedings	61
	Item 1A.	Risk Factors	61
	Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	61
	Item 3.	Defaults Upon Senior Securities	61
	Item 4.	Mine Safety Disclosures	61
	Item 5.	Other Information	61
	Item 6.	Exhibits	62
Signatures			63
Exhibit Index			64

MACK-CALI REALTY CORPORATION

Part I – Financial Information

Item 1. Financial Statements

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

The aforementioned financial statements should be read in conjunction with the notes to the aforementioned financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in Mack-Cali Realty Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

The results of operations for the three and six month periods ended June 30, 2014 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

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

ASSETS		June 30, 2014		December 31, 2013
Rental property				
Land and leasehold interests	$	725,542	$	750,658
Buildings and improvements		3,807,642		3,915,800
Tenant improvements		423,988		456,003
Furniture, fixtures and equipment		9,461		7,472
		4,966,633		5,129,933
Less – accumulated depreciation and amortization		(1,389,202)		(1,400,988)
Net investment in rental property		3,577,431		3,728,945
Cash and cash equivalents		80,943		221,706
Investments in unconsolidated joint ventures		265,866		181,129
Unbilled rents receivable, net		126,111		136,304
Deferred charges, goodwill and other assets		266,760		218,519
Restricted cash		26,405		19,794
Accounts receivable, net of allowance for doubtful accounts of $2,163 and $2,832		11,256		8,931
Total assets	$	4,354,772	$	4,515,328
LIABILITIES AND EQUITY				
Senior unsecured notes	$	1,417,141	$	1,616,575
Revolving credit facility		56,000		-
Mortgages, loans payable and other obligations		735,127		746,191
Dividends and distributions payable		15,173		29,938
Accounts payable, accrued expenses and other liabilities		140,546		121,286
Rents received in advance and security deposits		48,932		53,730
Accrued interest payable		25,973		29,153
Total liabilities		2,438,892		2,596,873
Commitments and contingencies				
Equity:				
Mack-Cali Realty Corporation stockholders' equity:				
Common stock, $0.01 par value, 190,000,000 shares authorized, 88,982,062 and 88,247,591 shares outstanding		890		882
Additional paid-in capital		2,554,841		2,539,326
Dividends in excess of net earnings		(902,036)		(897,849)
Total Mack-Cali Realty Corporation stockholders' equity		1,653,695		1,642,359
Noncontrolling interests in subsidiaries:				
Operating Partnership		207,479		220,813
Consolidated joint ventures		54,706		55,283
Total noncontrolling interests in subsidiaries		262,185		276,096
Total equity		1,915,880		1,918,455
Total liabilities and equity	$	4,354,772	$	4,515,328

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
REVENUES	2014	2013	2014	2013
Base rents	$ 133,210	$ 135,438	$ 267,261	$ 269,061
Escalations and recoveries from tenants	16,996	17,456	42,564	36,944
Construction services	-	6,746	-	14,972
Real estate services	7,009	6,642	13,701	13,085
Parking income	2,236	1,597	4,350	2,989
Other income	849	467	2,020	2,208
Total revenues	160,300	168,346	329,896	339,259
EXPENSES				
Real estate taxes	23,375	19,834	47,726	41,483
Utilities	14,573	13,739	42,854	30,027
Operating services	27,840	25,327	57,062	50,635
Direct construction costs	-	6,511	-	14,336
Real estate services expenses	6,571	5,304	13,280	10,257
General and administrative	13,673	13,111	36,554	25,084
Depreciation and amortization	44,711	45,665	89,696	89,013
Total expenses	130,743	129,491	287,172	260,835
Operating income	29,557	38,855	42,724	78,424
OTHER (EXPENSE) INCOME				
Interest expense	(28,159)	(31,270)	(58,105)	(61,139)
Interest and other investment income	922	1,094	1,308	1,100
Equity in earnings (loss) of unconsolidated joint ventures	443	(80)	(792)	(1,830)
Realized gains (losses) and unrealized losses on disposition of rental property, net	54,584	-	54,584	-
Total other (expense) income	27,790	(30,256)	(3,005)	(61,869)
Income from continuing operations	57,347	8,599	39,719	16,555
Discontinued operations:				
Income from discontinued operations	-	4,530	-	9,663
Loss from early extinguishment of debt	-	(703)	-	(703)
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	13,758	-	13,758
Total discontinued operations	-	17,585	-	22,718
Net income	57,347	26,184	39,719	39,273
Noncontrolling interest in consolidated joint ventures	290	62	612	124
Noncontrolling interest in Operating Partnership	(6,514)	(1,048)	(4,506)	(2,021)
Noncontrolling interest in discontinued operations	-	(2,127)	-	(2,749)
Net income available to common shareholders	$ 51,123	$ 23,071	$ 35,825	$ 34,627
Basic earnings per common share:				
Income from continuing operations	$ 0.58	$ 0.09	$ 0.40	$ 0.16
Discontinued operations	-	0.17	-	0.23
Net income available to common shareholders	$ 0.58	$ 0.26	$ 0.40	$ 0.39
Diluted earnings per common share:				
Income from continuing operations	$ 0.58	$ 0.09	$ 0.40	$ 0.16
Discontinued operations	-	0.17	-	0.23
Net income available to common shareholders	$ 0.58	$ 0.26	$ 0.40	$ 0.39
Basic weighted average shares outstanding	88,691	87,708	88,491	87,688
Diluted weighted average shares outstanding	100,023	99,895	99,964	99,892

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

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

	Common Stock		Additional	Dividends in	Noncontrolling	
	Shares	Par Value	Paid-In Capital	Excess of Net Earnings	Interests in Subsidiaries	Total Equity
Balance at January 1, 2014	88,248	$ 882	$ 2,539,326	$ (897,849)	$ 276,096	$ 1,918,455
Net income	-	-	-	35,825	3,894	39,719
Common stock dividends	-	-	-	(40,012)	-	(40,012)
Common unit distributions	-	-	-		(5,129)	(5,129)
Increase in noncontrolling interest	-	-	-	-	35	35
Redemption of common units for common stock	701	7	12,866	-	(12,873)	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	4	-	77	-	-	77
Director deferred compensation plan	-	-	213	-	-	213
Stock compensation	29	1	2,521	-	-	2,522
Rebalancing of ownership percentage between parent and subsidiaries	-	-	(162)	-	162	-
Balance at June 30, 2014	88,982	$ 890	$ 2,554,841	$ (902,036)	$ 262,185	$ 1,915,880

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) (unaudited)*

	Six Months Ended June 30,	
CASH FLOWS FROM OPERATING ACTIVITIES	2014	2013
Net income	$ 39,719	$ 39,273
Adjustments to reconcile net income to net cash provided by		
Operating activities:		
Depreciation and amortization, including related intangible assets	90,460	88,950
Depreciation and amortization on discontinued operations	-	6,442
Amortization of deferred stock units	213	-
Amortization of stock compensation	5,563	1,687
Amortization of deferred financing costs and debt discount	1,528	1,582
Equity in (earnings) loss of unconsolidated joint venture, net	792	1,830
Distributions of cumulative earnings from unconsolidated joint ventures	3,756	4,712
Realized (gains) and unrealized losses on disposition of rental property, net	(54,584)	(13,758)
Changes in operating assets and liabilities:		
Increase in unbilled rents receivable, net	(3,551)	(8,216)
Increase in deferred charges, goodwill and other assets	(8,592)	(16,859)
(Increase) decrease in accounts receivable, net	(2,325)	1,171
Increase in accounts payable, accrued expenses and other liabilities	19,946	3,120
Decrease in rents received in advance and security deposits	(4,798)	(6,758)
(Decrease) increase in accrued interest payable	(3,180)	1,007
Net cash provided by operating activities	$ 84,947	$ 104,183
CASH FLOWS FROM INVESTING ACTIVITIES		
Rental property acquisitions and related intangibles	$ (37,696)	$ (149,200)
Rental property additions and improvements	(41,825)	(39,688)
Development of rental property, other related costs and deposits	(7,896)	(12,204)
Proceeds from the sale of rental property	190,798	161,727
Investments in notes receivable	(62,276)	-
Repayment of notes receivable	250	83
Investment in unconsolidated joint ventures	(38,948)	(31,500)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	837	20,354
Increase in restricted cash	(6,611)	(300)
Net cash used in investing activities	$ (3,367)	$ (50,728)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings from revolving credit facility	$ 233,500	$ 289,000
Repayment of revolving credit facility	(177,500)	(289,000)
Proceeds from senior unsecured notes	-	268,928
Repayment of senior unsecured notes	(200,000)	(100,000)
Proceeds from mortgages and loans payable	28,135	1,798
Repayment of mortgages, loans payable and other obligations	(42,469)	(9,420)
Payment of contingent consideration	(3,936)	(2,755)
Payment of financing costs	(198)	(2,643)
Payment of dividends and distributions	(59,875)	(89,669)
Net cash (used in) provided by financing activities	$ (222,343)	$ 66,239
Net (decrease) increase in cash and cash equivalents	$ (140,763)	$ 119,694
Cash and cash equivalents, beginning of period	221,706	58,245
Cash and cash equivalents, end of period	$ 80,943	$ 177,939

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 and third parties. As of June 30, 2014, the Company owned or had interests in 279 properties, consisting of 266 commercial properties, primarily class A office and office/flex properties, totaling approximately 31.5 million square feet, leased to approximately 2,000 commercial tenants, and 13 multi-family rental properties containing 3,898 residential units, plus developable land (collectively, the "Properties"). The Properties are comprised of 251 buildings, primarily office and office/flex buildings totaling approximately 30.9 million square feet (which include 30 buildings, primarily office buildings aggregating approximately 5.1 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, 13 multi-family properties totaling 3,898 apartments (which include seven properties aggregating 2,597 apartments owned by unconsolidated joint ventures in which the Company has investment interests), five parking/retail properties totaling approximately 121,500 square feet (which include two buildings aggregating 81,500 square feet owned by unconsolidated joint ventures in which the Company has investment interests), one hotel (which is owned by an unconsolidated joint venture in which the Company has an investment interest) and three 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, for the Company's treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

Accounting Standards Codification ("ASC") 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack 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 consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity's performance: and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

As of June 30, 2014 and December 31, 2013, the Company's investments in consolidated real estate joint ventures in which the Company is deemed to be the primary beneficiary have total real estate assets of $227 million and $219.9 million, respectively, mortgages of $85.8 million and $81.9 million, respectively, and other liabilities of $15.1 million and $18.3 million, respectively.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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. Acquisition–related costs are expensed as incurred. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Capitalized development and construction salaries and related costs approximated $0.9 million and $0.9 million for the three months ended June 30, 2014 and 2013, respectively, and $1.8 and $1.7 million for the six months ended June 30, 2014 and 2013, respectively. Included in total rental property is construction, tenant improvement and development in-progress of $44.2 million and $40.8 million as of June 30, 2014 and December 31, 2013, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

The Company considers a construction project as substantially completed and held available for occupancy upon the substantial completion of 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, primarily based on a percentage of the relative square footage of each portion, and capitalizes only those costs associated with the portion under construction.

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

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

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

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

Other intangible assets acquired include amounts for in-place lease values and tenant relationship values, which are based on management's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the respective tenant. Factors to be considered by management in its analysis of in-place lease values include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, management considers leasing commissions, legal and other related expenses. Characteristics considered by management in valuing tenant relationships include the nature and extent of the Company's existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals. The 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 rental properties held for use may be impaired. In addition to identifying any specific circumstances which may affect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management include reviewing low leased percentages, significant near-term lease expirations, recently acquired properties, current and historical operating and/or cash flow losses, near-term mortgage debt maturities or other factors that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property 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. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairments may be realized in the future.

Rental Property Held for Sale

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 estimated 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.

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

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

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. The Company's estimates of value for each investment (particularly in real estate joint ventures) 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 operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the values estimated by management in its impairment analyses may not be realized, and actual losses or impairment may be realized in the future. See Note 4: Investments in Unconsolidated Joint Ventures.

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

Deferred Financing Costs Costs incurred in obtaining financing are capitalized and amortized over the term of the related indebtedness. Amortization of such costs is included in interest expense and was $759,000 and $809,000 for the three months ended June 30, 2014 and 2013, respectively, $1,528,000 and $1,582,000 for the six months ended June 30, 2014 and 2013, respectively. If a financing obligation is extinguished early, any unamortized deferred financing costs are written off and included in gains (loss) from early extinguishment of debt.

Deferred Leasing Costs Costs incurred in connection with commercial 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 related to commercial leases, which is capitalized and amortized, approximated $845,000 and $1,033,000 for the three months ended June 30, 2014 and 2013, respectively, and $1,876,000 and $2,206,000 for the six months ended June 30, 2014 and 2013, respectively.

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

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

Revenue Recognition Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the cumulative amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements.

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

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 14: 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 our 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, development and leasing commission fees and other services, and payroll and related costs reimbursed from clients. Fee income derived from the Company's unconsolidated joint ventures (which are capitalized by such ventures) are recognized to the extent attributable to the unaffiliated ownership interests.

Parking income includes income from parking spaces leased to tenants and others.

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

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a full retrospective or a modified retrospective approach. Additionally, this guidance requires improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 is effective for the first interim period within annual reporting periods beginning after December 15, 2016, and early adoption is not permitted. The Company is currently in the process of evaluating the impact the adoption of ASU 2014-09 will have on the Company's financial position or results of operations.

Allowance for Doubtful Accounts

Management performs a detailed review of amounts due from tenants to determine if an allowance for doubtful accounts is required based on factors affecting the collectability of the accounts receivable balances. The factors considered by management in determining which individual tenant receivable balances, or aggregate receivable balances, require a collectability allowance include the age of the receivable, the tenant's payment history, the nature of the charges, any communications regarding the charges and other related information. Management's estimate of 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 (determined by excluding any net capital gains) to its shareholders. If and to the extent the Company retains and does not distribute any net capital gains, the Company will be required to pay federal, state and local taxes on such net capital gains at the rate applicable to capital gains of a corporation. The 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. The Company has conducted business through its TRS entities for certain property management, development, construction and other related services, as well as to hold a joint venture interest in a hotel and other matters. As of June 30, 2014, the Company had a deferred tax asset with a balance of approximately $14.1 million which has been fully reserved for through a valuation allowance. 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.

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

In the normal course of business, the Company or one of its subsidiaries is subject to examination by federal, state and local jurisdictions in which it operates, where applicable. As of June 30, 2014, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are generally from the year 2009 forward.

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 from continuing operations amount. Shares whose issuance is contingent upon the satisfaction of certain conditions shall be considered outstanding and included in the computation of diluted EPS as follows (i) if all necessary conditions have been satisfied by the end of the period (the events have occurred), those shares shall be included as of the beginning of the period in which the conditions were satisfied (or as of the date of the grant, if later) or (ii) if all necessary conditions have not been satisfied by the end of the period, the number of contingently issuable shares included in diluted EPS shall be based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period (for example, the number of shares that would be issuable based on current period earnings or period-end market price) and if the result would be dilutive. Those contingently issuable shares shall be included in the denominator of diluted EPS as of the beginning of the period (or as of the date of the grant, if later).

Dividends and Distributions Payable

The dividends and distributions payable at June 30, 2014 represents dividends payable to common shareholders (88,730,563 shares) and distributions payable to noncontrolling interest common unitholders of the Operating Partnership (11,161,018 common units) for all such holders of record as of July 3, 2014 with respect to the second quarter 2014. The second quarter 2014 common stock dividends and common unit distributions of $0.15 per common share and unit were approved by the Board of Directors on May 30, 2014. The common stock dividends and common unit distributions payable were paid on July 11, 2014.

The dividends and distributions payable at December 31, 2013 represents dividends payable to common shareholders (87,928,002 shares) and distributions payable to noncontrolling interest common unitholders of the Operating Partnership (11,864,775 common units) for all such holders of record as of January 6, 2014 with respect to the fourth quarter 2013. The fourth quarter 2013 common stock dividends and common unit distributions of $0.30 per common share and unit were approved by the Board of Directors on December 10, 2013. The common stock dividends and common unit distributions payable were paid on January 15, 2014.

Costs Incurred For Stock Issuances

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

Stock Compensation

The Company accounts for stock compensation in accordance with the provisions of ASC 718, Compensation-Stock Compensation. These provisions require that the estimated fair value of restricted stock ("Restricted Stock Awards"), TSR-based Performance Shares and stock options at the grant date be amortized ratably into expense over the appropriate vesting period. The Company recorded stock compensation expense of $877,000 and $461,000 for the three months ended June 30, 2014 and 2013, respectively, and $4,264,000 (which includes $3,203,000 related to the departure of executive vice presidents. See Note 13: Commitments and Contingencies – Departure of Executive Vice Presidents); and $1,306,000 for the six months ended June 30, 2014 and 2013, respectively.

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. There was no difference in other comprehensive income to net income for the three and six months ended June 30, 2014 and 2013, and no accumulated other comprehensive income as of June 30, 2014 and December 31, 2013.

Fair Value Hierarchy

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

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

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

Discontinued Operations

In April 2014, the FASB issued guidance related to the reporting of discontinued operation and disclosures of disposals of components of an entity. This guidance defines a discontinued operation as a component or group of components disposed or classified as held for sale and represents a strategic shift that has (or will have) a major effect on an entity's operations and final result; the guidance states that a strategic shift could include a disposal of a major geographical area of operations, a major line of business, a major equity method investment or other major parts of an entity. The guidance also provides for additional disclosure requirements in connection with both discontinued operations and other dispositions not qualifying as discontinued operations. The guidance will be effective for annual and interim periods beginning on or after December 15, 2014. The guidance applies prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. All entities may early adopt the guidance for new disposals (or new classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance.The Company has elected to early adopt this standard effective with the interim period beginning January 1, 2014. Prior to January 1, 2014, properties identified as held for sale and/or disposed of were presented in discontinued operations for all periods presented. See Note 7: Discontinued Operations.

3. REAL ESTATE TRANSACTIONS

Acquisitions

On April 10, 2014, the Company acquired Andover Place, a 220-unit multi-family rental property located in Andover, Massachusetts, for approximately $37.7 million, which was funded primarily through borrowing under the Company's unsecured revolving credit facility.

The purchase price was allocated to the net assets acquired, as follows *(in thousands)*:

		Andover Place
Land	$	8,535
Buildings and improvements		27,609
Furniture, fixtures and equipment		459
In-place lease values (1)		1,118
		37,721
Less: Below market lease values (1)		(25)
Net cash paid at acquisition	$	37,696

(1) In-place lease values and below market lease values will be amortized over one year or less.

Sales

The Company sold the following office properties during the six months ended June 30, 2014 *(dollars in thousands)*:

Sale Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet		Net Sales Proceeds		Net Book Value		Realized Gain
04/23/14	22 Sylvan Way	Parsippany, New Jersey	1	249,409	$	94,897	$	60,244	$	34,653
06/23/14	30 Knightsbridge Road (a)	Piscataway, New Jersey	4	680,350		54,641		52,361		2,280
06/23/14	470 Chestnut Ridge Road (a) (b)	Woodcliff Lake, New Jersey	1	52,500		7,195		7,109		86
06/23/14	530 Chestnut Ridge Road (a) (b)	Woodcliff Lake, New Jersey	1	57,204		6,299		6,235		64
06/27/14	400 Rella Boulevard	Suffern, New York	1	180,000		27,539		10,938		16,601
06/30/14	412 Mount Kemble Avenue (a)	Morris Township, New Jersey	1	475,100		44,751		43,851		900
Totals:			9	1,694,563	$	235,322	$	180,738	$	54,584

(a) The Company completed the sale of these properties for approximately $117 million: $114.6 million in cash and subordinated equity interests in each of the properties sold with capital accounts aggregating $2.4 million. Net sale proceeds from the sale aggregated $112.9 million which was comprised of the $117 million gross sales price less the subordinated equity interests of $2.4 million and $1.7 million in closing costs. The purchasers of these properties are joint ventures formed between the Company and affiliates of the Keystone Property Group ("Keystone Entities"). The senior equity will receive a 15 percent internal rate of return ("IRR") after which the subordinated equity will receive a ten percent IRR and then all distributable cash flow will be split equally between the Keystone Entities and the Company. In connection with these partial sale transactions, because the buyer receives a preferential return, the Company only recognized profit to the extent that they received net proceeds in excess of their entire carrying value of the properties, effectively reflecting their retained subordinate equity interest at zero. The Company has contracts with Keystone Entities to sell an additional seven of its office properties in New Jersey, New York and Connecticut, aggregating approximately 928,258 square feet, for approximately $104 million, comprised of: $78.3 million in cash from a combination of Keystone Entities senior and pari-passu equity and mortgage financing; Company subordinated equity interests in each of the properties being sold with capital accounts aggregating $18.8 million; and Company pari passu equity interests in three of the properties being sold aggregating $6.9 million.

(b) The Company recorded an impairment charge of $3.9 million on these properties at December 31, 2013 as it estimated that the carrying value of the properties may not be recoverable over their anticipated holding periods.

On January 1, 2014, the Company early adopted the new discontinued operations standard and as the properties sold in the six months ended June 30, 2014 will not represent a strategic shift (as the Company is not entirely exiting markets or property types), they have not been reflected as part of discontinued operations.

The following table summarizes income from the properties sold during the six months ended June 30, 2014 for the three and six months ended June 30, 2014 and 2013*(dollars in thousands)* See Note 7: Discontinued Operations for properties sold in 2013.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Total revenues	$ 6,547	$ 9,235	$ 16,302	$ 18,478
Operating and other expenses	(3,208)	(3,918)	(8,764)	(7,099)
Depreciation and amortization	(1,433)	(2,190)	(3,379)	(4,376)
Interest income	3	-	3	-
Income from properties sold	1,909	3,127	4,162	7,003

For the three and six months ended June 30, 2014, included in general and administrative expense was an aggregate of approximately $1.9 million in transactions costs related to the Company's property and joint venture acquisitions.

Excluded from the cash flow statement for the six months ended June 30, 2014 was $4.4 million of sale proceeds and $40 million of acquisition and other investment fundings, which were handled through a qualified intermediary.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

As of June 30, 2014, the Company had an aggregate investment of approximately $265.9 million in its equity method joint ventures. The Company formed these ventures with unaffiliated third parties, or acquired interests in them, to develop or manage primarily office and multi-family rental properties, or to acquire land in anticipation of possible development of office and multi-family rental properties. As of June 30, 2014, the unconsolidated joint ventures owned: 29 office and two retail properties aggregating approximately 4.7 million square feet, seven multi-family properties totaling 2,597 apartments, a 350-room hotel, a senior mezzanine loan position in the capital stack of a 1.7 million square foot commercial property; development projects for up to approximately 3,317 apartments; and interests and/or rights to developable land parcels able to accommodate up to 4,130 apartments and 1.5 million square feet of office space. The Company's unconsolidated interests range from 7.5 percent to 85 percent subject to specified priority allocations in certain of the joint ventures.

On October 23, 2012, the Company acquired the real estate development and management businesses (the "Roseland Business") of Roseland Partners, L.L.C. ("Roseland Partners"), a premier multi-family rental community developer and manager based in Short Hills, New Jersey, and the Roseland Partners' interests (the "Roseland Transaction"), principally through unconsolidated joint venture interests in various entities which, directly or indirectly, own or have rights with respect to various residential and/or commercial properties or vacant land (collectively, the "Roseland Assets"). The locations of the properties extend from New Jersey to Massachusetts, with the majority of the properties located in New Jersey. Certain of the entities which own the Roseland Assets are controlled by the Company upon acquisition and are therefore consolidated. However, many of the entities are not controlled by the Company and, therefore, are accounted for under the equity method as investments in unconsolidated joint ventures.

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

The Company has agreed to guarantee repayment of a portion of the debt of its unconsolidated joint ventures. As of June 30, 2014, such debt had a total facility amount of $311.1 million of which the Company agreed to guarantee up to $89.9 million. As of June 30, 2014, the outstanding balance of such debt totaled $200.6 million of which $79.8 million was guaranteed by the Company. The Company also posted a $4.6 million letter of credit in support of the South Pier at Harborside joint venture, half of which is indemnified by Hyatt Corporation, the Company's joint venture partner. The Company performed management, leasing, development and other services for the properties owned by the unconsolidated joint ventures and recognized $1.4 million and $1.3 for such services in the three months ended June 30, 2014 and 2013, respectively, and $2.8 million and $2.3 million for the six months ended June 30, 2014 and 2013, respectively. The Company had $824,000 and $523,000 in accounts receivable due from its unconsolidated joint ventures as of June 30, 2014 and December 31, 2013.

Included in the Company's investments in unconsolidated joint ventures as of June 30, 2014 are eight unconsolidated development joint ventures, which are VIEs for which the Company is not the primary beneficiary. These joint ventures are primarily established to develop real estate property for long-term investment and were deemed VIEs primarily based on the fact that the equity investment at risk was not sufficient to permit the entities to finance their activities without additional financial support. The initial equity contributed to these entities was not sufficient to fully finance the real estate construction as development costs are funded by the partners throughout the construction period. The Company determined that it was not the primary beneficiary of these VIEs based on the fact that the Company has shared control of these entities along with the entity's partners and therefore does not have controlling financial interests in these VIEs. The Company's aggregate investment in these VIEs was approximately $94.5 million as of June 30, 2014. The Company's maximum exposure to loss as a result of its involvement with these VIEs is estimated to be approximately $110.8 million, which includes the Company's current investment and estimated future funding commitments of approximately $16.3 million. The Company has not provided financial support to these VIEs that it was not previously contractually required to provide. In general, future costs of development not financed through third party will be funded with capital contributions from the Company and its outside partners in accordance with their respective ownership percentages.

The following is a summary of the Company's unconsolidated joint ventures as of June 30, 2014: *(dollars in thousands)*

Entity / Property Name	Number of Apartment Units or Square Feet (sf)		Company's Effective Ownership % (a)	Company's Carrying Amount	Property Debt Balance	Property Debt Maturity Date	Property Debt Interest Rate
Multi-family							
Marbella RoseGarden, L.L.C./ Marbella (b)	412	units	24.27%	$ 15,782	$ 95,000	05/01/18	4.99%
RoseGarden Monaco Holdings, L.L.C./ Monaco (North and South) (b)	523	units	15.00%	2,686	165,000	02/01/21	4.19%
Rosewood Lafayette Holdings, L.L.C./ Highlands at Morristown Station (b)	217	units	25.00%	496	39,021	07/01/15	4.00%
PruRose Port Imperial South 15, LLC /RiversEdge at Port Imperial (b)	236	units	50.00%	-	57,500	09/01/20	4.32%
Rosewood Morristown, L.L.C. / Metropolitan at 40 Park (c) (d)	130	units	12.50%	6,257	46,217	(e)	(e)
Overlook Ridge JV, L.L.C./ Quarrystone (b) (f)	251	units	25.00%	-	75,366	(g)	(g)
Overlook Ridge JV 2C/3B, L.L.C./Overlook Ridge 2C & 3B (b)	371	units	25.00%	-	41,006	12/28/15	L+2.50%(h)
PruRose Riverwalk G, L.L.C./ RiverTrace at Port Imperial (b)	316	units	25.00%	1,950	76,334	07/15/21	6.00%(i)
Elmajo Urban Renewal Associates, LLC / Lincoln Harbor (Bldg A&C) (b)	355	units	7.50%	-	72,619	06/27/16	L+2.10%(j)
Crystal House Apartments Investors LLC / Crystal House (k)	828	units	25.00%	26,458	165,000	03/19/20	3.17%
Portside Master Company, L.L.C./ Portside at Pier One - Bldg 7 (b)	176	units	38.25%	2,655	20,007	12/05/15	L+2.50%(l)
PruRose Port Imperial South 13, LLC / Port Imperial Bldg 13 (b)	280	units	20.00%	1,685	26,097	06/27/16	L+2.15%(m)
Roseland/Port Imperial Partners, L.P./ Riverwalk C (b) (n)	363	units	20.00%	1,926	-	-	-
RoseGarden Marbella South, L.L.C./ Marbella II (b)	311	units	24.27%	8,580	12,503	03/30/17	L+2.25%(o)
Estuary Urban Renewal Unit B, LLC / Lincoln Harbor (Bldg B) (b)	227	units	7.50%	-	22,157	01/25/17	L+2.10%(p)
Riverpark at Harrison I, L.L.C./ Riverpark at Harrison	141	units	36.00%	4,247	13,370	06/27/16	L+2.35%(q)
Capitol Place Mezz LLC / Station Townhouses	377	units	50.00%	47,978	45,039	07/01/33	4.82%(r)
Harborside Unit A Urban Renewal, L.L.C. / URL Harborside	763	units	85.00%	22,150	-	-	-
Overlook Ridge, L.L.C./Overlook Ridge Land	896	potential units	50.00%	-	16,940	03/02/15	L+3.50%
RoseGarden Monaco, L.L.C./ San Remo Land	300	potential units	41.67%	1,255	-	-	-
Grand Jersey Waterfront URA, L.L.C./ Liberty Landing	1,000	potential units	50.00%	337	-	-	-
Office							
Red Bank Corporate Plaza, L.L.C./ Red Bank	92,878	sf	50.00%	3,771	16,240	05/17/16	L+3.00%(s)
12 Vreeland Associates, L.L.C./ 12 Vreeland Road	139,750	sf	50.00%	5,658	14,717	07/01/23	2.87%
BNES Associates III / Offices at Crystal Lake	106,345	sf	31.25%	1,899	7,057	11/01/23	4.76%
Hillsborough 206 Holdings, L.L.C./ Hillsborough 206	160,000	sf	50.00%	1,962	-	-	-
KPG-P 100 IMW JV, LLC / 100 Independence Mall West	339,615	sf	33.33%	751	61,500	09/09/16	L+7.00%(t)
Keystone-Penn	1,842,820	sf	(u)	-	200,601	(v)	(v)
Keystone-TriState	1,266,384	sf	(u)	-	118,890	(w)	(w)
KPG-MCG Curtis JV, L.L.C./ Curtis Center	885,000	sf	50.00%	2,187	-	-	-
Curtis Center TIC I and II LLC / Curtis Center	n/a		(x)	61,296	-	-	-
Other							
Plaza VIII & IX Associates, L.L.C./ Vacant land (parking operations)	1,225,000	sf	50.00%	3,848	-	-	-
Roseland/North Retail, L.L.C./ Riverwalk at Port Imperial (b)	30,745	sf	20.00%	1,883	-	-	-
South Pier at Harborside / Hyatt Regency Jersey City on the Hudson	350	rooms	50.00%	-	66,799	(y)	(y)
Stamford SM LLC / Senior Mezzanine Loan (z)	n/a	n/a	80.00%	37,418	-	-	-
Other (aa)				751	-	-	-
Totals:				$ 265,866	$ 1,474,980		

(a) Company's effective ownership % represents the Company's entitlement to residual distributions after payments of priority returns, where applicable.

(b) The Company's ownership interests in this venture are subordinate to its partner's preferred capital balance and the Company is not expected to meaningfully participate in the venture's cash flows in the near term.

(c) Through the joint venture, the Company also owns a 12.5 percent interest in a 50,973 square feet of retail building ("Shops at 40 Park") and a 25 percent interest in a to-be-built 59-unit, five story multi-family rental development property ("Lofts at 40 Park").

(d) The Company's ownership interests in this venture are subordinate to its partner's preferred capital balance and the payment of the outstanding balance remaining on a note ($975 as of June 30, 2014), and is not expected to meaningfully participate in the venture's cash flows in the near term.

(e) Property debt balance consists of: (i) a loan, collateralized by the Metropolitan at 40 Park, has a balance of $38,600, bears interest at 3.25 percent, matures in September 2020 and is interest only through September 2015; (ii) loan, collateralized by the Shops at 40 Park, has a balance of $6,500, bears interest at 3.63 percent, matures in August 2018 and is interest-only through July 2015; and (iii) the loan, collateralized by the Lofts at 40 Park, has a balance of $1,117, bears interest at LIBOR plus 250 basis points and matures in September 2015. The Shops at 40 Park mortgage loan also provides for additional borrowing proceeds of $1 million based on certain preferred thresholds being achieved.

(f) Through the joint venture, the Company also owns a 50 percent interest in a land parcel ("Overlook Phase III Land") that can accommodate the development of approximately 240 apartment units.

(g) Property debt balance consists of: (i) a loan, collateralized by the Overlook Phase III Land, has a balance of $5,709, bears interest at a rate of LIBOR plus 250 basis points, matures in April 2015 and, subject to certain conditions, provides for a one-year extension option with a fee of 25 basis points, and (ii) the senior loan, collateralized by the Quarrystone property, has a balance of $52,657, bears interest at LIBOR plus 200 basis, matures in March 2016 and (iii) the junior loan, with a balance of $17,000, bears interest at LIBOR plus 90 basis points, matures in March 2016 and is collateralized by a $17,000 letter of credit provided by an affiliate of the partner.

(h) The construction loan has a maximum borrowing amount of $55,500 and provides, subject to certain conditions, two one-year extension options with a fee of 25 basis points each. The joint venture has a swap agreement that fixes the all-in rate to 3.0875 percent per annum on an initial notional amount of $1,840, increasing to $50,800, for the period from September 3, 2013 to November 2, 2015.

(i) The construction loan has a maximum borrowing amount of $83,113.

(j) The construction loan has a maximum borrowing amount of $91,000 and provides, subject to certain conditions, a one-year extension option with a fee of 25 basis points.

(k) The Company also owns a 50 percent interest in a vacant land to accommodate the development of approximately 295 additional units of which 252 are currently approved.

(l) The construction loan has a maximum borrowing amount of $42,500 and provides, subject to certain conditions, two two-year extension options with a fee of 12.5 basis points for the first two-year extension and 25 basis points for the second two-year extension.

(m) The construction loan has a maximum borrowing amount of $73,350 and provides, subject to certain conditions, one-year extension option followed by a six-month extension option with a fee of 25 basis points each. The joint venture has a swap agreement that fixes the all-in rate to 2.79 percent per annum on an initial notional amount of $1,620, increasing to $69,500 for the period from July 1, 2013 to January 1, 2016.

(n) The Company also owns a 20 percent residual interest in undeveloped land parcels: parcels 6, I, and J ("Port Imperial North Land") that can accommodate the development of 836 apartment units.

(o) The construction loan has a maximum borrowing amount of $77,400 and provides, subject to certain conditions, two one-year extension options with a fee of 25 basis points for each year.

(p) The construction loan has a maximum borrowing amount of $57,000 and provides, subject to certain conditions, a one-year extension option with a fee of 25 basis points.

(q) The construction loan has a maximum borrowing amount of $23,400 and provides, subject to certain conditions, two one-year extension options with a fee of 20 basis points for each year.

(r) The construction loan has a maximum borrowing amount of $100,700 with amortization starting in August 2017.

(s) The joint venture has a swap agreement that fixes the all-in rate to 3.99375 percent per annum on an initial notional amount of $13,650 and then adjusting in accordance with an amortization schedule, which is effective from October 17, 2011 through loan maturity.

(t) The mortgage loan has two one-year extension options, subject to certain conditions, and includes a $25 million construction reserve.

(u) The Company's equity interests in the joint ventures will be subordinated to affiliates of the Keystone Property Group receiving a 15 percent internal rate of return ("IRR") after which the Company will receive a ten percent IRR on its subordinate equity and then all profit will be split equally.

(v) Principal balance of $127,600 bears interest at 5.114 percent and matures in August 27, 2023; principal balance of $62,577 bears interest at rates ranging from LIBOR+5.0 percent to LIBOR+5.75 percent and matures in August 27, 2016; principal balance of $10,425 bears interest at LIBOR+6.0 percent matures in August 27, 2015.

(w) Principal balance of $77,650 bears interest at rates ranging from 4.888 percent to 4.93 percent and matures on July 6, 2024; principal balance of $41,240 bears interest at LIBOR+4.95 percent and matures on July 1, 2017.

(x) Includes undivided interests in the same manner as investments in noncontrolled partnership, pursuant to ASC 970-323-25-12. See discussion in Recent Transactions following in this footnote.

(y) Balance includes: (i) mortgage loan, collateralized by the hotel property, has a balance of $62,175, bears interest at 6.15 percent and matures in November 2016, and (ii) loan with a balance of $4.6 million, bears interest at fixed rates ranging from 6.09 percent to 6.62 percent and matures in August 1, 2020. The Company posted a $4.6 million letter of credit in support of this loan, half of which is indemnified by the partner.

(z) The joint venture owns a senior mezzanine loan ("Mezz Loan") with a face value of $50,000 and is secured by the equity interests in a seven-building portfolio containing 1.67 million square feet of Class A office space and 106 residential rental units totaling 70,500 square feet. The interest-only Mezz Loan has a carrying value of $46,505 and is subject to an agreement that provides, subject to certain conditions, for the payment of principal proceeds above $47,000 to another party. The Mezz loan bears interest at LIBOR plus 325 basis points and matures in August 2014. The joint venture is evaluating its option regarding its investment as the loan approaches maturity.

(aa) The Company owns other interests in various unconsolidated joint ventures, including interests in assets previously owned and interest in ventures whose businesses are related to its core operations. These ventures are not expected to significantly impact the Company's operations in the near term.

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of June 30, 2014 and December 31, 2013: *(dollars in thousands)*

	June 30, 2014	December 31, 2013
Assets:		
Rental property, net	$ 1,202,271	$ 755,049
Loan receivable	46,505	45,050
Other assets	486,239	582,990
Total assets	$ 1,735,015	$ 1,383,089
Liabilities and partners'/ members' capital:		
Mortgages and loans payable	$ 844,476	$ 637,709
Other liabilities	211,959	87,231
Partners'/members' capital	678,580	658,149
Total liabilities and partners'/members' capital	$ 1,735,015	$ 1,383,089

The following is a summary of the Company's investments in unconsolidated joint ventures as of June 30, 2014 and December 31, 2013:*(dollars in thousands)*

Entity / Property Name	June 30, 2014	December 31, 2013
Marbella RoseGarden, L.L.C./ Marbella	$ 15,782	$ 15,797
RoseGarden Monaco Holdings, L.L.C./ Monaco (North and South)	2,686	3,201
Rosewood Lafayette Holdings, L.L.C./ Highlands at Morristown Station	496	857
PruRose Port Imperial South 15, LLC /RiversEdge at Port Imperial	-	-
Rosewood Morristown, L.L.C. / Metropolitan at 40 Park	6,257	6,455
Overlook Ridge JV, L.L.C./ Quarrystone	-	-
Overlook Ridge JV 2C/3B, L.L.C./Overlook Ridge 2C & 3B	-	-
PruRose Riverwalk G, L.L.C./ RiverTrace at Port Imperial	1,950	3,117
Elmajo Urban Renewal Associates, LLC / Lincoln Harbor (Bldg A&C)	-	203
Crystal House Apartments Investors LLC / Crystal House	26,458	26,838
Portside Master Company, L.L.C./ Portside at Pier One - Bldg 7	2,655	3,207
PruRose Port Imperial South 13, LLC / Port Imperial Bldg 13	1,685	2,206
Roseland/Port Imperial Partners, L.P./ Riverwalk C	1,926	2,068
RoseGarden Marbella South, L.L.C./ Marbella II	8,580	7,567
Estuary Urban Renewal Unit B, LLC / Lincoln Harbor (Bldg B)	-	24
Riverpark at Harrison I, L.L.C./ Riverpark at Harrison	4,247	3,655
Capitol Place Mezz LLC / Station Townhouses	47,978	46,628
Harborside Unit A Urban Renewal, L.L.C. / URL Harborside (a)	22,150	-
Overlook Ridge, L.L.C./Overlook Ridge Land	-	-
RoseGarden Monaco, L.L.C./ San Remo Land	1,255	1,224
Grand Jersey Waterfront URA, L.L.C./ Liberty Landing	337	337
Red Bank Corporate Plaza, L.L.C./ Red Bank	3,771	4,046
12 Vreeland Associates, L.L.C./ 12 Vreeland Road	5,658	5,514
BNES Associates III / Offices at Crystal Lake	1,899	1,753
Hillsborough 206 Holdings, L.L.C./ Hillsborough 206	1,962	1,962
KPG-P 100 IMW JV, LLC / 100 Independence Mall West	751	1,887
Keystone-Penn	-	-
Keystone-TriState	-	-
KPG-MCG Curtis JV, L.L.C./ Curtis Center (a)	2,187	-
Curtis Center TIC I and II LLC / Curtis Center (b)	61,296	-
Plaza VIII & IX Associates, L.L.C./ Vacant land (parking operations)	3,848	3,702
Roseland/North Retail, L.L.C./ Riverwalk at Port Imperial	1,883	1,930
South Pier at Harborside / Hyatt Regency Jersey City on the Hudson (c)	-	-
Stamford SM LLC / Senior Mezzanine Loan	37,418	36,258
Other	751	693
Company's investment in unconsolidated joint ventures	$ 265,866	$ 181,129

(a) See discussion in Recent Transactions following in this footnote.

(b) Includes undivided interests in the same manner as investments in noncontrolled partnership, pursuant to ASC 970-323-25-12. See discussion in Recent Transactions following in this footnote.

(c) The negative investment balance for this joint venture of $710 and $1,706 as of June 30, 2014 and December 31, 2013, respectively, were included in accounts payable, accrued expenses and other liabilities.

The following is a summary of the results from operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three and six months ended June 30, 2014 and 2013: *(dollars in thousands)*

	Three Months Ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
Total revenues	$ 113,118	$ 91,274	$ 144,111	$ 103,693
Operating and other expenses	(96,605)	(81,321)	(114,958)	(89,268)
Depreciation and amortization	(8,213)	(10,083)	(16,581)	(13,174)
Interest expense	(8,786)	(3,310)	(15,127)	(5,322)
Net income (loss)	$ (486)	$ (3,440)	$ (2,555)	$ (4,071)

The following is a summary of the Company's equity in earnings (loss) of unconsolidated joint ventures for the three and six months ended June 30, 2014 and 2013: *(dollars in thousands)*

Entity / Property Name	Three Months Ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
Marbella RoseGarden, L.L.C./ Marbella	$ (9)	$ (165)	$ (15)	$ (276)
RoseGarden Monaco Holdings, L.L.C./ Monaco (North and South)	(238)	(423)	(515)	(822)
Rosewood Lafayette Holdings, L.L.C./ Highlands at Morristown Station	(203)	(284)	(419)	(574)
PruRose Port Imperial South 15, LLC /RiversEdge at Port Imperial	-	-	-	(606)
Rosewood Morristown, L.L.C. / Metropolitan at 40 Park	(76)	(117)	(174)	(241)
Overlook Ridge JV, L.L.C./ Quarrystone	-	-	-	-
Overlook Ridge JV 2C/3B, L.L.C./Overlook Ridge 2C & 3B	-	224	62	151
PruRose Riverwalk G, L.L.C./ RiverTrace at Port Imperial	(613)	(192)	(1,151)	(378)
Elmajo Urban Renewal Associates, LLC / Lincoln Harbor (Bldg A&C)	(91)	(82)	(203)	(168)
Crystal House Apartments Investors LLC / Crystal House	53	(1,535)	(274)	(1,522)
Portside Master Company, L.L.C./ Portside at Pier One - Bldg 7	(220)	(68)	(434)	(113)
PruRose Port Imperial South 13, LLC / Port Imperial Bldg 13	(213)	(145)	(418)	(278)
Roseland/Port Imperial Partners, L.P./ Riverwalk C	(180)	-	(345)	-
RoseGarden Marbella South, L.L.C./ Marbella II	-	(19)	-	(37)
Estuary Urban Renewal Unit B, LLC / Lincoln Harbor (Bldg B)	-	(34)	(15)	(63)
Riverpark at Harrison I, L.L.C./ Riverpark at Harrison	-	-	-	-
Capitol Place Mezz LLC / Station Townhouses	-	-	-	-
Harborside Unit A Urban Renewal, L.L.C. / URL Harborside (a)	(212)	-	(212)	-
Overlook Ridge, L.L.C./Overlook Ridge Land	(213)	-	(259)	-
RoseGarden Monaco, L.L.C./ San Remo Land	-	-	-	-
Grand Jersey Waterfront URA, L.L.C./ Liberty Landing	(16)	-	(54)	-
Red Bank Corporate Plaza, L.L.C./ Red Bank	106	106	205	207
12 Vreeland Associates, L.L.C./ 12 Vreeland Road	54	116	144	24
BNES Associates III / Offices at Crystal Lake	110	(2)	147	(71)
Hillsborough 206 Holdings, L.L.C./ Hillsborough 206	-	-	(5)	-
KPG-P 100 IMW JV, LLC / 100 Independence Mall West	(483)	-	(1,136)	-
Keystone-Penn	-	-	-	-
Keystone-TriState	-	-	-	-
KPG-MCG Curtis JV, L.L.C./ TIC I and II LLC / Curtis Center (b)	251	-	251	-
Plaza VIII & IX Associates, L.L.C./ Vacant land (parking operations)	44	19	146	28
Roseland/North Retail, L.L.C./ Riverwalk at Port Imperial	(23)	(83)	(47)	(132)
South Pier at Harborside / Hyatt Regency Jersey City on the Hudson	892	1,056	1,290	545
Stamford SM LLC / Senior Mezzanine Loan	928	897	1,844	1,782
Other	795	651	795	714
Company's equity in earnings (loss) of unconsolidated joint ventures	$ 443	$ (80)	$ (792)	$ (1,830)

(a) See discussion in Recent Transactions following in this footnote.

(b) Includes undivided interests in the same manner as investments in noncontrolled partnership, pursuant to ASC 970-323-25-12. See discussion in Recent Transactions following in this footnote.

Recent Transactions

Harborside Unit A Urban Renewal, L.L.C.

Pursuant to a developer agreement entered into in December 2011, on May 21, 2014, the Company entered into a joint venture agreement with Ironstate Harborside-A LLC ("ISA") to form Harborside Unit A Urban Renewal, L.L.C. ("URL-Harborside"), a newly-formed joint venture that will develop, own and operate a high-rise tower of approximately 763 multi-family apartment units above a parking pedestal to be located on land contributed by the Company at its Harborside complex in Jersey City, New Jersey (the "URL Project"). The construction of the URL Project is estimated to cost a total of approximately $320 million and is projected to be ready for occupancy by the fourth quarter of 2016. The URL Project has been awarded up to $33 million in future tax credits ("URL Tax Credits"), subject to certain conditions, from the New Jersey Economic Development Authority. The venture has an agreement to sell these credits, subject to certain conditions. The Company currently expects that it will fund approximately $88 million of the development costs of the project net of future financing.

The Company owns an 85 percent interest in URL-Harborside and the remaining interest owned by ISA, with shared control over major decisions such as, approval of budgets, property financings and leasing guidelines. Upon entering into the joint venture, the Company's initial contribution was $30.6 million, which included a capital credit of $30 per approved developable square foot for its contributed land aggregating approximately $20.6 million with the balance consisting of previously incurred development costs, and ISA's initial contribution was approximately $5.4 million. Included in the Company's investment in the joint venture is the land contribution with a carrying amount of $5.5 million.

In general, the operating agreement of URL-Harborside provides that net operating cash flows are distributed first, to the members in respect of preferred return, as defined, until each member shall have received payment of the accrued and unpaid preferred return; and, thereafter, to each member as follows: 75 percent to the Company and 25 percent to ISA.

Net cash flows from a capital event are distributed first, to the members in respect of preferred return, as defined, until each member shall have received payment of the accrued and unpaid preferred return; second, to the members *pro rata* based upon the ratio that their respective capital accounts bear to each other until each member shall have received their respective net capital, as defined; third, to the members at the rate of 75 percent to the Company and 25 percent to ISA until the Company shall have received distributions equal to an 18 percent internal rate of return on the Company's capital contributions; and, thereafter, to the members, at the rate of 65 percent to the Company and 35 percent to ISA.

KPG-MCG Curtis JV, LLC / Curtis Center TIC I and II, L.L.C.

On June 6, 2014, the Company and an affiliate of Keystone Property Group ("KPG") acquired 50 percent tenants-in-common interests each for $62.5 million in Curtis Center, an 885,000 square foot commercial office property located at 601 Walnut Street in Philadelphia, Pennsylvania (the "Curtis Center Property"), which amounted to a total purchase of approximately $125.0 million for the property. In connection with the transaction, the Company provided short-term loans to KPG affiliates, as follows: a 90-day, $52.3 million loan which bears interest at an annual rate of 3.5 percent payable at maturity, which is collateralized by the KPG affiliates' interest in the Curtis Center Property; and a 90-day, $10 million loan which also bears interest at an annual rate of 3.5 percent payable at maturity. The investments were funded by the Company primarily through borrowing under its revolving credit facility. The venture plans to reposition the property into a mixed-use environment by converting a portion of existing office space into multi-family rental apartments.

Simultaneous with the acquisition of the Curtis Center Property, the Company and a KPG affiliate formed a new joint venture named KPG-MCG Curtis JV, LLC (the "Curtis Center JV"), which master leased the Curtis Center Property from the acquisition entities for approximately 29 years at market-based terms. The Company and the KPG affiliate both own a 50 percent interest in the Curtis Center JV, with shared control over major decisions.

In general, the operating agreement of the Curtis Center JV provides that net cash flows from operations and capital events are distributed first, to the members*pro rata* in proportion to their unreturned capital contributions, until each member's unreturned capital contributions have been reduced to zero; and, thereafter, to each member, *pro rata,* in accordance with their percentage interests.

5. DEFERRED CHARGES, GOODWILL AND OTHER ASSETS

(dollars in thousands)	June 30, 2014	December 31, 2013
Deferred leasing costs	$ 227,930	$ 258,648
Deferred financing costs	21,916	25,366
	249,846	284,014
Accumulated amortization	(112,249)	(131,669)
Deferred charges, net	137,597	152,345
Notes receivable (1)	83,889	21,986
In-place lease values, related intangibles and other assets, net	9,515	13,659
Goodwill	2,945	2,945
Prepaid expenses and other assets, net	32,814	27,584
Total deferred charges, goodwill and other assets	$ 266,760	$ 218,519

(1) Includes: a mortgage receivable for $10.4 million which bears interest at LIBOR plus six percent; a note receivable for $7.8 million which bears interest at eight percent; notes receivable for $62.3 million which bear interest at 3.5 percent (See Note 4: Unconsolidated joint ventures – Recent Transactions); and an interest-free note receivable with a net present value of $3.4 million as of June 30, 2014. .

6. RESTRICTED CASH

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

	June 30, 2014	December 31, 2013
Security deposits	$ 8,782	$ 8,534
Escrow and other reserve funds	17,623	11,260
Total restricted cash	$ 26,405	$ 19,794

7. DISCONTINUED OPERATIONS

On January 1, 2014, the Company early adopted the new discontinued operations standard and as the properties sold in the six months ended June 30, 2014 will not represent a strategic shift (as the Company is not entirely exiting markets or property types), they have not been reflected as part of discontinued operations. See Note 3: Real Estate Transactions – Sales.

The Company disposed of 24 office properties located in New York, New Jersey, Pennsylvania and Connecticut aggregating 3 million square feet and three developable land parcels for total net sales proceeds of approximately $390.6 million during the year ended December 31, 2013. The Company has presented these properties as discontinued operations in its statements of operations for the three and six months ended June 30, 2013.

The following table summarizes income from discontinued operations for the three and six months ended June 30, 2013: *(dollars in thousands)*

	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Total revenues	$ 12,333	$ 27,205
Operating and other expenses	(4,778)	(10,982)
Depreciation and amortization	(2,989)	(6,442)
Interest expense	(36)	(118)
Income from discontinued operations	4,530	9,663
Loss from early extinguishment of debt	(703)	(703)
Impairments (1)	(23,851)	(23,851)
Realized gains on disposition of rental property	37,609	37,609
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	13,758	13,758
Total discontinued operations	$ 17,585	$ 22,718

(1) Represents impairment charges recorded on certain properties prior to their sale.

8. SENIOR UNSECURED NOTES

A summary of the Company's senior unsecured notes as of June 30, 2014 and December 31, 2013 is as follows: *(dollars in thousands)*

	June 30, 2014	December 31, 2013	Effective Rate (1)
5.125% Senior Unsecured Notes, due February 15, 2014 (2)	-	$ 200,030	5.110 %
5.125% Senior Unsecured Notes, due January 15, 2015	$ 149,948	149,902	5.297 %
5.800% Senior Unsecured Notes, due January 15, 2016	200,123	200,161	5.806 %
2.500% Senior Unsecured Notes, due December 15, 2017	249,003	248,855	2.803 %
7.750% Senior Unsecured Notes, due August 15, 2019	248,906	248,799	8.017 %
4.500% Senior Unsecured Notes, due April 18, 2022	299,535	299,505	4.612 %
3.150% Senior Unsecured Notes, due May 15, 2023	269,626	269,323	3.517 %
Total senior unsecured notes	$ 1,417,141	$ 1,616,575	

(1) Includes the cost of terminated treasury lock agreements (if any), offering and other transaction costs and the discount/premium on the notes, as applicable.
(2) On February 17, 2014, the Company repaid these notes at their maturity using available cash and borrowings on the Company's unsecured revolving credit facility.

The terms of the Company's senior unsecured notes include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets. The Company was in compliance with its debt covenants as of June 30, 2014.

9. UNSECURED REVOLVING CREDIT FACILITY

On July 16, 2013, the Company amended and restated its unsecured revolving credit facility with a group of 17 lenders. The $600 million facility is expandable to $1 billion and matures in July 2017. It has two six-month extension options each requiring the payment of a 7.5 basis point fee. The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) and the facility fee on the current borrowing capacity payable quarterly in arrears are based upon the Operating Partnership's unsecured debt ratings, as follows:

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

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 those above.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the 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 (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code. The Company was in compliance with its debt covenants as of June 30, 2014.

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; Deutsche Bank AG New York Branch; U.S. Bank National Association and Wells Fargo Bank, N.A., as documentation agents; Capital One, National Association; Citibank N.A.; Comerica Bank; PNC Bank, National Association; SunTrust Bank; The Bank of Tokyo-Mitsubishi UFJ, LTD.; The Bank of New York Mellon; as managing agents; and Compass Bank; Branch Banking and Trust Company; TD Bank, N.A.; Citizens Bank of Pennsylvania; Mega International Commercial Bank Co., LTD. New York Branch, as participants.

As of June 30, 2014, the Company had outstanding borrowings of $56 million under its unsecured revolving credit facility and no outstanding borrowings as of December 31, 2013.

Through July 15, 2013, the Company had a $600 million unsecured revolving credit facility, which had an interest rate on outstanding borrowings of LIBOR plus 125 basis points and a facility fee of 25 basis points.

MONEY MARKET LOAN

The Company has an agreement with JPMorgan Chase Bank to participate in a noncommitted money market loan program ("Money Market Loan"). The Money Market Loan is an unsecured borrowing of up to $75 million arranged by JPMorgan Chase Bank with maturities of 30 days or less. The rate of interest on the Money Market Loan borrowing is set at the time of each borrowing. As of June 30, 2014 and December 31, 2013, the Company had no outstanding borrowings under the Money Market Loan.

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 June 30, 2014, 27 of the Company's properties, with a total book value of approximately $879 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. Except as noted below, the Company was in compliance with its debt covenants as of June 30, 2014.

A summary of the Company's mortgages, loans payable and other obligations as of June 30, 2014 and December 31, 2013 is as follows:*(dollars in thousands)*

Property Name	Lender	Effective Rate (a)	June 30, 2014	December 31, 2013	Maturity
6301 Ivy Lane (b)	RGA Reinsurance Company	5.520 %	$ -	$ 5,447	-
395 West Passaic (c)	State Farm Life Insurance Co.	6.004 %	-	9,719	-
35 Waterview Boulevard (d)	Wells Fargo CMBS	6.348 %	-	18,417	-
233 Canoe Brook Road (e)	The Provident Bank	4.375 %	-	3,877	-
6 Becker, 85 Livingston, 75 Livingston & 20 Waterview (f)	Wells Fargo CMBS	10.220 %	64,829	64,233	8/11/2014 (l)
4 Sylvan	Wells Fargo CMBS	10.190 %	14,565	14,538	8/11/2014 (l)
10 Independence (g)	Wells Fargo CMBS	12.440 %	16,850	16,638	08/11/14
Port Imperial South 4/5	Wells Fargo Bank N.A.	LIBOR+3.50%	36,950	36,950	08/30/14
9200 Edmonston Road (h)	Principal Commercial Funding L.L.C.	5.534 %	4,026	4,115	05/01/15
Port Imperial South	Wells Fargo Bank N.A.	LIBOR+1.75%	43,697	43,278	09/19/15
4 Becker	Wells Fargo CMBS	9.550 %	39,108	38,820	05/11/16
5 Becker (i)	Wells Fargo CMBS	12.830 %	13,467	13,092	05/11/16
210 Clay	Wells Fargo CMBS	13.420 %	13,039	12,767	05/11/16
Various (j)	Prudential Insurance	6.332 %	146,532	147,477	01/15/17
150 Main St.	Webster Bank	LIBOR+2.35%	217	-	03/30/17
23 Main Street	JPMorgan CMBS	5.587 %	29,529	29,843	09/01/18
Harborside Plaza 5	The Northwestern Mutual Life Insurance Co. & New York Life Insurance Co.	6.842 %	223,381	225,139	11/01/18
100 Walnut Avenue	Guardian Life Insurance Co.	7.311 %	18,669	18,792	02/01/19
One River Center (k)	Guardian Life Insurance Co.	7.311 %	42,768	43,049	02/01/19
Park Square	Wells Fargo Bank N.A.	LIBOR+1.75%	27,500	-	04/10/19
Total mortgages, loans payable and other obligations			$ 735,127	$ 746,191	

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

(b) On April 1, 2014, the Company repaid the mortgage loan at par, using available cash.

(c) On May 1, 2014, the Company repaid the mortgage loan at par, using available cash.

(d) On May 12, 2014, the Company repaid the mortgage loan at par, using borrowings on the Company's unsecured revolving credit facility.

(e) On April 30, 2014, the Company repaid the mortgage loan at par, using available cash.

(f) Mortgage is cross collateralized by the four properties.

(g) The Company is negotiating a deed-in-lieu of foreclosure in satisfaction of this mortgage loan.

(h) The mortgage loan originally matured on May 1, 2013. The maturity date was extended until May 1, 2015 with the same interest rate. Excess cash flow, as defined, is being held by the lender for re-leasing costs. The deed for the property was placed in escrow and is available to the lender in the event of default or non-payment at maturity.

(i) The cash flow from this property is insufficient to cover operating costs and debt service. Consequently, the Company notified the lender and suspended debt service payments in August 2013. The Company has begun discussions with the lender regarding a deed-in-lieu of foreclosure and began remitting available cash flow to the lender effective August 2013.

(j) Mortgage is cross collateralized by seven properties. The Operating Partnership has agreed, subject to certain conditions, to guarantee repayment of a portion of the loan.

(k) Mortgage is collateralized by the three properties comprising One River Center.

(l) The Company has begun discussions with the lender to extend the maturity date and modify the loan terms.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the six months ended June 30, 2014 and 2013 was $61,999,000 and $60,838,000, respectively. Interest capitalized by the Company for the six months ended June 30, 2014 and 2013 was $6,493,000 and $6,748,000, respectively (of which these amounts included $1,953,000 and $584,000 for the six months ended June 30, 2014 and 2013, respectively, for interest capitalized on the Company's investments in unconsolidated joint ventures which were substantially in development).

SUMMARY OF INDEBTEDNESS

As of June 30, 2014, the Company's total indebtedness of $2,208,268,000 (weighted average interest rate of 5.51 percent) was comprised of $164,363,000 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 2.11 percent) and fixed rate debt and other obligations of $2,043,905,000 (weighted average rate of 5.78 percent).

As of December 31, 2013, the Company's total indebtedness of $2,362,766,000 (weighted average interest rate of 5.62 percent) was comprised of $80,228,000 of variable rate mortgage debt (weighted average rate of 2.74 percent) and fixed rate debt and other obligations of $2,282,538,000 (weighted average rate of 5.72 percent).

11. EMPLOYEE BENEFIT 401(k) PLANS AND DEFERRED RETIREMENT COMPENSATION AGREEMENTS

Employees of the Company, who meet certain minimum age and service requirements, are eligible to participate in the Mack-Cali Realty Corporation 401(k) Savings/Retirement Plan (the "401(k) Plan"). Eligible employees may elect to defer from one percent up to 60 percent of their annual compensation on a pre-tax basis to the 401(k) Plan, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company may make discretionary matching or profit sharing contributions to the 401(k) Plan on behalf of eligible participants in any plan year. Participants are always 100 percent vested in their pre-tax contributions and will begin vesting in any matching or profit sharing contributions made on their behalf after two years of service with the Company at a rate of 20 percent per year, becoming 100 percent vested after a total of six years of service with the Company. All contributions are allocated as a percentage of compensation of the eligible participants for the Plan year. The assets of the 401(k) Plan are held in trust and a separate account is established for each participant. A participant may receive a distribution of his or her vested account balance in the 401(k) Plan in a single sum or in installment payments upon his or her termination of service with the Company. The 401(k) Plan was recently amended to provide for employees of the Roseland Business to receive matching contributions. Total expense recognized by the Company for the 401(k) Plan for the three months ended June 30, 2014 and 2013 was $27,000 and $29,000, respectively and $53,000 and $67,000 for the six months ended June 30, 2014 and 2013, respectively.

On September 12, 2012, the Board of Directors of the Company approved multi-year deferred retirement compensation agreements for those executive officers in place on such date (the "Deferred Retirement Compensation Agreements"). Pursuant to the Deferred Retirement Compensation Agreements, the Company was to make annual contributions of stock units ("Stock Units") representing shares of the Company's common stock on January 1 of each year from 2013 through 2017 into a deferred compensation account maintained on behalf of each Messrs. Hersh, Lefkowitz and Thomas. In connection with Messrs. Lefkowitz and Thomas' separation from service to the Company effective March 31, 2014, the Company agreed to make cash payments totaling $1.2 million for all vested and unvested Stock Units and future cash contributions pursuant to their respective Deferred Retirement Compensation Agreements (see Note 13: Commitments and Contingencies – Departure of Executive Vice Presidents). The annual contribution for Mr. Hersh will be in an amount of Stock Units equal to $500,000. Vesting of each annual contribution of Stock Units will occur on December 31 of each year, subject to continued employment. Upon the payment of dividends on the Company's common stock, Mr. Hersh shall be entitled to dividend equivalent payments in respect of both vested and unvested Stock Units payable in the form of additional Stock Units. The Stock Units shall become payable to Mr. Hersh within 30 days after the earliest of any of the following triggering events: (a) Mr. Hersh's death or disability; (b) the date of Mr. Hersh's separation from service to the Company; and (c) the effective date of a change in control, in each case as such terms are defined in Mr. Hersh's employment agreement. Upon the occurrence of a triggering event, the Stock Units shall be paid in cash based on the closing price of the Company's common stock on the date of such triggering event. The Company granted 36,218 Stock Units, including 836 additional Stock Units on accrued dividends, in the six months ended June 30, 2014. Total expense recognized by the Company under the Deferred Retirement Compensation Agreements for the three months ended June 30, 2014 and 2013 was $142,000 and $153,000, respectively, and $1.3 million (see Note 13: Commitments and Contingencies – Departure of Executive Vice Presidents) and $341,000 for the six months ended June 30, 2014 and 2013, respectively.

12. 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 June 30, 2014 and December 31, 2013. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, receivables, notes receivables, accounts payable, and accrued expenses and other liabilities are carried at amounts which reasonably approximate their fair values as of June 30, 2014 and December 31, 2013.

The fair value of the Company's long-term debt, consisting of senior unsecured notes, an unsecured revolving credit facility and mortgages, loans payable and other obligations aggregated approximately $2,261,079,000 and $2,407,802,000 as compared to the book value of approximately $2,208,268,000 and $2,362,766,000 as of June 30, 2014 and December 31, 2013, respectively. The fair value of the Company's long-term debt is categorized as a level 3 basis (as provided by ASC 820, Fair Value Measurements and Disclosures). The fair value is estimated using a discounted cash flow analysis valuation based on the borrowing rates currently available to the Company for loans with similar terms and maturities. The fair value of the mortgage debt and the unsecured notes was determined by discounting the future contractual interest and principal payments by a market rate.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of June 30, 2014 and December 31, 2013. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since June 30, 2014 and current estimates of fair value may differ significantly from the amounts presented herein.

13. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

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

The Harborside Plaza 4-A agreement with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The annual PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are $49.5 million. The PILOT totaled $247,000 and $247,000 for the three months ended June 30, 2014 and 2013, respectively, and $495,000 and $495,000 for the six months ended June 30, 2014 and 2013, respectively.

The Harborside Plaza 5 agreement, also with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The annual PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are $170.9 million. The PILOT totaled $854,000 and $854,000 for the three months ended June 30, 2014 and 2013, respectively, and $1.7 million and $1.7 million for the six months ended June 30, 2014 and 2013, respectively.

The agreement with the City of Weehawken for its Port Imperial 4/5 garage development project (acquired in the Roseland Transaction) was executed in March 2011 and has a term of five years beginning when the project is substantially complete, which occurred in the third quarter 2013. The agreement provides that real estate taxes be paid initially on the land value of the project only and allows for a phase in of real estate taxes on the value of the improvements over a five year period.

The agreement with the City of Rahway for its Park Square multi-family rental property executed in 2009 provides that real estate taxes will be partially abated, on a declining scale, for four years from 2011 through 2015.

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

LITIGATION

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

GROUND LEASE AGREEMENTS
Future minimum rental payments under the terms of all non-cancelable ground leases under which the Company is the lessee, as of June 30, 2014, are as follows: *(dollars in thousands)*

Year		Amount
July 1 through December 31, 2014	$	184
2015		371
2016		371
2017		267
2018		232
2019 through 2084		15,819
Total	$	17,244

Ground lease expense incurred by the Company during the three months ended June 30, 2014 and 2013 amounted to $102,000 and $102,000, respectively, and $203,000 and $203,000 for the six months ended June 30, 2014 and 2013, respectively.

ROSELAND CONTINGENT CONSIDERATION
The purchase price for the Roseland Transaction included the fair value of contingent consideration pursuant to an earn-out ("Earn Out") agreement of approximately $10 million. The Earn Out largely represents contingent consideration and requires the Company to pay Roseland Partners up to an aggregate maximum of $15.6 million. The Earn Out is based on defined criteria, as follows: (i) the Roseland Assets component of up to $8.6 million for the completion of certain developments ($2.8 million), and the start of construction on others ($2.8 million), obtaining tax credits/grants on others ($3.0 million), all of which are payable over various periods of up to three years; and (ii) total return to shareholders for up to an additional $7 million, based on a total return to shareholders measured on a three year cumulative basis and on discrete years, both on an absolute basis and in comparison to a peer group. Each of the Earn Out elements were separately valued as of the acquisition date with an aggregate fair value of contingent consideration of approximately $10 million (representing $6.3 million for the Roseland Assets and $3.7 million for the total return to shareholders component). During the period ended June 30, 2014, the Company recognized benefits of $380,000 related to a decline in fair value in the Earn Out liability, which is included in Interest and other investment income for the period. Prospectively, the Earn Out liability will be remeasured at fair value quarterly until the contingency has been resolved, with any changes in fair value representing a charge or benefit directly to earnings (with no adjustment to purchase accounting). The measures of the Earn Out are based on significant inputs that are not observable in the market, which ASC 820 refers to as Level 3 inputs. In addition to an appropriate discount rate, the key assumption affecting the valuation for the Roseland Assets component was the probability of occurrence of the payment events under the relevant provisions (management assumed between 92 and 99 percent for completion/start criteria and 50 percent for the tax credit/grant criteria in its initial valuation). The valuation of the TRS component includes assumptions for the risk-free rate and various other factors (i.e., stock price, dividend levels and volatility) for the Company and the relevant peer group, as defined in the Earn Out agreement. As a result of the achievement of certain of the defined criteria, the Company paid Roseland Partners $2.8 million on January 25, 2013 and $1.4 million on March 21, 2014 related to the Roseland Assets component of the Earn Out. On July 18, 2014, the Company agreed to pay $1 million of the $3 million Earn Out related to certain tax credits/grants. See Roseland Transaction Modifications following in this Note. The Company previously recorded the $2.8 million payment of contingent consideration described above in the six-month period ended June 30, 2013 as a cash out flow from investing activity. Management subsequently concluded that the payment should be appropriately classified as a cash out flow from financing activity and had reflected it as such in the annual financial statements for 2013. The cash flow statement for the six month period ended June 30, 2013 presented herein has been revised to reflect this change in classification. The Company has determined that the impact to the 2013 quarterly financial statements is not material. The cash flow statements for the nine-month period ended September 30, 2013 will be revised in the future filing.

The purchase consideration for the Roseland Transaction is subject to the return of a portion of the purchase price of up to $2.0 million upon the failure to achieve a certain level of fee revenue from the Roseland Business during the 33-month period following the closing date. Because the fee target was highly probable, no discount was ascribed to this contingently returnable consideration. Also, at the closing, approximately $34 million in cash of the purchase price was deposited in escrow to secure certain of the indemnification obligations of Roseland Partners and its affiliates. In April 2013, $6.7 million of the escrow was released to Roseland Partners. On July 18, 2014, the Company agreed to release all remaining escrow funds to Roseland Partners. See Roseland Transaction Modifications following in this Note.

DEPARTURE OF EXECUTIVE VICE PRESIDENTS
On March 3, 2014, the Company announced that Barry Lefkowitz was leaving his position as Executive Vice President and Chief Financial Officer of the Company effective March 31, 2014. In connection with Mr. Lefkowitz's departure, he will receive severance benefits payable pursuant to his employment agreement and outstanding equity compensation awards, including an aggregate cash payment of approximately $3.4 million, vesting of 11,457 newly issued shares of common stock of the Company, and vesting of 68,667 unvested shares of Restricted Stock Awards. The Company also will pay the premiums for the continuation of Mr. Lefkowitz's existing health insurance for a period up to 48 months following March 31, 2014.

Also on March 3, 2014, the Company announced that Roger W. Thomas was leaving his position as Executive Vice President, General Counsel and Secretary of the Company effective March 31, 2014. In connection with Mr. Thomas' departure, he will receive severance benefits payable pursuant to his employment agreement and outstanding equity compensation awards, including an aggregate cash payment of approximately $3.1 million, acceleration and discretionary full vesting of 33,605 newly issued shares of common stock of the Company, and vesting of 41,000 unvested shares of Restricted Stock Awards. The Company also will pay the premiums for the continuation of Mr. Thomas' existing health insurance for a period of up to 48 months following September 30, 2014. Mr. Thomas will serve as a consultant to the Company from April 1, 2014 through September 30, 2014 for an aggregate cash compensation of $300,000.

The Company's total estimated costs for the departure of the two executive vice presidents of approximately $11 million during the six months ended June 30, 2014 was included in general and administration expense and accounts payable, accrued expenses and other liabilities as of June 30, 2014.

ROSELAND TRANSACTION MODIFICATIONS

On July 18, 2014, the Company entered into separation agreements (the "Separation Agreements") with each of Bradford R. Klatt and Carl Goldberg, formerly principals of Roseland Partners who have served as co-presidents of Roseland Management since the Company acquired the Roseland Business in October 2012. The Separation Agreements provide that the employment agreements of Messrs. Klatt and Goldberg terminate and that they shall resign as co-presidents of Roseland Management effective October 23, 2014 (the "Separation Date"). Also on July 18, 2014, the Company amended its purchase agreement with the sellers of the Roseland Business (the "Roseland Amendment") to modify certain terms of the Roseland Transaction in connection with the departures of Messrs. Klatt and Goldberg. In addition, Mr. Goldberg entered into a consulting agreement with Roseland Management (the "Consulting Agreement") pursuant to which he shall provide consulting services for a period of one year following the Separation Date for $400,000 payable in four, equal quarterly installments.

Pursuant to the Separation Agreements, each of Messrs. Klatt and Goldberg shall receive a separation payment of $750,000 within five days following the Separation Date, and an additional payment of $500,000 in full satisfaction of any and all bonus payments under their respective employment agreements, which amount shall be paid six months after the date of their "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance promulgated thereunder. The Separation Agreements also contain customary mutual releases of claims and non-disparagement provisions, and Mr. Goldberg's Consulting Agreement contains customary non-compete, confidentiality and indemnification covenants. Mr. Goldberg's Separation Agreement also provides that Roseland Management shall pay the premiums for the continuation of his existing health insurance for a period of one year from the Separation Date or until any earlier termination of his Consulting Agreement.

The Roseland Amendment provides for the following material modifications to the Roseland Transaction:

1. The non-competition covenants as they apply to Messrs. Klatt and Goldberg shall terminate on the Separation Date, and the non-competition covenants as they apply to Marshall Tycher shall be amended to permit Mr. Tycher to invest in certain future, family-controlled business ventures, subject to a right of first offer by the Company to make an investment of at least 50 percent in multi-family properties or projects covered by the right of first offer;

2. The release to the sellers of the Roseland Business of all remaining funds held in the indemnity escrow account and the acceleration of the effectiveness of certain indemnity covenants to the Separation Date; and

3. The payment of $1 million of the $3 million Earn Out related to certain tax credits/grants.

JOINT VENTURE INTERESTS AGREEMENT

On July 23, 2014, the Company entered into an agreement to acquire the equity interests of its joint venture partner in Overlook Ridge, L.L.C., Overlook Ridge JV, L.L.C. and Overlook Ridge JV 2C/3B, L.L.C. for approximately $16.6 million. As a result of this transaction, the Company will increase its ownership to 100 percent of developable land with proposed build-out of approximately 1,167 apartment homes in Malden, Massachusetts; and to 50 percent of its subordinated interests in two operating multi-family properties, also in Malden, Massachusetts. The transaction is expected to close in the third quarter 2014.

OTHER
The Company may not dispose of or distribute certain of its properties, currently comprised of seven properties with an aggregate net book value of approximately $123.5 million, which were originally contributed by certain unrelated common unitholders, without the express written consent of such 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 specific 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 specific common unitholders, which include members of 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, a former director and current member of its Advisory Board), and the Cali Group (which includes John R. Cali, a former director and current member of its Advisory Board). 115 of the Company’s properties, with an aggregate net book value of approximately $1.4 billion, have lapsed restrictions and are subject to these conditions.

In July 2012, the Company entered into a ground lease with Wegmans Food Markets, Inc. (“Wegmans”) at the Company’s undeveloped site located at Sylvan Way and Ridgedale Avenue in Hanover Township, New Jersey. Subject to receiving all necessary governmental approvals, Wegmans intends to construct a store of approximately 140,000 square feet on a finished pad to be delivered by the Company in the first quarter of 2015. The Company expects to incur costs of approximately $15.7 million for the development of the site through the fourth quarter of 2015 (of which the Company has incurred $6.4 million through June 30, 2014).

14. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2035. Substantially all of the commercial leases provide for annual base rents plus recoveries and escalation charges based upon the tenant’s proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass-through of charges for electrical usage.

Future minimum rentals to be received under non-cancelable commercial operating leases at June 30, 2014 are as follows*(dollars in thousands)*:

Year		Amount
July 1 through December 31, 2014	$	243,001
2015		451,877
2016		409,744
2017		357,438
2018		274,021
2019 and thereafter		1,045,178
Total	$	2,781,259

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

15. MACK-CALI REALTY CORPORATION 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 Charter provides, among other things, certain restrictions on the transfer of common stock to prevent further concentration of stock ownership. Moreover, to evidence compliance with these requirements, the 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.

SHARE REPURCHASE PROGRAM

In September 2012, the Board of Directors renewed and authorized an increase to the Company's repurchase program ("Repurchase Program"). The Company has authorization to repurchase up to $150 million of its outstanding common stock under the renewed Repurchase Program, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions. The Company has purchased and retired 394,625 shares of its outstanding common stock for an aggregate cost of approximately $11 million through June 30, 2014 (none of which occurred in the six months ended June 30, 2014 and the year ended December 31, 2013) , with a remaining authorization under the Repurchase Program of $139 million.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

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

STOCK OPTION PLANS

In May 2013, the Company established the 2013 Incentive Stock Plan (the "2013 Plan") under which a total of 4,600,000 shares have been reserved for issuance. In May 2004, the Company established the 2004 Incentive Stock Plan (the "2004 Plan") under which a total of 2,500,000 shares had been reserved for issuance. The 2004 Plan was terminated upon establishment of the 2013 Plan. No options were granted under the 2004 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" and together with the 2000 Employee Plan, the "2000 Plans"). In May 2002, shareholders of the Company approved amendments to both of the 2000 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). As the 2000 Plans expired in 2010, stock options may no longer be issued under those plans. Stock options granted under the 2000 Employee Plan became exercisable over a five-year period. All stock options granted under the 2000 Director Plan became 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 June 30, 2014 and December 31, 2013, the stock options outstanding had a weighted average remaining contractual life of approximately 5.4 and 0.7 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, 2014	15,000	$ 40.54	$ -
Granted	5,000	21.25	
Lapsed or Cancelled	(10,000)	38.07	
Outstanding at June 30, 2014 ($21.25 – $45.47)	10,000	$ 33.36	$ -
Options exercisable at June 30, 2014	5,000		
Available for grant at June 30, 2014	4,466,143		

The weighted average fair value of options granted during the six months ended June 30, 2014 was $1.71 per option. The fair value of each option grant is estimated on the date of grant using the Black-Scholes model. The following weighted average assumptions are included in the Company's fair value calculations of stock options granted during the six months ended June 30, 2014:

Expected life (in years)	6
Risk-free interest rate	1.50 %
Volatility	20.26 %
Dividend yield	5.65 %

No cash was received from options exercised under all stock option plans for the three and six months ended June 30, 2014 and 2013, respectively. The total intrinsic value of options exercised during each of the three and six months ended June 30, 2014 and 2013 was zero. The Company has a policy of issuing new shares to satisfy stock option exercises.

The Company recognized stock options expense of $1,000 and zero for the three months ended June 30, 2014 and 2013, respectively, and $2,000 and zero for the six months ended June 30, 2014 and 2013, respectively.

RESTRICTED STOCK AWARDS

The Company has issued stock awards ("Restricted Stock Awards") to officers, certain other employees, and nonemployee 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 seven-year vesting period, of which 304,816 unvested shares were legally outstanding at June 30, 2014. Of the Restricted Stock Awards issued to executive officers and senior management, 210,000 are contingent upon the Company meeting certain performance goals to be set by the Executive Compensation and Option Committee of the Board of Directors of the Company each year ("Performance Shares"), with the remaining based on time and service. These Performance Shares are not considered granted until the performance goals are set. All currently outstanding and unvested Restricted Stock Awards provided to the officers and certain other employees were issued under the 2013 Plan and 2004 Plan. Currently outstanding and unvested Restricted Stock Awards provided to directors were issued under the 2013 Plan.

On September 12, 2012, the Board of Directors of the Company approved the recommendations and ratified the determinations of the Executive Compensation and Option Committee of the Board of Directors (the "Committee") with respect to new Restricted Stock Awards totaling 319,667 shares for those executive officers in place on such date. The new Restricted Stock Awards may vest commencing January 1, 2014 and with the number of Restricted Stock Awards scheduled to be vested and earned on each vesting date on an annual basis over a five to seven year vesting schedule, with each annual vesting of each tranche of Restricted Stock Awards being subject to the attainment of annual performance targets to be set by the Committee for each year. As the Committee determined that the performance targets for the year ended December 31, 2013 were not satisfied, 63,933 shares due to vest on January 1, 2014 did not vest. Such shares may vest on any subsequent vesting date provided that the performance targets for the subsequent calendar year are met. Amounts recorded as compensation expense pertaining to these shares during the year ended December 31, 2013 were reversed. In connection with the departure of two executive officers effective March 31, 2014, the Company agreed to grant and accelerate vesting of 109,667 shares of Restricted Stock Awards on April 1, 2014.

Information regarding the Restricted Stock Awards grant activity is summarized below:

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2014 (a)	153,560	$	25.20
Granted (b)	208,589		20.83
Vested	(183,214)		22.37
Forfeited	(119)		26.36
Outstanding at June 30, 2014	178,816	$	23.00

(a) Includes 63,933 Performance Shares which were legally granted in 2013 for which the 2013 performance goals were not met, which may be earned if subsequent years' performance goals are met.

(b) Includes 42,000 Performance Shares which were legally granted in 2013 for which the 2014 performance goals were set by the Committee on March 31, 2014. Also includes 87,734 shares which were additionally granted to two executive officers in connection with their departure affective March 31, 2014 and which vested on April 1, 2014.

TSR-BASED AWARDS

Also on September 12, 2012, the Board of Directors of the Company approved the recommendations and ratified the determinations of the Committee with respect to new multi-year total stockholder return ("TSR") based awards (the "TSR-Based Awards") totaling 5,160 performance shares (the "TSR Performance Shares") for those executive officers in place on such date, each TSR Performance Share evidencing the right to receive $1,000 in the Company's common stock upon vesting. In accordance with the amended and restated TSR-Based Awards agreements entered into between the Company and those executive officers in June 2013, the TSR Performance Shares may vest commencing December 31, 2014, with the number of TSR Performance Shares scheduled to be granted annually over the next four years. The vesting of each tranche of TSR Performance Shares is subject to the attainment at each performance period end of a minimum stock price and either an absolute TSR target or a relative TSR target (the "TSR Performance Targets") in comparison to a selection of Peer Group REITs, in each case as shall be fixed by the Committee for each performance period. TSR, for purposes of the TSR-Based Performance Agreements, shall be equal to the share appreciation in the relevant period. The Company granted 1,032 TSR Performance Shares in the year ended December 31, 2013, which were valued in accordance with ASC 718, Compensation - Stock Compensation, at their fair value, utilizing a Monte-Carlo simulation to estimate the probability of the vesting conditions being satisfied. The Company has reserved shares of common stock under the 2004 Plan for issuance upon vesting of the TSR Performance Shares in accordance with the terms and conditions of the TSR-Based Awards. In connection with the departure of two executive vice presidents effective March 31, 2014, the Company agreed to vest 357 TSR Performance Shares and to grant and accelerate the vesting of 528 TSR Performance Shares, for which the Company issued 45,062 shares of Common Stock on April 2, 2014. See Note 13: Commitments and Contingencies – Departure of Executive Vice Presidents.

As of June 30, 2014, the Company had $2.5 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 1.3 years.

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

The Amended and Restated Deferred Compensation Plan for Directors, which commenced January 1, 1999, allows non-employee directors of the Company to elect to defer up to 100 percent of their annual retainer fee into deferred stock units. The deferred stock units are convertible into an equal number of shares of common stock upon the directors' termination of service from the Board of Directors or a change in control of the Company, as defined in the plan. 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 six months ended June 30, 2014 and 2013, 10,245 and 10,372 deferred stock units were earned, respectively. As of June 30, 2014 and December 31, 2013, there were 148,208 and 136,440 deferred 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 three months ended June 30, 2014 and 2013 in accordance with ASC 260, Earning Per Share: *(dollars in thousands, except per share amounts)*

	Three Months Ended June 30,		Six Months Ended June 30,	
Computation of Basic EPS	2014	2013	2014	2013
Income from continuing operations	$ 57,347	$ 8,599	$ 39,719	$ 16,555
Add: Noncontrolling interest in consolidated joint ventures	290	62	612	124
Add (deduct): Noncontrolling interest in Operating Partnership	(6,514)	(1,048)	(4,506)	(2,021)
Income from continuing operations available to common shareholders	51,123	7,613	35,825	14,658
Income from discontinued operations available to common shareholders	-	15,458	-	19,969
Net income available to common shareholders	$ 51,123	$ 23,071	$ 35,825	$ 34,627
Weighted average common shares	88,691	87,708	88,491	87,688
Basic EPS:				
Income from continuing operations available to common shareholders	$ 0.58	$ 0.09	$ 0.40	$ 0.16
Income from discontinued operations available to common shareholders	-	0.17	-	0.23
Net income available to common shareholders	$ 0.58	$ 0.26	$ 0.40	$ 0.39

Computation of Diluted EPS	Three Months Ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
Income from continuing operations available to common shareholders	$ 51,123	$ 7,613	$ 35,825	$ 14,658
(Deduct) add: Noncontrolling interest in Operating Partnership	6,514	1,048	4,506	2,021
Income from continuing operations for diluted earnings per share	57,637	8,661	40,331	16,679
Income from discontinued operations for diluted earnings per share	-	17,585	-	22,718
Net income available to common shareholders	$ 57,637	$ 26,246	$ 40,331	$ 39,397
Weighted average common shares	100,023	99,895	99,964	99,892
Diluted EPS:				
Income from continuing operations available to common shareholders	$ 0.58	$ 0.09	$ 0.40	$ 0.16
Income from discontinued operations available to common shareholders	-	0.17	-	0.23
Net income available to common shareholders	$ 0.58	$ 0.26	$ 0.40	$ 0.39

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

	Three Months Ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
Basic EPS shares	88,691	87,708	88,491	87,688
Add: Operating Partnership – common units	11,302	12,072	11,444	12,085
Restricted Stock Awards	30	115	29	119
Diluted EPS Shares	100,023	99,895	99,964	99,892

Contingently issuable shares under the TSR Award plan were excluded from the denominator in 2014 and 2013 because the criteria had not been met for the periods ended June 30, 2014 and June 30, 2013. Not included in the computations of diluted EPS were 10,000 and 15,000 stock options as such securities were anti-dilutive during the periods ended June 30, 2014 and 2013, respectively. Unvested restricted stock outstanding as of June 30, 2014 and 2013 were 304,816 and 352,358 shares, respectively.

Dividends declared per common share for the three month periods ended June 30, 2014 and 2013 was $0.15 and $0.30 per share, respectively. Dividends declared per common share for the six month periods ended June 30, 2014 and 2013 was $0.45 and $0.60 per share, respectively.

16. NONCONTROLLING INTERESTS IN SUBSIDIARIES

Noncontrolling interests in subsidiaries in the accompanying consolidated financial statements relate to (i) 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 ventures not owned by the Company.

OPERATING PARTNERSHIP

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

Unit Transactions
The following table sets forth the changes in noncontrolling interests in subsidiaries which relate to the common units in the Operating Partnership for the six months ended June 30, 2014:

	Common Units
Balance at January 1, 2014	11,864,775
Redemption of common units for shares of common stock	(700,757)
Balance at June 30, 2014	11,164,018

Pursuant to ASC 810, Consolidation, on the accounting and reporting for noncontrolling interests and changes in ownership interests of a subsidiary, changes in a parent's ownership interest (and transactions with noncontrolling interest unitholders in the subsidiary) while the parent retains its controlling interest in its subsidiary should be accounted for as equity transactions. The carrying amount of the noncontrolling interest shall be adjusted to reflect the change in its ownership interest in the subsidiary, with the offset to equity attributable to the parent. Accordingly, as a result of equity transactions which caused changes in ownership percentages between Mack-Cali Realty Corporation stockholders' equity and noncontrolling interests in the Operating Partnership that occurred during the six months ended June 30, 2014, the Company has increased noncontrolling interests in the Operating Partnership and decreased additional paid-in capital in Mack-Cali Realty Corporation stockholders' equity by approximately $0.2 million as of June 30, 2014.

NONCONTROLLING INTEREST OWNERSHIP
As of June 30, 2014 and December 31, 2013, the noncontrolling interest common unitholders owned 11.1 percent and 11.9 percent of the Operating Partnership, respectively.

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

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

17. SEGMENT REPORTING

The Company operates in three business segments: (i) commercial and other real estate, (ii) multi-family real estate, and (iii) multi-family services. The Company provides leasing, property management, acquisition, development, construction and tenant-related services for its commercial and other real estate and multi-family real estate portfolio. The Company's multi-family services business also provides similar services for third parties. The Company no longer considers construction services as a reportable segment as it has significantly reduced its operations. The Company had no revenues from foreign countries recorded for the six months ended June 30, 2014 and 2013. The Company had no long lived assets in foreign locations as of June 30, 2014 and December 31, 2013. 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 each of its real estate segments (commercial and other, and multi-family) and from its multi-family services segment.

Selected results of operations for the three and six months ended June 30, 2014 and 2013 and selected asset information as of June 30, 2014 and December 31, 2013 regarding the Company's operating segments are as follows. Amounts for prior periods have been restated to conform to the current period segment reporting presentation: *(dollars in thousands)*

	Real Estate				
	Commercial & Other	Multi-family	Multi-family Services	Corporate & Other (d)	Total Company
Total revenues:					
Three months ended:					
June 30, 2014	$ 150,877	$ 6,329	$ 7,403 (e)	$ (4,309)	$ 160,300
June 30, 2013	155,249	3,655	6,394 (f)	3,048	168,346
Six months ended:					
June 30, 2014	311,450	12,132	14,351 (g)	(8,037)	329,896
June 30, 2013	313,897	4,937	11,878 (h)	8,547	339,259
Total operating and interest expenses (a):					
Three months ended:					
June 30, 2014	$ 72,303	$ 3,006	$ 8,382	$ 29,578	$ 113,269
June 30, 2013	65,889	1,568	7,657	38,888	114,002
Six months ended:					
June 30, 2014	159,236	5,705	18,541	70,791	254,273
June 30, 2013	136,282	2,104	15,132	78,343	231,861
Equity in earnings (loss) of unconsolidated joint ventures:					
Three months ended:					
June 30, 2014	$ 1,829	$ (2,255)	$ 869	$ -	$ 443
June 30, 2013	2,845	(2,925)	-	-	(80)
Six months ended:					
June 30, 2014	2,817	(4,478)	869	-	(792)
June 30, 2013	3,230	(5,060)	-	-	(1,830)
Net operating income (loss) (b):					
Three months ended:					
June 30, 2014	$ 80,403	$ 1,068	$ (110)	$ (33,887)	$ 47,474
June 30, 2013	92,205	(838)	(1,263)	(35,840)	54,264
Six months ended:					
June 30, 2014	155,031	1,949	(3,321)	(78,828)	74,831
June 30, 2013	180,845	(2,227)	(3,254)	(69,796)	105,568
Total assets:					
June 30, 2014	$ 3,796,166	$ 398,190	$ 9,004	$ 151,412	$ 4,354,772
December 31, 2013	3,886,574	377,237	10,488	241,029	4,515,328
Total long-lived assets (c):					
June 30, 2014	$ 3,421,351	$ 277,734	$ 3,923	$ 3,479	$ 3,706,487
December 31, 2013	3,620,494	240,501	3,468	3,730	3,868,193
Total investments in unconsolidated joint ventures:					
June 30, 2014	$ 116,829	$ 148,286	$ 751	$ -	$ 265,866
December 31, 2013	53,160	127,276	693	-	181,129

(a) Total operating and interest expenses represent the sum of: real estate taxes; utilities; operating services; direct construction costs; real estate services expenses; 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 goodwill.

(d) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense, non-property general and administrative expense, construction services revenue and direct construction costs) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
(e) Includes $935 of fees earned for this period from the multi-family real estate segment, which are eliminated in consolidation.
(f) Includes $571 of fees earned for this period from the multi-family real estate segment, which are eliminated in consolidation.
(g) Includes $1,800 of fees earned for this period from the multi-family real estate segment, which are eliminated in consolidation.
(h) Includes $767 of fees earned for this period from the multi-family real estate segment, which are eliminated in consolidation.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net operating income	$ 47,474	$ 54,264	$ 74,831	$ 105,568
Less:				
Depreciation and amortization	(44,711)	(45,665)	(89,696)	(89,013)
Realized gains and unrealized losses on disposition of rental property, net	54,584	-	54,584	-
Income from continuing operations	57,347	8,599	39,719	16,555
Discontinued operations:				
Income from discontinued operations	-	4,530	-	9,663
Loss from early extinguishment of debt	-	(703)	-	(703)
Realized gains and unrealized losses on disposition of rental property, net	-	13,758	-	13,758
Total discontinued operations	-	17,585	-	22,718
Net income	57,347	26,184	39,719	39,273
Noncontrolling interest in consolidated joint ventures	290	62	612	124
Noncontrolling interest in Operating Partnership	(6,514)	(1,048)	(4,506)	(2,021)
Noncontrolling interest in discontinued operations	-	(2,127)	-	(2,749)
Net income available to common shareholders	$ 51,123	$ 23,071	$ 35,825	$ 34,627

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

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

Executive Overview

Mack-Cali Realty Corporation together with its subsidiaries, (the "Company") is one of the largest real estate investment trusts (REITs) in the United States. The Company has been involved in all aspects of commercial real estate development, management and ownership for over 60 years and has been a publicly-traded REIT since 1994. As of June 30, 2014, the Company owns or has interests in 279 properties (collectively, the "Properties"), consisting of 266 commercial properties, primarily class A office and office/flex buildings, totaling approximately 31.5 million square feet, leased to approximately 2,000 commercial tenants and 13 multi-family rental properties containing approximately 3,900 residential units. The Properties are located primarily in suburban markets of the Northeast, some with adjacent, Company-controlled developable land sites able to accommodate up to 5.7 million square feet of additional commercial space and up to 8,355 apartment units.

The Company's historical 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. With changing work force demographics and reduced demand for suburban office properties in its current markets, the Company intends to continue to leverage its experience and expertise in its core Northeast markets to pursue multi-family rental investments in those markets, both through acquisitions and developments, both wholly owned and through joint ventures. This strategy includes selectively disposing of office and office/flex assets and re-deploying proceeds to multi-family rental properties, as well as the repositioning of a portion of its office properties and land held for development to multi-family rental properties.

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 space at the Properties. Key factors that affect the Company's business and financial results include the following:

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

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 the Company's product types or competition within the market.

The Company's core office markets continue to be weak. The percentage leased in the Company's consolidated portfolio of stabilized operating commercial properties aggregating 26 million, 28 million and 30 million square feet at June 30, 2014, March 31, 2014 and June 30, 2013, respectively was 83.7 percent leased at June 30, 2014 as compared to 83.6 percent leased at March 31, 2014 and 86.2 percent leased at June 30, 2013. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future and leases that expire at the period end date. Leases that expired as of June 30, 2014, March 31, 2014 and June 30, 2013 aggregate 101,880, 119,109 and 306,496 square feet, respectively, or 0.4, 0.4 and 1.0 percentage of the net rentable square footage, respectively. Rental rates (including escalations) on the Company's commercial space that was renewed (based on first rents payable) during the three months ended June 30, 2014 (on 466,046 square feet of renewals) decreased an average of 6.3 percent compared to rates that were in effect under the prior leases, as compared to a 6.2 percent decrease during the three months ended June 30, 2013 (on 777,934 square feet of renewals). Estimated lease costs for the renewed leases during the three months ended June 30, 2014 averaged $1.83 per square foot per year for a weighted average lease term of 4.0 years and estimated lease costs for the renewed leases during the three months ended June 30, 2013 averaged $2.28 per square foot per year for a weighted average lease term of 3.5 years. The Company believes that commercial vacancy rates may continue to increase and commercial rental rates may continue to decline in some of its markets in 2014 and possibly beyond. For example, a significant tenant aggregating 474,801 square feet and approximately $8.6 million in annualized base rent, whose lease expires over the next 12 months is not renewing its lease. As of June 30, 2014, commercial leases which comprise approximately 3.5 percent of the Company's annualized base rent are scheduled to expire during the year ended December 31, 2014. With the decline of rental rates in the Company's office markets over the past few years, as leases expire in 2014, assuming no further changes in current market rental rates, the Company expects that the rental rates it is likely to achieve on new leases will generally be lower than the rates currently being paid, thereby resulting in less revenue from the same space. As a result of the above factors, the Company's future earnings and cash flow may continue to be negatively impacted by current market conditions affecting its commercial portfolio.

The Company expects that the impact of the current state of the economy, including high unemployment will continue to have a negative effect on the fundamentals of its business, including lower occupancy, reduced effective rents, and increases in defaults and past due accounts in respect of the Company's commercial properties. These conditions would negatively affect the Company's future net income and cash flows and could have a material adverse effect on the Company's financial condition.

As a result of the continued weakness in the Company's core office markets, the Company intends to expand its holdings in the multi-family rental sector, which it believes has traditionally been a more stable product type. The Company believes that the opportunity to invest in multi-family development properties at higher returns on cost will position the Company to potentially produce higher levels of net operating income than if the Company were to only purchase stabilized multi-family rental properties at market returns. The Company anticipates that it will be several years before many of its multi-family development projects are income-producing. The long-term nature of the Company's multi-family strategy coupled with the continued weakness in the Company's core office markets and the disposition of income producing non-core office properties, to fund the Company's multi-family rental acquisitions and development will likely result in declining net operating income and cash flows relative to historical returns. As the Company continues to execute its multi-family residential strategy, the Company believes that over the long-term its net operating income and cash flows will stabilize at levels less than historical or current returns.

Extended winter freeze conditions in early 2014 resulted in record electricity demand, as well as reduced natural gas production and distributions disruptions in the Company's northeast markets. This in turn resulted in significant increases in the utility costs at most of the Company's properties (including both gas and electricity prices – the latter now being heavily dependent on gas fired power plants). The pricing situation has since stabilized and is not expected to occur for the remainder of the year but could recur in future winters. The Company expects to recover a portion of these additional costs pursuant to the terms of most of its leases with tenants.

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

- recent transactions;
- critical accounting policies and estimates;
- results of operations for the three and six months ended June 30, 2014 as compared to the three and six months ended June 30, 2013 and
- liquidity and capital resources.

Recent Transactions

Acquisitions

On April 10, 2014, the Company acquired Andover Place, a 220-unit multi-family rental property located in Andover, Massachusetts, for approximately $37.7 million in cash. The purchase price for the property was funded primarily through borrowings under the Company's unsecured revolving credit facility.

Sales
The Company sold the following office properties during the six months ended June 30, 2014*(dollars in thousands*):

Sale Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet		Net Sales Proceeds		Net Book Value		Realized Gain
04/23/14	22 Sylvan Way	Parsippany, New Jersey	1	249,409	$	94,897	$	60,244	$	34,653
06/23/14	30 Knightsbridge Road (a)	Piscataway, New Jersey	4	680,350		54,641		52,361		2,280
06/23/14	470 Chestnut Ridge Road (a) (b)	Woodcliff Lake, New Jersey	1	52,500		7,195		7,109		86
06/23/14	530 Chestnut Ridge Road (a) (b)	Woodcliff Lake, New Jersey	1	57,204		6,299		6,235		64
06/27/14	400 Rella Boulevard	Suffern, New York	1	180,000		27,539		10,938		16,601
06/30/14	412 Mount Kemble Avenue (a)	Morris Township, New Jersey	1	475,100		44,751		43,851		900
Totals:			9	1,694,563	$	235,322	$	180,738	$	54,584

(a) The Company completed the sale of these properties for approximately $117 million: $114.6 million in cash and subordinated equity interests in each of the properties sold with capital accounts aggregating $2.4 million. Net sale proceeds from the sale aggregated $112.9 million which was comprised of the $117 million gross sales price less the subordinated equity interests of $2.4 million and $1.7 million in closing costs. The purchasers of these properties are joint ventures formed between the Company and affiliates of the Keystone Property Group ("Keystone Entities"). The senior equity will receive a 15 percent internal rate of return ("IRR") after which the subordinated equity will receive a ten percent IRR and then all distributable cash flow will be split equally between the Keystone Entities and the Company. In connection with these partial sale transactions, because the buyer receives a preferential return, the Company only recognized profit to the extent that they received net proceeds in excess of their entire carrying value of the properties, effectively reflecting their retained subordinate equity interest at zero. The Company has contracts with Keystone Entities to sell an additional seven of its office properties in New Jersey, New York and Connecticut, aggregating approximately 928,258 square feet, for approximately $104 million, comprised of: $78.3 million in cash from a combination of Keystone Entities senior and pari-passu equity and mortgage financing; Company subordinated equity interests in each of the properties being sold with capital accounts aggregating $18.8 million; and Company pari passu equity interests in three of the properties being sold aggregating $6.9 million.
(b) The Company recorded an impairment charge of $3.9 million on these properties at December 31, 2013 as it estimated that the carrying value of the properties may not be recoverable over their anticipated holding periods.

On January 1, 2014, the Company early adopted the new discontinued operations standard and as the properties sold in the six months ended June 30, 2014 will not represent a strategic shift (as the Company is not entirely exiting markets or property types), they have not been reflected as part of discontinued operations.

Unconsolidated Joint Venture Activity
Pursuant to a developer agreement entered into in December 2011, on May 21, 2014, the Company entered into a joint venture agreement with Ironstate Harborside-A LLC ("ISA") to form Harborside Unit A Urban Renewal, L.L.C. ("URL-Harborside"), a newly-formed joint venture that will develop, own and operate a high-rise tower of approximately 763 multi-family apartment units above a parking pedestal to be located on land contributed by the Company at its Harborside complex in Jersey City, New Jersey (the "URL Project"). The construction of the URL Project is estimated to cost a total of approximately $320 million and is projected to be ready for occupancy by the fourth quarter of 2016. The URL Project has been awarded up to $33 million in future tax credits ("URL Tax Credits"), subject to certain conditions, from the New Jersey Economic Development Authority. The venture has an agreement to sell these credits, subject to certain conditions. The Company currently expects that it will fund approximately $88 million of the development costs of the project net of future financing.

The Company owns an 85 percent interest in URL-Harborside and the remaining interest owned by ISA, with shared control over major decisions such as, approval of budgets, property financings and leasing guidelines. Upon entering into the joint venture, the Company's initial contribution was $30.6 million, which included a capital credit of $30 per approved developable square foot for its contributed land aggregating approximately $20.6 million with the balance consisting of previously incurred development costs, and ISA's initial contribution was approximately $5.4 million. Included in the Company's investment in the joint venture is the land contribution with a carrying amount of $5.5 million.

On June 6, 2014, the Company and an affiliate of Keystone Property Group ("KPG") acquired 50 percent tenants-in-common interests each for $62.5 million in Curtis Center, an 885,000 square foot commercial office property located at 601 Walnut Street in Philadelphia, Pennsylvania (the "Curtis Center Property"), which amounted to a total purchase of approximately $125.0 million for the property. In connection with the transaction, the Company provided short-term loans to KPG affiliates, as follows: a 90-day, $52.3 million loan which bears interest at an annual rate of 3.5 percent payable at maturity, which is collateralized by the KPG affiliates' interest in the Curtis Center Property; and a 90-day, $10 million loan which also bears interest at an annual rate of 3.5 percent payable at maturity. The investments were funded by the Company primarily through borrowing under its revolving credit facility. The venture plans to reposition the property into a mixed-use environment by converting a portion of existing office space into multi-family rental apartments.

Simultaneous with the acquisition of the Curtis Center Property, the Company and a KPG affiliate formed a new joint venture named KPG-MCG Curtis JV, LLC (the "Curtis Center JV"), which master leased the Curtis Center Property from the acquisition entities for approximately 29 years at market-based terms. The Company and the KPG affiliate both own a 50 percent interest in the Curtis Center JV, with shared control over major decisions.

For the three and six months ended June 30, 2014, included in general and administrative expense was an aggregate of approximately $1.9 million in transactions costs related to the Company's property and joint venture acquisitions.

Critical Accounting Policies and Estimates

The accompanying consolidated financial statements include all accounts of the Company, its majority-owned and/or controlled subsidiaries, which consist principally of 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 – to the Financial Statements, for the Company's treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

Accounting Standards Codification ("ASC") 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack 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 consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity's performance: and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

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. Acquisition-related costs are expensed as incurred. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Interest capitalized by the Company for the six months ended June 30, 2014 and 2013 was $6.5 million and $6.7 million, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

The Company considers a construction project as substantially completed and held available for occupancy upon the substantial completion of 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, primarily based on a percentage of the relative square footage of each portion, and capitalizes only those costs associated with the portion under construction.

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

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

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

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

Other intangible assets acquired include amounts for in-place lease values and tenant relationship values, which are based on management's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the respective tenant. Factors to be considered by management in its analysis of in-place lease values include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, management considers leasing commissions, legal and other related expenses. Characteristics considered by management in valuing tenant relationships include the nature and extent of the Company's existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals. The 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 rental properties held for use may be impaired. In addition to identifying any specific circumstances which may affect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management include reviewing low leased percentages, significant near-term lease expirations, recently acquired properties, current and historical operating and/or cash flow losses, near-term mortgage debt maturities or other factors that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property 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. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairments may be realized in the future.

Rental Property Held for Sale:
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 estimated 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.

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

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. The Company's estimates of value for each investment (particularly in real estate joint ventures) 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 operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the values estimated by management in its impairment analyses may not be realized, and actual losses or impairment may be realized in the future. See Note 4: Investments in Unconsolidated Joint Ventures – to the Financial Statements.

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

Revenue Recognition:
Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the cumulative amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements.

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

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.

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

Parking income includes income from parking spaces leased to tenants and others.

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

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a full retrospective or a modified retrospective approach. Additionally, this guidance requires improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 is effective for the first interim period within annual reporting periods beginning after December 15, 2016, and early adoption is not permitted. The Company is currently in the process of evaluating the impact the adoption of ASU 2014-09 will have on the Company's financial position or results of operations.

Allowance for Doubtful Accounts:
Management performs a detailed review of amounts due from tenants to determine if an allowance for doubtful accounts is required based on factors affecting the collectability of the accounts receivable balances. The factors considered by management in determining which individual tenant receivable balances, or aggregate receivable balances, require a collectability allowance include the age of the receivable, the tenant's payment history, the nature of the charges, any communications regarding the charges and other related information. Management's estimate of 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.

Discontinued Operations:
In April 2014, the FASB issued guidance related to the reporting of discontinued operation and disclosures of disposals of components of an entity. This guidance defines a discontinued operation as a component or group of components disposed or classified as held for sale and represents a strategic shift that has (or willhave) a major effect on an entity's operations and final result; the guidance states that a strategic shift could include a disposal of a major geographical area of operations, a major line of business, a major equity method investment or other major parts of an entity. The guidance also provides for additional disclosure requirements in connection with both discontinued operations and other dispositions not qualifying as discontinued operations. The guidance will be effective for annual and interim periods beginning on or after December 15, 2014. The guidance applies prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. All entities may early adopt the guidance for new disposals (or new classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance.The Company has elected to early adopt this standard effective with the interim period beginning January 1, 2014. Prior to January 1, 2014, properties identified as held for sale and/or disposed of were presented in discontinued operations for all periods presented. See Note 7: Discontinued Operations – to the Financial Statements.

Results From Operations

The following comparisons for the three and six months ended June 30, 2014 ("2014"), as compared to the three and six months ended June 30, 2013 ("2013"), make reference to the following: (i) the effect of the "Same-Store Properties," which represent all in-service properties owned by the Company at March 31, 2013, (for the three-month period comparisons), and which represent all in-service properties owned by the Company at December 31, 2012 (for the six-month period comparisons), excluding properties sold through June 30, 2014; (ii) the effect of the "Acquired Properties," which represent all properties acquired by the Company or commencing initial operation from April 1, 2013 through June 30, 2014 (for the three-month period comparisons), and which represents all properties acquired by the Company or commencing initial operations from January 1, 2013 through June 30, 2014 (for the six-month period comparisons), and (iii) the effect of "Properties Sold in 2014," which represent properties sold by the Company during the six months ended June 30, 2014.

Three Months Ended June 30, 2014 Compared to Three Months Ended June 30, 2013

(dollars in thousands)	Three Months Ended June 30, 2014	2013	Dollar Change	Percent Change
Revenue from rental operations and other:				
Base rents	$ 133,210	$ 135,438	$ (2,228)	(1.6) %
Escalations and recoveries from tenants	16,996	17,456	(460)	(2.6)
Parking income	2,236	1,597	639	40.0
Other income	849	467	382	81.8
Total revenues from rental operations	153,291	154,958	(1,667)	(1.1)
Property expenses:				
Real estate taxes	23,375	19,834	3,541	17.9
Utilities	14,573	13,739	834	6.1
Operating services	27,840	25,327	2,513	9.9
Total property expenses	65,788	58,900	6,888	11.7
Non-property revenues:				
Construction services	-	6,746	(6,746)	(100.0)
Real estate services	7,009	6,642	367	5.5
Total non-property revenues	7,009	13,388	(6,379)	(47.6)
Non-property expenses:				
Direct construction costs	-	6,511	(6,511)	(100.0)
Real estate services expenses	6,571	5,304	1,267	23.9
General and administrative	13,673	13,111	562	4.3
Depreciation and amortization	44,711	45,665	(954)	(2.1)
Total non-property expenses	64,955	70,591	(5,636)	(8.0)
Operating income	29,557	38,855	(9,298)	(23.9)
Other (expense) income:				
Interest expense	(28,159)	(31,270)	3,111	9.9
Interest and other investment income	922	1,094	(172)	(15.7)
Equity in earnings (loss) of unconsolidated joint ventures	443	(80)	523	653.8
Realized gains (losses) and unrealized losses on disposition of rental property, net	54,584	-	54,584	-
Total other (expense) income	27,790	(30,256)	58,046	191.8
Income from continuing operations	57,347	8,599	48,748	566.9
Discontinued operations:				
Income from discontinued operations	-	4,530	(4,530)	(100.0)
Loss from early extinguishment of debt	-	(703)	703	100.0
Realized gains (losses) and unrealized losses on disposition of rental property, net	-	13,758	(13,758)	(100.0)
Total discontinued operations, net	-	17,585	(17,585)	(100.0)
Net income	57,347	26,184	31,163	119.0
Noncontrolling interest in consolidated joint ventures	290	62	228	367.7
Noncontrolling interest in Operating Partnership	(6,514)	(1,048)	(5,466)	(521.6)
Noncontrolling interest in discontinued operations	-	(2,127)	2,127	100.0
Net income available to common shareholders	$ 51,123	$ 23,071	$ 28,052	121.6 %

The following is a summary of the changes in revenue from rental operations and property expenses in 2014 as compared to 2013 divided into Same-Store Properties and Acquired Properties *(dollars in thousands):*

	Total Company		Same-Store Properties		Acquired Properties		Properties Sold in 2014	
(*dollars in thousands*)	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:								
Base rents	$ (2,228)	(1.6) %	$ (3,601)	(2.6) %	$ 3,445	2.5 %	$ (2,072)	(1.5) %
Escalations and recoveries from tenants	(460)	(2.6)	(122)	(0.6)	270	1.5	(608)	(3.5)
Parking income	639	40.0	(161)	(10.1)	800	50.1	-	-
Other income	382	81.8	278	59.5	113	24.2	(9)	(1.9)
Total	$ (1,667)	(1.1) %	$ (3,606)	(2.4) %	$ 4,628	3.0 %	$ (2,689)	(1.7) %
Property expenses:								
Real estate taxes	$ 3,541	17.9 %	$ 3,271	16.5 %	$ 708	3.6 %	$ (438)	(2.2) %
Utilities	834	6.1	814	6.0	128	0.9	(108)	(0.8)
Operating services	2,513	9.9	1,995	7.8	652	2.6	(134)	(0.5)
Total	$ 6,888	11.7 %	$ 6,080	10.2 %	$ 1,488	2.7 %	$ (680)	(1.2) %
OTHER DATA:								
Number of Consolidated Properties	239		232		7		9	
Commercial Square feet *(in thousands)*	26,280		26,054		226		1,695	
Multi-family portfolio *(number of units)*	1,301		310		991		-	

Base rents for the Same-Store Properties decreased $3.6 million, or 2.6 percent, for 2014 as compared to 2013, due primarily to a decrease in occupancy and rental rates in 2014 as compared to 2013. Escalations and recoveries from tenants for the Same-Store Properties was relatively unchanged, decreasing $0.1 million, or 0.6 percent, for 2014 over 2013. Parking income for the Same-Store Properties decreased $0.2 million, or 10.1 percent for 2014 as compared to 2013, due primarily to decreased parking demand during the period. Other income for the Same-Store Properties increased $0.3 million, or 59.5 percent, due primarily to an increase in reimbursed improvement costs.

Real estate taxes on the Same-Store Properties increased $3.3 million, or 16.6 percent, for 2014 as compared to 2013. The change in real estate taxes principally results from a decrease in tax appeal proceeds received in 2014 as compared to 2013. Real estate taxes, without the effect of net tax appeal proceeds, did not increase significantly in 2014 compared to 2013. Utilities for the Same-Store Properties increased $0.8 million, or 6.0 percent, for 2014 as compared to 2013, due primarily to increased rates in 2014 as compared to 2013. Operating services for the Same-Store Properties increased $2.0 million, or 7.8 percent, due primarily to an increase in maintenance and repair costs of $1.1 million and in insurance costs of $0.5 million for 2014 as compared to 2013.

Construction services revenue decreased $6.7 million, or 100.0 percent, in 2014 as compared to 2013, due to the Company's phase out of this business segment. Real estate services revenues (primarily reimbursement of property personnel costs) increased by $0.4 million, or 5.5 percent, for 2014 as compared to 2013, due primarily to an increase in salary reimbursement income for 2014 as compared to 2013.

Direct construction costs decreased $6.5 million, or 100.0 percent, in 2014 as compared to 2013, due to the Company's phase out of this business segment.

Real estate services expenses increased $1.3 million, or 23.9 percent, for 2014 as compared to 2013. This increase was due primarily to increased compensation and related costs, due to increased activity in multifamily services.

General and administrative expenses increased $0.6 million in 2014 as compared to 2013. This increase was primarily due to acquisition transaction costs of $1.9 million in 2014, partially offset by a decrease in salaries and related expenses of $1.3 million for 2014 as compared to 2013.

Depreciation and amortization decreased by $1.0 million, or 2.1 percent, for 2014 over 2013. This decrease was due primarily to a decrease of $1.4 million for the Same-Store Properties due to assets becoming fully amortized, and a decrease of $0.8 million for 2014 as compared to 2013 for the properties sold in 2014 (which were not classified as discontinued operations). These were partially offset by an increase of $1.2 million for 2014 as compared to 2013 for the Acquired Properties.

Interest expense decreased by $3.1 million, or 9.9 percent, for 2014 as compared to 2013. This decrease was primarily the result of lower overall average debt balances in 2014 as compared to 2013.

Interest and other investment income decreased $0.2 million, or 15.7 percent, for 2014 as compared to 2013. This was primarily due to lower average available cash balances to invest in 2014.

Equity in earnings of unconsolidated joint ventures increased $0.5 million, or 653.8 percent, for 2014 as compared to 2013. The increase was due primarily to increased income of $1.6 million from the Crystal House Apartments Investors venture (which was entered into in March 2013). This was partially offset by a loss of $0.5 million from the KPG-P 100 IMW venture, which was entered into in late 2013 and an increased loss of $0.4 million from the PruRose Riverwalk G venture.

The Company had realized gains and unrealized losses on disposition of rental property of $54.6 million in 2014 (which were not classified as discontinued operations). See Note 3: Real Estate Transactions – Sales – to the Financial Statements.

Income from continuing operations increased to $57.3 million in 2014 from $8.6 million in 2013. The increase of $48.7 million was due to the factors discussed above.

Net income available to common shareholders increased by $28.1 million, or 121.6 percent, from approximately $23.0 million in 2013 to $51.1 million in 2014. The increase was primarily the result of an increase in income from continuing operations of $48.7 million for 2014 as compared to 2013, a decrease in noncontrolling interest in discontinued operations of $2.1 million for 2014 as compared to 2013, a loss on early extinguishment of debt of $0.7 million in 2013, and an increase in noncontrolling interest in consolidated joint ventures of approximately $0.2 million for 2014 as compared to 2013. These were partially offset by realized gains and unrealized losses on disposition of rental property, net, of approximately $13.7 million in 2013 (which were classified as discontinued operations), an increase in noncontrolling interest in Operating Partnership of approximately $5.4 million for 2014 as compared to 2013 and a decrease in income from discontinued operations of $4.5 million for 2014 as compared to 2013.

Six Months Ended June 30, 2014 Compared to Six Months Ended June 30, 2013

(dollars in thousands)	Six Months Ended June 30, 2014	2013	Dollar Change	Percent Change
Revenue from rental operations and other:				
Base rents	$ 267,261	$ 269,061	$ (1,800)	(0.7) %
Escalations and recoveries from tenants	42,564	36,944	5,620	15.2
Parking income	4,350	2,989	1,361	45.5
Other income	2,020	2,208	(188)	(8.5)
Total revenues from rental operations	316,195	311,202	4,993	1.6
Property expenses:				
Real estate taxes	47,726	41,483	6,243	15.0
Utilities	42,854	30,027	12,827	42.7
Operating services	57,062	50,635	6,427	12.7
Total property expenses	147,642	122,145	25,497	20.9
Non-property revenues:				
Construction services	-	14,972	(14,972)	(100.0)
Real estate services	13,701	13,085	616	4.7
Total non-property revenues	13,701	28,057	(14,356)	(51.2)
Non-property expenses:				
Direct construction costs	-	14,336	(14,336)	(100.0)
Real estate services expenses	13,280	10,257	3,023	29.5
General and administrative	36,554	25,084	11,470	45.7
Depreciation and amortization	89,696	89,013	683	0.8
Total non-property expenses	139,530	138,690	840	0.6
Operating income	42,724	78,424	(35,700)	(45.5)
Other (expense) income:				
Interest expense	(58,105)	(61,139)	3,034	5.0
Interest and other investment income	1,308	1,100	208	18.9
Equity in earnings (loss) of unconsolidated joint ventures	(792)	(1,830)	1,038	56.7
Realized gains(losses) and unrealized losses on disposition of rental property, net	54,584	-	54,584	-
Total other (expense) income	(3,005)	(61,869)	58,864	95.1
Income from continuing operations	39,719	16,555	23,164	139.9
Discontinued operations:				
Income from discontinued operations	-	9,663	(9,663)	(100.0)
Loss from early extinguishment of debt	-	(703)	703	100.0
Realized gains(losses) and unrealized losses on disposition of rental property, net	-	13,758	(13,758)	(100.0)
Total discontinued operations, net	-	22,718	(22,718)	(100.0)
Net income	39,719	39,273	446	1.1
Noncontrolling interest in consolidated joint ventures	612	124	488	393.5
Noncontrolling interest in Operating Partnership	(4,506)	(2,021)	(2,485)	(123.0)
Noncontrolling interest in discontinued operations	-	(2,749)	2,749	100.0
Net income available to common shareholders	$ 35,825	$ 34,627	$ 1,198	3.5 %

The following is a summary of the changes in revenue from rental operations and property expenses in 2014 as compared to 2013 divided into Same-Store Properties and Acquired Properties *(dollars in thousands):*

	Total Company		Same-Store Properties		Acquired Properties		Properties Sold in 2014	
(*dollars in thousands*)	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:								
Base rents	$ (1,800)	(0.7) %	$ (7,596)	(2.8) %	$ 8,445	3.1 %	$ (2,649)	(1.0) %
Escalations and recoveries from tenants	5,620	15.2	4,506	12.2	631	1.7	483	1.3
Parking income	1,361	45.5	(138)	(4.7)	1,499	50.2	-	-
Other income	(188)	(8.5)	(735)	(33.2)	557	25.2	(10)	(0.5)
Total	$ 4,993	1.6 %	$ (3,963)	(1.3) %	$ 11,132	3.6 %	$ (2,176)	(0.7) %
Property expenses:								
Real estate taxes	$ 6,243	15.0 %	$ 3,995	9.6 %	$ 1,603	3.8 %	$ 645	1.6 %
Utilities	12,827	42.7	11,208	37.3	537	1.8	1,082	3.6
Operating services	6,427	12.7	4,809	9.5	1,627	3.2	(9)	-
Total	$ 25,497	20.9 %	$ 20,012	16.4 %	$ 3,767	3.1 %	$ 1,718	1.4 %
OTHER DATA:								
Number of Consolidated Properties	239		231		8		9	
Commercial Square feet *(in thousands)*	26,280		26,054		226		1,695	
Multi-family portfolio *(number of units)*	1,301		-		1,301		-	

Base rents for the Same-Store Properties decreased $7.6 million, or 2.8 percent, for 2014 as compared to 2013, due primarily to a decrease in occupancy and rental rates in 2014 as compared to 2013. Escalations and recoveries from tenants for the Same-Store Properties increased $4.5 million, or 12.2 percent, for 2014 over 2013, due primarily to recoveries from tenants of higher electric and operating expenses in 2014 pursuant to the terms of most of its leases. Parking income for the Same-Store Properties decreased $0.1 million, or 4.7 percent for 2014 as compared to 2013, due primarily to decreased demand for parking during the period. Other income for the Same-Store Properties decreased $0.7 million, or 33.2 percent, due primarily to a decrease in reimbursed improvement costs.

Real estate taxes on the Same-Store Properties increased $4.0 million, or 9.6 percent, for 2014 as compared to 2013. The change in real estate taxes principally results from a decrease in tax appeal proceeds received in 2014 as compared to 2013. Real estate taxes, without the effect of net tax appeal proceeds, did not increase significantly in 2014 compared to 2013. Utilities for the Same-Store Properties increased $11.2 million, or 37.3 percent, for 2014 as compared to 2013, due primarily to increased rates in 2014 as compared to 2013. Operating services for the Same-Store Properties increased $4.8 million, or 9.5 percent, due primarily to an increase in maintenance and repair costs of $3.5 million (which includes $1.2 million in snow removal costs) and in insurance costs of $0.5 million for 2014 as compared to 2013.

Construction services revenue decreased $15.0 million, or 100.0 percent, in 2014 as compared to 2013, due to the Company's phase out of this business segment. Real estate services revenues (primarily reimbursement of property personnel costs) increased by $0.6 million, or 4.7 percent, for 2014 as compared to 2013, due primarily to an increase in salary reimbursement income for 2014 as compared to 2013.

Direct construction costs decreased $14.3 million, or 100.0 percent, in 2014 as compared to 2013, due to the Company's phase out of this business segment.

Real estate services expenses increased $3.0 million, or 29.5 percent, for 2014 as compared to 2013. This increase was due primarily to increased compensation and related costs, due to increased activity in multi-family services.

General and administrative expenses increased $11.5 million in 2014 as compared to 2013. This increase was primarily due to approximately $11 million of severance costs related to the departure of two of the Company's executive vice presidents in 2014 and acquisition transaction costs of $1.9 million in 2014, partially offset by costs of $0.6 million incurred in 2013 in connection with the write down of the cost basis of an unconsolidated venture and a decrease in salaries and related expenses of $0.5 million for 2014 as compared to 2013.

Depreciation and amortization increased by $0.7 million, or 0.8 percent, for 2014 over 2013. This increase was due primarily to an increase of $3.3 million for 2014 as compared to 2013 related to depreciation and amortization on assets from the Acquired Properties partially offset by a decrease of $1.6 million for the Same-Store Properties due to assets becoming fully amortized, and a decrease of $1.0 million for 2014 as compared to 2013 for the properties sold in 2014 (which were not classified as discontinued operations).

Interest expense decreased by $3.0 million, or 5.0 percent, for 2014 as compared to 2013. This decrease was primarily the result of lower overall average debt balances in 2014 as compared to 2013

Interest and other investment income increased $0.2 million, or 18.9 percent for 2014 as compared to 2013. This was primarily due to higher available average cash balances to invest in 2014.

Equity in earnings of unconsolidated joint ventures increased $1.0 million, or 56.7 percent, for 2014 as compared to 2013. The increase was due primarily to increased income of $1.2 million from the Crystal House Apartments Investors venture (due to being entered into in March 2013) and increased income of $0.7 million from the South Pier at Harborside venture. These were partially offset by a loss of $0.8 million from the PruRose Riverwalk G venture.

The Company had realized gains and unrealized losses on disposition of rental property of $54.6 million in 2014 (which were not classified as discontinued operations). See Note 3: Real Estate Transactions – Sales – to the Financial Statements.

Income from continuing operations increased to $39.7 million in 2014 from approximately $16.5 million in 2013. The increase of $23.2 million was due to the factors discussed above.

Net income available to common shareholders increased by $1.2 million, or 3.5 percent, from $34.6 million in 2013 to $35.8 million in 2014. The increase was primarily the result of an increase in income from continuing operations of $23.2 million for 2014 as compared to 2013, an increase in noncontrolling interest in discontinued operations of approximately $2.8 million for 2014 as compared to 2013, a loss on early extinguishment of debt of $0.7 million in 2013, and an increase in noncontrolling interest in consolidated joint ventures of $0.5 million for 2014 as compared to 2013. These were partially offset by realized gains and unrealized losses on disposition of rental property, net of $13.8 million in 2013 (which were not classified as discontinued operations), a decrease in income from discontinued operations of $9.7 million for 2014 as compared to 2013, and an increase in noncontrolling interest in Operating Partnership of $2.5 million for 2014 as compared to 2013.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Overview:

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

The Company believes that with the general downturn in the Company's core Northeast markets in recent years, it is reasonably likely that vacancy rates in the office sector may continue to increase, effective rental rates on new and renewed leases at office properties may continue to decrease and tenant installation costs at office properties, including concessions, may continue to increase in most or all of its markets in 2014 and possibly beyond. As a result of the potential negative effects on the Company's revenue from the overall reduced demand for office space and the redeployment of capital from the sale of income-producing office properties to fund the Company's expansion into the multi-family rental sector, 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, which may include proceeds from the sales of office properties, 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, to the extent available, proceeds from property sales, joint venture capital, 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.

Repositioning of the Company's Portfolio:
The Company continually reviews its portfolio and opportunities to divest office properties that no longer meet its long-term strategy, have reached their potential, are less efficient to operate, or when market conditions are favorable to be sold at attractive prices. The Company anticipates redeploying the proceeds from sales of office and office/flex properties in the near-term to develop, redevelop and acquire multi-family rental properties as well as reposition certain office properties into multi-family/mixed use properties, in its core Northeast sub-markets as part of its overall strategy to reposition its portfolio from office and office/flex to a mix of office, office/flex and multi-family rental properties. The Company believes this strategy will provide additional working capital for its expansion into the multi-family rental sector. In continuation of this strategy, the Company entered into the following transactions:

Construction Projects:
Pursuant to a developer agreement entered into in December 2011, on May 21, 2014, the Company entered into a joint venture agreement with Ironstate Harborside-A LLC ("ISA") to form Harborside Unit A Urban Renewal, L.L.C. ("URL-Harborside"), a newly-formed joint venture that will develop, own and operate a high-rise tower of approximately 763 multi-family apartment units above a parking pedestal to be located on land contributed by the Company at its Harborside complex in Jersey City, New Jersey (the "URL Project"). The construction of the URL Project is estimated to cost a total of approximately $320 million (of which development costs of $43.1 million have been incurred by URL-Harborside through June 30, 2014). The URL Project is projected to be ready for occupancy by the fourth quarter of 2016. The URL Project has been awarded up to $33 million in future tax credits ("URL Tax Credits"), subject to certain conditions, from the New Jersey Economic Development Authority. The venture has an agreement to sell these credits, subject to certain conditions. The Company currently expects that it will fund approximately $71.7 million of the remaining development costs of the project net of future financing.

The Company owns an 85 percent interest in URL-Harborside and the remaining interest owned by ISA, with shared control over major decisions such as, approval of budgets, property financings and leasing guidelines. Upon entering into the joint venture, the Company's initial contribution was $30.6 million, which included a capital credit of $30 per approved developable square foot for its contributed land aggregating approximately $20.6 million with the balance consisting of previously incurred development costs, and ISA's initial contribution was approximately $5.4 million.

In July 2012, the Company entered into a ground lease with Wegmans Food Markets, Inc. ("Wegmans") at the Company's undeveloped site located at Sylvan Way and Ridgedale Avenue in Hanover Township, New Jersey. Subject to receiving all necessary governmental approvals, Wegmans intends to construct a store of approximately 140,000 square feet on a finished pad to be delivered by the Company in the first quarter of 2015. The Company expects to incur costs of approximately $15.7 million for the development of the site through the fourth quarter of 2015 (of which the Company has incurred $6.4 million through June 30, 2014).

On August 22, 2013, the Company contributed an additional $4.9 million and the operating agreement of Eastchester was modified which increased the Company's effective ownership to 76.25 percent, with the remaining 23.75 percent owned by HVLH. The agreement also provided the Company with control of all major decisions. Accordingly, effective August 22, 2013, the Company consolidated Eastchester under the provisions of ASC 810, Consolidation. As the carrying value approximated the fair value of the net assets acquired, there was no holding period gain or loss recognized on this transaction.

The Company had acquired a 26.25 percent interest in a to-be-built, 108-unit multi-family rental property located in Eastchester, New York (the "Eastchester Project") for approximately $2.1 million. The remaining interests in the development project-owning entity, 150 Main Street, L.L.C. ("Eastchester") was owned 26.25 percent by JMP Eastchester, L.L.C. and 47.5 percent by Hudson Valley Land Holdings, L.L.C. ("HVLH"). The Eastchester Project began construction in late 2013. Estimated total development costs of $50 million are expected to be funded with a $28.8 million construction loan and the balance of $21.2 million from member's capital , of which the Company's share is $20.9 million.

REIT Restrictions:
To maintain its qualification as a REIT under the Code, 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. Based upon the most recently paid common stock dividend rate of $0.15 per common share, in the aggregate, such distributions would equal approximately $53.3 million ($60 million, including common units in the Operating Partnership, held by parties other than the Company) on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would be paid out of available cash, including borrowings and other sources, after meeting operating requirements, preferred stock dividends and distributions, and scheduled debt service on the Company's debt. If and to the extent the Company retains and does not distribute any net capital gains, the Company will be required to pay federal, state and local taxes on such net capital gains at the rate applicable to capital gains of a corporation.

Property Lock-Ups:
The Company may not dispose of or distribute certain of its properties, currently comprised of seven properties with an aggregate net book value of approximately $123.5 million, which were originally contributed by certain unrelated common unitholders of the Operating Partnership, without the express written consent of such common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate specific 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 specific common unitholders, which include members of 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, a former director and current member of its Advisory Board), and the Cali Group (which includes John R. Cali, a former director and current member of its Advisory Board). As of June 30, 2014, 115 of the Company's properties, with an aggregate net book value of approximately $1.4 billion, have lapsed restrictions and are subject to these conditions.

Unencumbered Properties:
As of June 30, 2014, the Company had 215 unencumbered properties with a carrying amount of $2.6 billion representing 89.6 percent of the Company's total consolidated property count.

Cash Flows

Cash and cash equivalents decreased by $140.8 million to $80.9 million at June 30, 2014, compared to $221.7 million at December 31, 2013. This decrease is comprised of the following net cash flow items:

(1) $85.0 million provided by operating activities.

(2) $3.4 million used in investing activities, consisting primarily of the following:

(a) $62.3 million used for investments in notes receivable; plus
(b) $41.8 million used for additions to rental property and improvements; plus
(c) $37.7 million used for rental property acquisitions and related intangibles; plus
(d) $7.9 million used for the development of rental property, other related costs and deposits; plus
(e) $38.9 million used for investments in unconsolidated joint ventures; plus
(f) $6.6 million used for restricted cash; minus
(g) $190.8 million from proceeds from the sale of rental property; minus
(h) $837 thousand received from distributions in excess of cumulative earnings from unconsolidated joint ventures; minus
(i) $250 thousand from repayments of notes receivable.

(3) $222.3 million used in financing activities, consisting primarily of the following:

(a) $200.0 million used for repayments of senior unsecured notes; plus
(b) $59.8 million used for payments of dividends and distributions; plus
(c) $3.9 million used for the payments of contingent consideration payments; plus
(d) $42.5 million used for repayments of mortgages, loans payable and other obligations; plus
(e) $177.5 million used for repayments of revolving credit facility; plus
(f) $198 thousand used for repayment of finance costs; minus
(g) $233.5 million from borrowings under the revolving credit facility; minus
(h) $28.1 million from proceeds received from mortgages.

Debt Financing

Summary of Debt:
The following is a breakdown of the Company's debt between fixed and variable-rate financing as of June 30, 2014:

		Balance ($000's)	% of Total	Weighted Average Interest Rate (a)	Weighted Average Maturity in Years
Fixed Rate Unsecured Debt and Other Obligations	$	1,417,141	64.17 %	4.92 %	5.12
Fixed Rate Secured Debt		626,764	28.38 %	7.72 %	3.00
Variable Rate Secured Debt		108,363	4.91 %	2.54 %	1.77
Variable Rate Unsecured Debt (b)		56,000	2.54 %	1.26 %	3.08
Totals/Weighted Average:	$	2,208,268	100.00 %	5.51 %	4.30

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.16 percent as of June 30, 2014, plus the applicable spread.
(b) Excludes amortized deferred financing costs pertaining to the Company's unsecured revolving credit facility which amounted to $0.7 million and $1.3 million for the three and six months ended June 30, 2014, respectively.

Debt Maturities:
Scheduled principal payments and related weighted average annual effective interest rates for the Company's debt as of June 30, 2014 are as follows:

Period		Scheduled Amortization ($000's)		Principal Maturities ($000's)		Total ($000's)	Weighted Avg. Effective Interest Rate of Future Repayments (a)
July 1 to December 31, 2014	$	4,661	$	133,484	$	138,145	8.66 %
2015		8,539		197,585		206,124	4.66 %
2016		8,311		269,272		277,583	7.14 %
2017 (b)		7,274		447,368		454,642	3.76 %(c)
2018		7,311		231,537		238,848	6.67 %
Thereafter		658		906,566		907,224	5.32 %
Sub-total		36,754		2,185,812		2,222,566	
Adjustment for unamortized debt discount/premium, net, as of June 30, 2014		(14,298)		-		(14,298)	
Totals/Weighted Average	$	22,456	$	2,185,812	$	2,208,268	5.51 %

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.16 percent as of June 30, 2014, plus the applicable spread.
(b) Includes outstanding borrowings of the Company's unsecured revolving credit facility of $56 million which matures in 2017 with two six-month extension options with the payment of a fee.
(c) Excludes amortized deferred financing costs pertaining to the Company's unsecured revolving credit facility which amounted to $0.7 million and $1.3 million for the three and six months ended June 30, 2014, respectively.

Senior Unsecured Notes:
On February 18, 2014, the Company repaid its $200 million face amount of 5.125 percent senior unsecured notes at their maturity, using available cash and borrowing on the Company's unsecured revolving credit facility.

The terms of the Company's senior unsecured notes (which totaled approximately $1.4 billion as of June 30, 2014) 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:
On July 16, 2013, the Company amended and restated its unsecured revolving credit facility with a group of 17 lenders. The $600 million facility is expandable to $1 billion and matures in July 2017. It has two six month extension options each requiring the payment of a 7.5 basis point fee. The interest rate on outstanding borrowings (not electing the Company's competitive bid feature) and the facility fee on the current borrowing capacity payable quarterly in arrears are based upon the Operating Partnership's unsecured debt ratings, as follows:

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

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 those above.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the 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 (60 percent), the maximum amount of secured indebtedness (40 percent), the minimum amount of fixed charge coverage (1.5 times), the maximum amount of unsecured indebtedness (60 percent), the minimum amount of unencumbered property interest coverage (2.0 times) and certain investment limitations (generally 15 percent of total capitalization). If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code.

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; Deutsche Bank AG New York Branch; U.S. Bank National Association and Wells Fargo Bank, N.A., as documentation agents; Capital One, National Association; Citibank N.A.; Comerica Bank; PNC Bank, National Association; SunTrust Bank; The Bank of Tokyo-Mitsubishi UFJ, LTD.; The Bank of New York Mellon; as managing agents; and Compass Bank; Branch Banking and Trust Company; TD Bank, N.A.; Citizens Bank of Pennsylvania; Mega International Commercial Bank Co., LTD. New York Branch, as participants.

Through July 15, 2013, the Company had a $600 million unsecured revolving credit facility, which had an interest rate on outstanding borrowings of LIBOR plus 125 basis points and a facility fee of 25 basis points.

As of July 23, 2014, the Company had outstanding borrowings of $31 million under its unsecured revolving credit facility.

Money Market Loan:
The Company entered into an agreement with JPMorgan Chase Bank to participate in a noncommitted money market loan program ("Money Market Loan"). The Money Market Loan is an unsecured borrowing of up to $75 million arranged by JPMorgan Chase Bank with maturities of 30 days or less. The rate of interest on the Money Market Loan borrowing is set at the time of each borrowing. As of June 30, 2014, the Company had no outstanding borrowings under its Money Market Loan program.

Mortgages, Loans Payable and Other Obligations:
On April 10, 2014, the Company obtained a $27.5 million mortgage loan, collateralized by its property located in Rahway, New Jersey. The loan bears interest of LIBOR plus 1.75 percent and matures in April 2019 with two one-year extension options, subject to certain conditions, with a fee of 125 basis points. The loan is interest-only during the initial three-year term.

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

Debt Strategy:
The Company does not intend to reserve funds to retire the Company's senior unsecured notes, borrowings under its unsecured revolving credit facility, 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 July 23, 2014, the Company had outstanding borrowings of $31 million under its unsecured revolving credit facility and no outstanding borrowings under the Money Market Loan. The Company is reviewing various financing and refinancing options, including the purchase of its senior unsecured notes in privately-negotiated transactions, the issuance of additional, or exchange of current, unsecured debt, common and preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed in 2014. The Company currently anticipates that its available cash and cash equivalents, cash flows from operating activities and proceeds from the sale of office properties, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs in the short term. However, if these sources of funds are insufficient or unavailable, due to current economic conditions or otherwise, or if capital needs to fund acquisition and development opportunities in the multi-family rental sector arise, the Company's ability to make the expected distributions discussed in "REIT Restrictions" above may be adversely affected.

Equity Financing and Registration Statements

Common Equity:
The following table presents the changes in the Company's issued and outstanding shares of Common Stock and the Operating Partnership's Common Units for the three months ended June 30, 2014:

	Common Stock	Common Units	Total
Outstanding at January 1, 2014	88,247,591	11,864,775	100,112,366
Common units redeemed for Common Stock	700,757	(700,757)	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	3,968	-	3,968
Restricted shares issued, net of cancellations	29,746	-	29,746
Outstanding at June 30, 2014	88,982,062	11,164,018	100,146,080

Share Repurchase Program:
The Company has a share repurchase program which was renewed and authorized by its Board of Directors in September 2012 to purchase up to $150 million of the Company's outstanding common stock ("Repurchase Program"), which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions. As of June 30, 2014, the Company has a remaining authorization under the Repurchase Program of $139 million.

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

Shelf Registration Statements:
The Company has an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of $2.0 billion in common stock, preferred stock, depositary shares, and/or warrants of the Company, under which no securities have been sold as of July 23, 2014.

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 no securities have been sold as of July 23, 2014.

Off-Balance Sheet Arrangements

Unconsolidated Joint Venture Debt:
The debt of the Company's unconsolidated joint ventures generally provide for recourse to the Company for customary matters such as intentional misuse of funds, environmental conditions and material misrepresentations. The Company has agreed to guarantee repayment of a portion of the debt of its unconsolidated joint ventures. Such debt has a total facility amount of $311.1 million of which the Company has agreed to guarantee up to $89.9 million. As of June 30, 2014, the outstanding balance of such debt totaled $200.6 million of which $79.8 million was guaranteed by the Company. The Company has also posted a $4.6 million letter of credit in support of the Harborside South Pier joint venture, half of which is indemnified by Hyatt Corporation, the Company's joint venture partner.

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

Contractual Obligations

The following table outlines the timing of payment requirements related to the Company's debt (principal and interest), PILOT agreements, ground lease agreements and other obligations, as of June 30, 2014:

		Payments Due by Period				
(dollars in thousands)	**Total**	**Less than 1 Year**	**1 – 3 Years**	**4 – 5 Years**	**6 – 10 Years**	**After 10 Years**
Senior unsecured notes	$ 1,770,288	$ 217,075	$ 307,175	$ 336,200	$ 909,838	$ -
Revolving credit facility (a)	58,176	706	1,411	56,059	-	-
Mortgages, loans payable and other obligations (b)	871,150	184,650	331,669	354,831	-	-
Payments in lieu of taxes (PILOT)	34,735	2,204	14,324	8,815	9,392	-
Ground lease payments	17,244	369	939	467	1,165	14,304
Other	3,718	1,286	2,432	-	-	-
Total	$ 2,755,311	$ 406,290	$ 657,950	$ 756,372	$ 920,395	$ 14,304

(a) Interest payments assume LIBOR rate of 0.16 percent, which is the weighted average rate on this outstanding variable rate debt at June 30, 2014, plus the applicable spread.

(b) Interest payments assume LIBOR rate of 0.17 percent, which is the weighted average rate on its outstanding variable rate mortgage debt at June 30, 2014, plus the applicable spread.

Departure of Executive Vice Presidents:

On March 3, 2014, the Company announced that it had entered into a Settlement and General Release Agreement with Barry Lefkowitz (the "Lefkowitz Separation Agreement") pursuant to which Mr. Lefkowitz left his position as Executive Vice President and Chief Financial Officer of the Company effective March 31, 2014 after twenty (20) years with the Company and its predecessor. The Lefkowitz Separation Agreement provides, pursuant to the terms of his employment agreement, for (i) vesting of 68,667 shares of restricted common stock pursuant to Mr. Lefkowitz's multi-year performance award, (ii) vesting of 11,457 newly issued shares of common stock of the Company pursuant to Mr. Lefkowitz's TSR-based performance award, (iii) a cash payment to Mr. Lefkowitz of $2.5 million, (iv) a cash payment of $763,021 pursuant to his deferred retirement compensation award, and (v) a cash payment of $123,601 in accrued but unpaid dividend equivalents pursuant to his multi-year performance award. All such cash amounts will be paid to Mr. Lefkowitz on October 1, 2014. The Company also will pay the premiums for the continuation of Mr. Lefkowitz's existing health insurance for a period up to 48 months following March 31, 2014.

Also on March 3, 2014, the Company announced that it had entered into a Settlement and General Release Agreement with Roger W. Thomas (the "Thomas Separation Agreement") pursuant to which Mr. Thomas left his position as Executive Vice President, General Counsel and Secretary of the Company effective March 31, 2014 after twenty (20) years with the Company and its predecessor. The Thomas Separation Agreement provides, pursuant to the terms of his employment agreement, for (i) vesting of 41,000 shares of restricted common stock pursuant to Mr. Thomas' multi-year performance award, (ii) acceleration but discretionary full vesting of 33,605 newly issued shares of common stock of the Company pursuant to Mr. Thomas' TSR-based performance award, (iii) a cash payment to Mr. Thomas of $2.5 million, (iv) a cash payment of $476,888 pursuant to his deferred retirement compensation award, and (v) a cash payment of $73,800 in accrued but unpaid dividend equivalents pursuant to his multi-year performance award. All such cash amounts will be paid to Mr. Thomas on October 1, 2014. The Company also will pay the premiums for the continuation of Mr. Thomas' existing health insurance for a period up to 48 months following September 30, 2014. Mr. Thomas will remain as a consultant to the Company from April 1, 2014 through September 30, 2014 for aggregate cash compensation of $300,000.

Funds from Operations

Funds from operations ("FFO") is defined as net income (loss) before noncontrolling interest of unitholders, computed in accordance with GAAP, excluding gains (or losses) from extraordinary items, sales of depreciable rental property, and impairments related to depreciable rental property, plus real estate-related depreciation and amortization. The Company believes that FFO is helpful to investors as one of several measures of the performance of an equity REIT. The Company further believes that as FFO excludes the effect of depreciation, gains (or losses) from sales of properties and impairments related to depreciable rental property (all of which are based on historical costs which may be of limited relevance in evaluating current performance), FFO can facilitate comparison of operating performance between equity REITs.

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

As the Company considers its primary earnings measure, net income available to common shareholders, as defined by GAAP, to be the most comparable earnings measure to FFO, the following table presents a reconciliation of net income available to common shareholders to FFO, as calculated in accordance with NAREIT's current definition, for the three months ended June 30, 2014 and 2013 (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income (loss) available to common shareholders	$ 51,123	$ 23,071	$ 35,825	$ 34,627
Add (deduct): Noncontrolling interests in Operating Partnership	6,514	1,048	4,506	2,021
Noncontrolling interests in discontinued operations	-	2,127	-	2,749
Real estate-related depreciation and amortization on continuing operations (a)	47,291	49,702	94,739	96,134
Real estate-related depreciation and amortization on discontinued operations	-	2,989	-	6,442
Realized (gains) losses and unrealized losses on disposition of rental property and impairments	(54,584)	(13,758)	(54,584)	(13,758)
Funds from operations	$ 50,344	$ 65,179	$ 80,486	$ 128,215

(a) Includes the Company's share from unconsolidated joint ventures of $2,658 and $4,117 for the three months ended June 30, 2014 and 2013, respectively, and $5,215 and $7,272 for the six months ended June 30, 2014 and 2013, respectively. Excludes non-real estate-related depreciation and amortization of $78 and $81 for the three months ended June 30, 2014 and 2013, respectively, and $172 and $151 for the six months ended June 30, 2014 and 2013, respectively.

Inflation

The Company's leases with the majority of its commercial tenants provide for recoveries and escalation charges based upon the tenant's proportionate share of, and/or increases in, real estate taxes and certain operating costs, which reduce the Company's exposure to increases in operating costs resulting from inflation.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We consider portions of this information, including the documents incorporated by reference, to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of such act. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "potential," "projected," "should," "expect," "anticipate," "estimate," "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:

- risks and uncertainties affecting the general economic climate and conditions, which in turn may have a negative effect on the fundamentals of our business and the financial condition of our tenants;
- the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis;
- 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 our properties;
- changes in interest rate levels and volatility in the securities markets;
- changes in operating costs;
- our ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and refinance existing debt and our future interest expense;
- 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 in our Annual Report on Form 10-K for the year ended December 31, 2013. We assume no obligation to update and supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

Item 3. Quantitative And Qualitative Disclosures About Market Risk

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

Approximately $2.0 billion of the Company's long-term debt as of June 30, 2014 bears interest at fixed rates and therefore the fair value of these instruments is affected by changes in market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rates on the Company's variable rate debt as of June 30, 2014 ranged from LIBOR plus 110 basis points to LIBOR plus 350 basis points. If market rates of interest on the Company's variable rate debt increased or decreased by 100 basis points, then the increase or decrease in interest costs on the Company's variable rate debt would be approximately $1.6 million annually and the increase or decrease in the fair value of the Company's fixed rate debt as of June 30, 2014 would be approximately $81 million.

June 30, 2014 Debt, including current portion (*$s in thousands*)	**7/1/14 - 12/31/2014**	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Sub-total**	**Other (a)**	**Total**	**Fair Value**
Fixed Rate	$ 101,195	$ 162,427	$ 277,583	$ 397,493	$ 237,447	$ 882,058	$ 2,058,203	$ (14,298)	$ 2,043,905	$ 2,096,715
Average Interest Rate	6.82%	5.40%	7.14%	4.12%	6.70%	5.41%			5.78%	
Variable Rate	-	$ 36,950	$ 43,696	$ 56,217(b)		$ 27,500	$ 164,363	-	$ 164,363	$ 164,363

(a) Adjustment for unamortized debt discount/premium, net, as of June 30, 2014.
(b) Includes $56 million of outstanding borrowings under the Company's unsecured revolving credit facility which matures in 2017 with two six-month extension options with the payment of a fee.

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

Item 4. Controls and Procedures

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.

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 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.

MACK-CALI REALTY CORPORATION

Part II – Other Information

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

None.

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

(a) **COMMON STOCK**
During the three months ended June 30, 2014, the Company issued 354,051 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 redeemed for an equal number of shares of common stock. The Company has registered the resale of such shares under the Securities Act.

(b) Not Applicable.

(c) Not Applicable.

Item 3. Defaults Upon Senior Securities

(a) Not Applicable.

(b) Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

(a) Not Applicable.

(b) On July 18, 2014, the Company entered into separation agreements (the "Separation Agreements") with each of Bradford R. Klatt and Carl Goldberg, formerly principals of Roseland Partners who have served as co-presidents of Roseland Management since the Company acquired the Roseland Business in October 2012. The Separation Agreements provide that the employment agreements of each of Messrs. Klatt and Goldberg terminate and that they shall resign as co-presidents of Roseland Management effective October 23, 2014 (the "Separation Date"). Also on July 18, 2014, the Company amended its purchase agreement with the sellers of the Roseland Business (the "Roseland Amendment") to modify certain terms of the Roseland Transaction in connection with the departures of Messrs. Klatt and Goldberg. In addition, Mr. Goldberg entered into a consulting agreement with Roseland Management (the "Consulting Agreement") pursuant to which he shall provide consulting services for a period of one year following the Separation Date for $400,000 payable in four, equal quarterly installments.

Pursuant to the Separation Agreements, each of Messrs. Klatt and Goldberg shall receive a separation payment of $750,000 within five days following the Separation Date, and an additional payment of $500,000 in full satisfaction of any and all bonus payments under their respective employment agreements, which amount shall be paid six months after the date of their "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance promulgated thereunder. The Separation Agreements also contain customary mutual releases of claims and non-disparagement provisions, and Mr. Goldberg's Consulting Agreement contains customary non-compete, confidentiality and indemnification covenants. Mr. Goldberg's Separation Agreement also provides that Roseland Management shall pay the premiums for the continuation of his existing health insurance for a period of one year from the Separation Date or until any earlier termination of his Consulting Agreement.

The Roseland Amendment provides for the following material modifications to the Roseland Transaction:

1. The non-competition covenants as they apply to Messrs. Klatt and Goldberg shall terminate on the Separation Date, and the non-competition covenants as they apply to Marshall Tycher shall be amended to permit Mr. Tycher to invest in certain future, family-controlled business ventures, subject to a right of first offer by the Company to make an investment of at least 50 percent in multi-family properties or projects covered by the right of first offer;

2. The release to the sellers of the Roseland Business of all remaining funds held in the indemnity escrow account and the acceleration of the effectiveness of certain indemnity covenants to the Separation Date; and

3. The payment of $1 million of the $3 million Earn Out related to certain tax credits/grants.

Disclosure of the Separation Agreements, the Roseland Amendment and the Consulting Agreement is being provided in this Part II, Item 5 in lieu of Items 1.01 and 9.01 of Form 8-K. Copies of the Separation Agreements are filed as Exhibits 10.122 and 10.123 to this Quarterly Report on Form 10-Q and are incorporated herein by reference. A copy of the Roseland Amendment is filed as Exhibit 10.124 to this Quarterly Report on Form 10-Q and is incorporated herein by reference. A copy of Mr. Goldberg's Consulting Agreement is filed as Exhibit 10.125 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Item 6. Exhibits

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

MACK-CALI REALTY CORPORATION

Signatures

Pursuant to the requirements 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:	July 23, 2014	By:	/s/ Mitchell E. Hersh Mitchell E. Hersh President and Chief Executive Officer (principal executive officer)
Date:	July 23, 2014	By:	/s/ Anthony Krug Anthony Krug Chief Financial Officer (principal financial officer)

MACK-CALI REALTY CORPORATION

EXHIBIT INDEX

Exhibit Number	Exhibit Title
3.1	Articles of Restatement of Mack-Cali Realty Corporation dated September 18, 2009 (filed as Exhibit 3.2 to the Company's Form 8-K dated September 17, 2009 and incorporated herein by reference).
3.2	Articles of Amendment to the Articles of Restatement of Mack-Cali Realty Corporation as filed with the State Department of Assessments and Taxation of Maryland on May 14, 2014 (filed as Exhibit 3.1 to the Company's Form 8-K dated 12, 2014 and incorporated herein by reference).
3.3	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).
3.4	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).
3.5	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).
3.6	Amendment No. 3 to the Mack-Cali Realty Corporation Amended and Restated Bylaws dated May 14, 2014 (filed as Exhibit 3.2 to the Company's Form 8-K dated 12, 2014 and incorporated herein by reference).
3.7	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).
3.8	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).
3.9	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).
3.10	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).
4.1	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.2	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.3	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Operating Partnership's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
4.4	Supplemental Indenture No. 3 dated as of December 21, 2000, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 21, 2000 and incorporated herein by reference).
4.5	Supplemental Indenture No. 4 dated as of January 29, 2001, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated January 29, 2001 and incorporated herein by reference).
4.6	Supplemental Indenture No. 5 dated as of December 20, 2002, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 20, 2002 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.7	Supplemental Indenture No. 6 dated as of March 14, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
4.8	Supplemental Indenture No. 7 dated as of June 12, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated June 12, 2003 and incorporated herein by reference).
4.9	Supplemental Indenture No. 8 dated as of February 9, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated February 9, 2004 and incorporated herein by reference).
4.10	Supplemental Indenture No. 9 dated as of March 22, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 22, 2004 and incorporated herein by reference).
4.11	Supplemental Indenture No. 10 dated as of January 25, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 25, 2005 and incorporated herein by reference).
4.12	Supplemental Indenture No. 11 dated as of April 15, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 15, 2005 and incorporated herein by reference).
4.13	Supplemental Indenture No. 12 dated as of November 30, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated November 30, 2005 and incorporated herein by reference).
4.14	Supplemental Indenture No. 13 dated as of January 24, 2006, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 18, 2006 and incorporated herein by reference).
4.15	Supplemental Indenture No. 14 dated as of August 14, 2009, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated August 14, 2009 and incorporated herein by reference).
4.16	Supplemental Indenture No. 15 dated as of April 19, 2012, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 19, 2012 and incorporated herein by reference).
4.17	Supplemental Indenture No. 16 dated as of November 20, 2012, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee. (filed as Exhibit 4.2 to the Company's Form 8-K dated November 20, 2012 and incorporated herein by reference).
4.18	Supplemental Indenture No. 17 dates as of May 8, 2013, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated May 8, 2013 and incorporated herein by reference).
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	Letter Agreement dated December 9, 2008 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 9, 2008 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.3	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).
10.4	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.5	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).
10.6	Letter Agreement dated December 9, 2008 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 9, 2008 and incorporated herein by reference).
10.7	Form of Multi-Year Restricted Share Award Agreement (filed as Exhibit 10.1 to the Company's Form 8-K dated September 12, 2007 and incorporated herein by reference).
10.8	Form of Tax Gross-Up Agreement (filed as Exhibit 10.2 to the Company's Form 8-K dated September 12, 2007 and incorporated herein by reference).
10.9	Form of Restricted Share Award Agreement effective December 3, 2012 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz and Roger W. Thomas. (filed as Exhibit 10.1 to the Company's Form 8-K dated December 3, 2012 and incorporated herein by reference)
10.10	Form of Restricted Share Award Agreement effective December 3, 2012 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg. (filed as Exhibit 10.2 to the Company's Form 8-K dated December 3, 2012 and incorporated herein by reference)
10.11	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).
10.12	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).
10.13	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).
10.14	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).
10.15	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).
10.16	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).

Exhibit Number	Exhibit Title
10.17	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).
10.18	Amended and Restated Mack-Cali Realty Corporation Deferred Compensation Plan for Directors (filed as Exhibit 10.3 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.19	Mack-Cali Realty Corporation 2013 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8 Registration No. 333-188729, and incorporated herein by reference).
10.20	Indemnification Agreement by and between Mack-Cali Realty Corporation and William L. Mack dated October 22, 2002 (filed as Exhibit 10.101 to the Company’s Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.21	Indemnification Agreement by and between Mack-Cali Realty Corporation and Mitchell E. Hersh dated October 22, 2002 (filed as Exhibit 10.102 to the Company’s Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.22	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan S. Bernikow dated May 20, 2004 (filed as Exhibit 10.104 to the Company’s Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.23	Indemnification Agreement by and between Mack-Cali Realty Corporation and Kenneth M. Duberstein dated September 13, 2005 (filed as Exhibit 10.106 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.24	Indemnification Agreement by and between Mack-Cali Realty Corporation and Nathan Gantcher dated October 22, 2002 (filed as Exhibit 10.107 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.25	Indemnification Agreement by and between Mack-Cali Realty Corporation and David S. Mack dated December 11, 1997 (filed as Exhibit 10.108 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.26	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan G. Philibosian dated October 22, 2002 (filed as Exhibit 10.109 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.27	Indemnification Agreement by and between Mack-Cali Realty Corporation and Irvin D. Reid dated October 22, 2002 (filed as Exhibit 10.110 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.28	Indemnification Agreement by and between Mack-Cali Realty Corporation and Vincent Tese dated October 22, 2002 (filed as Exhibit 10.111 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.29	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roy J. Zuckerberg dated October 22, 2002 (filed as Exhibit 10.113 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.30	Indemnification Agreement by and between Mack-Cali Realty Corporation and Barry Lefkowitz dated October 22, 2002 (filed as Exhibit 10.114 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.31	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roger W. Thomas dated October 22, 2002 (filed as Exhibit 10.116 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.32	Indemnification Agreement by and between Mack-Cali Realty Corporation and Anthony Krug dated October 22, 2002.
10.33	Indemnification Agreement by and between Mack-Cali Realty Corporation and Jonathan Litt dated March 3, 2014.

Exhibit Number	Exhibit Title
10.34	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).
10.35	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).
10.36	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).
10.37	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 (filed as Exhibit 10.120 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.38	Agreement of Purchase and Sale among SLG Broad Street A LLC and SLG Broad Street C LLC, as Sellers, and M-C Broad 125 A L.L.C. and M-C Broad 125 C L.L.C., as Purchasers, dated as of March 15, 2007 (filed as Exhibit 10.121 to the Company's Form 10-Q dated March 31, 2007 and incorporated herein by reference).
10.39	Mortgage and Security Agreement and Financing Statement dated October 28, 2008 between M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Mortgagors and The Northwestern Mutual Life Insurance Company and New York Life Insurance Company as Mortgagees (filed as Exhibit 10.131 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.40	Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of The Northwestern Mutual Life Insurance Company, as Lender, in the principal amount of $120,000,000, dated October 28, 2008. (filed as Exhibit 10.132 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.41	Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of New York Life Insurance Company, as Lender, in the principal amount of $120,000,000, dated October 28, 2008 (filed as Exhibit 10.133 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.42	Guarantee of Recourse Obligations of Mack-Cali Realty, L.P. in favor of The Northwestern Mutual Life Insurance Company and New York Life Insurance Company dated October 28, 2008 (filed as Exhibit 10.134 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.43	Amended and Restated Loan Agreement by and among 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, collectively, as Borrowers and Gramercy Warehouse Funding I LLC, as Lender, dated April 29, 2009 (filed as Exhibit 10.144 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.44	Amended and Restated 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, dated April 29, 2009 (filed as Exhibit 10.145 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.45	Limited Liability Company Membership Interest Purchase and Sale Agreement dated April 29, 2009 by and among Gale SLG NJ LLC, Mack-Cali Ventures L.L.C., SLG Gale 55 Corporation LLC and 55 Corporate Partners L.L.C. (filed as Exhibit 10.146 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.46	Amended and Restated Master Loan Agreement dated as of January 15, 2010 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 and VPCM, LLC, as Lenders (filed as Exhibit 10.1 to the Company's Form 8-K dated January 15, 2010 and incorporated herein by reference).
10.47	Partial Recourse Guaranty of Mack-Cali Realty, L.P. dated as of January 15, 2010 to The Prudential Insurance Company of America and VPCM, LLC (filed as Exhibit 10.2 to the Company's Form 8-K dated January 15, 2010 and incorporated herein by reference).
10.48	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.165 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.49	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.166 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.50	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.167 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.51	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre IV in Bergen County, New Jersey filed as Exhibit 10.168 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.52	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali F Properties, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.169 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.53	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Chestnut Ridge, L.L.C., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.170 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.54	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.171 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.55	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.172 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.56	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.173 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.57	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.174 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.58	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.175 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.59	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.176 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.60	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.177 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.61	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.178 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.62	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.179 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.63	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali F Properties, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.180 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.64	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali F Properties, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.181 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.65	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.182 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.66	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. in favor of VPCM, LLC with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.183 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.67	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.184 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.68	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.185 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.69	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.186 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.70	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.187 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.71	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.188 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.72	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.189 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.73	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali F Properties, L.P. with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.190 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.74	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Chestnut Ridge, L.L.C. with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.191 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.75	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.192 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.76	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.193 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.77	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.194 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.78	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.195 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.79	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.196 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.80	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali F Properties, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.197 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.81	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.198 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.82	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.199 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.83	Development Agreement dated December 5, 2011 by and between M-C Plaza VI & VII L.L.C. and Ironstate Development LLC (filed as Exhibit 10.1 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).
10.84	Form of Amended and Restated Limited Liability Company Agreement (filed as Exhibit 10.2 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).
10.85	Third Amended and Restated Revolving Credit Agreement among Mack-Cali Realty, L.P., as borrower, and JPMorgan Chase Bank, N.A., as the administrative agent, the other agents listed therein and the lending institutions party thereto and referred to therein dated as of October 21, 2011 (filed as Exhibit 10.134 to the Company's Form 10-Q dated September 30, 2011 and incorporated herein by reference).
10.86	Fourth Amended and Restated Revolving Credit Agreement dated as of July 16, 2013 among Mack Cali Realty, L.P., as borrower, Mack-Cali Realty Corporation, as guarantor, and JPMorgan Chase Bank, N.A., as administrative agent and the several Lenders party thereto, as lenders (filed as Exhibit 10.1 to the Company's Form 8-K dated July 16, 2013 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.87	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.88	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.2 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.89	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.3 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.90	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.91	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.2 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.92	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.3 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.93	Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.7 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.94	Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.95	Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.9 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.96	Form of Restricted share Award Agreement effective December 10, 2013 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Roger W. Thomas and Anthony Krug (filed as Exhibit 10.1 to the Company's Form 8-K dated December 10, 2013 and incorporated herein by reference).
10.97	Form of Restricted Share Award Agreement effective December 10, 2013 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 10, 2013 and incorporated herein by reference).
10.98	Membership Interest and Asset Purchase Agreement, dated as of October 8, 2012 (the "Purchase Agreement"), by and among Mack-Cali Realty, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty Acquisition Corp., Roseland Partners, L.L.C., and, for the limited purposes stated in the Purchase Agreement, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg (filed as Exhibit 10.1 to the Company's Form 8-K dated October 8, 2012 and incorporated herein by reference).
10.99	Purchase and Sale Agreement, dated as of January 17, 2013 by and between Overlook Ridge Phase I, L.L.C., Overlook Ridge Phase IB, L.L.C. and Mack-Cali Realty Acquisition Corp. (filed as Exhibit 10.1 to the Company's Form 8-K dated January 17, 2012 and incorporated herein by reference)

Exhibit Number	Exhibit Title
10.100	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Pennsylvania Realty Associates, L.P., as seller, and Westlakes KPG III, LLC and Westlakes Land KPG III, LLC, as purchasers (filed as Exhibit 10.1 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.101	Agreement of Sale and Purchase dated as of July 15, 2013 by and between M-C Rosetree Associates, L.P., as seller, and Rosetree KPG III, LLC and Rosetree Land KPG III, LLC, as purchasers (filed as Exhibit 10.2 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.102	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali-R Company No. 1 L.P., as seller, and Plymouth Meeting KPG III, LLC, as purchaser (filed as Exhibit 10.3 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.103	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Stevens Airport Realty Associates L.P., as seller, and Airport Land KPG III, LLC, as purchaser (filed as Exhibit 10.4 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.104	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Airport Realty Associates L.P., as seller, and 100 Airport KPG III, LLC, 200 Airport KPG III, LLC and 300 Airport KPG III, LLC, as purchasers (filed as Exhibit 10.5 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.105	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Property Trust, as seller, and 1000 Madison KPG III, LLC, as purchaser (filed as Exhibit 10.6 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.106	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Monument 150 Realty L.L.C., as seller, and Monument KPG III, LLC, as purchaser (filed as Exhibit 10.7 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.107	Agreement of Sale and Purchase dated as of July 15, 2013 by and between 4 Sentry Realty L.L.C. and Five Sentry Realty Associates L.P., as sellers, and Four Sentry KPG, LLC and Five Sentry KPG III, LLC, as purchasers (filed as Exhibit 10.8 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.108	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Talleyrand Realty Associates, L.L.C., as seller, and H'Y2 Talleyrand, LLC, as purchaser (filed as Exhibit 10.1 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.109	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 400 Chestnut Realty L.L.C., as seller, and H'Y2 400 Chestnut Ridge, LLC, as purchaser (filed as Exhibit 10.2 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.110	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 470 Chestnut Realty L.L.C., as seller, and H'Y2 470 Chestnut Ridge, LLC, as purchaser (filed as Exhibit 10.3 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.111	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 530 Chestnut Realty L.L.C., as seller, and H'Y2 530 Chestnut Ridge, LLC, as purchaser (filed as Exhibit 10.4 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.112	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Mack-Cali Taxter Associates, L.L.C., as seller, and H'Y2 Taxter, LLC, as purchaser (filed as Exhibit 10.5 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.113	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Mack-Cali CW Realty Associates, L.L.C., as seller, and H'Y2 570 Taxter, LLC, as purchaser (filed as Exhibit 10.6 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.114	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 1717 Realty Associates L.L.C., as seller, and H'Y2 Ruote 208, LLC, as purchaser (filed as Exhibit 10.7 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.115	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Knightsbridge Realty L.L.C., as seller, and H'Y2 400 Knightsbridge, LLC, as purchaser (filed as Exhibit 10.8 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.116	Agreement of Sale and Purchase dated as of February 24, 2014 by and between Kemble Plaza II Realty L.L.C., as seller, and H'Y2 400 Mt Kemble, LLC, as purchaser (filed as Exhibit 10.9 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.117	Agreement of Sale and Purchase dated as of February 24, 2014 by and between 1266 Soundview Realty L.L.C., as seller, and H'Y2 Stamford, LLC, as purchaser (filed as Exhibit 10.10 to the Company's Form 8-K dated February 24, 2014 and incorporated herein by reference).
10.118	Agreement dated February 28, 2014 by and among Mack-Cali Realty Corporation, Land & Buildings Capital Growth Fund, L.P., Land & Buildings Investment Management,LLC and Jonathan Litt (filed as Exhibit 10.116 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).
10.119	Settlement and General Release Agreement dated March 1, 2014 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.117 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).
10.120	Settlement and General Release Agreement dated March 1, 2014 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.118 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).
10.121	Restricted share Award Agreement effective March 19, 2014 by and between Mack-Cali Realty Corporation and Anthony Krug (filed as Exhibit 10.1 to the Company's Form 8-K dated March 21, 2014 and incorporated herein by reference).
10.122*	Separation Agreement dated July 18, 2014 by and between Roseland Management Services, L.P. and Bradford R. Klatt.
10.123*	Separation Agreement dated July 18, 2014 by and between Roseland Management Services, L.P. and Carl Goldberg.
10.124*	Amendment to Membership Interest and Asset Purchase Agreement, dated as of July 18, 2014, by and among Mack-Cali Realty, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty Acquisition Corp., Canoe Brook Investors, L.L.C. (formerly known as Roseland Partners, L.L.C.), Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg.
10.125*	Consulting Agreement dated July 18, 2014 by and between Roseland Management Services, L.P. and Carl Goldberg and Devra Goldberg.
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, Anthony Krug, 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, Anthony Krug, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1*	The following financial statements from Mack-Cali Realty Corporation’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 formatted in XBRL: (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statement of Changes in Equity (unaudited), (iv) Consolidated Statements of Cash Flows (unaudited), and (v) Notes to Consolidated Financial Statements (unaudited).

* filed herewith

EXHIBIT 10.122

SEPARATION AGREEMENT

This SEPARATION AGREEMENT (the "Agreement") is made and entered by and between Bradford R. Klatt ("Employee") and Roseland Management Services, L.P. (the "Company").

WHEREAS, Employee and the Company are parties to an Employment Agreement entered into as of October 23, 2012 (the "Employment Agreement"), made in connection with and at the closing of the transactions contemplated by, that certain Membership Interest and Asset Purchase Agreement (the "Purchase Agreement") dated as of October 8, 2012, entered into by and among Canoe Brook Investors, L.L.C. (formerly known as Roseland Partners, L.L.C.), a New Jersey limited liability company ("Seller"), Mack-Cali Realty Acquisition Corp., a Delaware corporation, or its designee (the "Purchaser"), Mack-Cali Realty, L.P., a Delaware limited partnership ("MCRLP") and Mack-Cali Realty Corporation, a Maryland corporation ("MCRC" and, together with MCRLP, the "Parents"), and, for the limited purposes stated therein, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg;

WHEREAS, the Company and Employee desire that Employee resign his employment with the Company and his position as Co-President of the Company to reduce the Company's administrative and general expenses, and the parties determined to effect such Employee resignations upon the terms and conditions set forth herein;

WHEREAS, in connection with the forgoing, concurrently with the execution of this Agreement, Seller, Purchaser, Parents and each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg entered into an Amendment to the Purchase Agreement which shall become effective as of the Effective Date and conditioned upon the effectiveness of this Agreement; and

WHEREAS, in connection with the forgoing, concurrently with the execution of this Agreement, Carl Goldberg has entered into a Consulting Agreement with the Company (the "Consulting Agreement") pursuant to which Carl Goldberg will provide certain consulting services to the Company as an independent contractor for a period of one year.

NOW THEREFORE in consideration of the mutual covenants set forth herein, Employee and the Company agree as follows:

1. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Employment Agreement.

2. Employee hereby resigns from employment with the Company, from his position of Co-President of the Company, and from any and all offices, positions, directorship, and/or fiduciary responsibilities of any nature or description with the Company, Parents or their respective subsidiaries or affiliates or any of their employee benefit plans, effective as of October 23, 2014 (the "Employment Termination Date"). Notwithstanding the foregoing, Employee shall have the right to continue to use his existing office at the Company's Short Hills, New Jersey location until December 31, 2014 in order for Employee to transition his current business activities related to Seller to another location in an orderly fashion, provided that Employee shall not be entitled to any salary or other compensation for such period or activities.

3. (a) Subject to Section 4, in full and final satisfaction of any amounts due or which could be due to Employee pursuant to the Employment Agreement and any other benefits thereunder or otherwise, it is agreed as follows:

   (i) Within five days following the Employment Termination Date, the Company will pay Employee any unpaid amounts in respect of the Annual Base Salary earned by Employee through the Employment Termination Date, and Employee shall not be entitled to any additional payment in respect of his Annual Base Salary or any other salary (including, without limitation, no right or entitlement to any of the Remaining Salary);

   (ii) On April 23, 2015, or, if earlier, within ten days after the date of Employee's death, the Company will pay Employee or the legal representatives of his estate, as applicable, $500,000 in full satisfaction of all bonus payments or obligations in respect thereto, including all Awarded Target Bonuses;

   (iii) The Company will reimburse Employee for as yet unreimbursed expenses he may have incurred prior to the Employment Termination Date, subject to Employee's submission of appropriate receipts and pursuant to its expense reimbursement policy, within 60 days following the Employment Termination Date; and

   (iv) The Company shall continue to provide Employee with health insurance coverage through the Employment Termination Date.

   (b) In consideration of Employee's execution of this Agreement, and the representations, covenants and releases given by the Employee herein, the Company will pay Employee $750,000 within five days following the Employment Termination Date.

4. On or within five days following the Employment Termination Date, the Employee shall provide the Company a release in the form attached hereto as<u>Exhibit A</u> (the "<u>Release</u>") in further consideration for, and as a condition precedent to, receipt of the payments described in Section 3 herein. In addition, it is understood and agreed that all payments hereunder shall be subject to all required deductions and withholdings.

5. Employee understands and agrees that he is receiving compensation, payments and/or benefits under this Agreement and the Amendment to the Purchase Agreement that are in excess of those to which he is now entitled, from the Company and/or Company Releasees (as defined in Section 7), and that such compensation, payments and benefits are being provided to him in consideration of his acceptance and execution of, and in reliance upon his representations in, this Agreement. Employee acknowledges that such consideration is adequate and satisfactory to him.

6. Except for the payments and benefits provided for in Sections 2 and 3, and any 401(k) or other vested benefits due to Employee pursuant to the terms and conditions of any employee benefit plan of the Company or its affiliates in which Employee was a participant on or prior to the Employment Termination Date, Employee acknowledges and agrees that he is entitled to no other compensation, payments, rights, or benefits from the Company and/or the Company Releasees of any kind or nature whatsoever, including, without limitation, pursuant to the Employment Agreement (including, without limitation, the Fixed Amount, Remaining Salary, Medical Continuation, Target Bonuses, accelerated vesting of Vested Options or other Vested Incentive Compensation and Vested Option Exercise Election) and/or for any other salary, tips, severance pay, fringe benefits, vacation pay, bonuses, incentive compensation, sick pay, insurance, disability insurance, medical benefits, paid or unpaid leave, severance, vesting of equity awards, performance award or payments or any other allowance, payment, grant, award or benefit of any nature or description; provided however that nothing herein shall affect Employee's rights to indemnification, advancement, defense or reimbursement pursuant to Section 15(a) of the Employment Agreement, any applicable D&O policies or any similar insurance policies or the Company's or any Company Releasee's organizational documents. In addition, the Employee acknowledges and agrees that any unvested portion of equity and/or equity-based awards (including, without limitation, stock options, restricted stock and phantom awards), if any, previously granted to the Employee by the Company, MCRLP, MCRC or any of their respective subsidiaries or affiliates, that remain outstanding shall, as of the Employment Termination Date, be immediately forfeited and the Employee shall have no further rights to such unvested awards.

7. In further consideration of the covenants undertaken herein by the Company, including, without limitation, the payments described in Section 3, Employee hereby waives, releases and forever discharges (i) the Company and any of its predecessors, parents (including each of MCRLP and MCRC), subsidiaries, affiliates, and related companies, and all of its and/or their respective past and present parents, subsidiaries, affiliates, (ii) the respective past and present directors, officers and employees of the foregoing entities, and to the extent related to activities of the foregoing entities, the respective insurers, attorneys, representatives and agents of the foregoing entities, and (iii) all of the respective successors and assigns of the foregoing entities (individually and collectively "Company Releasees") from and with respect to any and all legally waivable claims, grievances, injuries, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, by contract, tort or pursuant to federal, state or local statute, regulation, ordinance or common law, which Employee now has, ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to Employee, from the beginning of time until the Employment Termination Date. Without limiting the generality of the foregoing, this waiver, release, and discharge includes any claim or right asserted or which could have been asserted by Employee against the Company or any Company Releasee and/or based upon or arising under any federal, state or local tort, fair employment practices, equal opportunity, or wage and hour laws, including, but not limited to, the common law of the State of New York and the State of New Jersey, Title VII of the Civil Rights Act of 1964, the New York State Human Rights Law, the New York City Human Rights Law, the Americans with Disabilities Act, the Age Discrimination in Employment Act, 42 U.S.C. Section 1981, the Equal Pay Act, the Fair Labor Standards Act, the New York Labor Law, the New Jersey Law Against Discrimination, the New Jersey Wage and Hour Law, the New Jersey Family Leave Act, the New Jersey Conscientious Employee Protection Act and the Employee Retirement Income Security Act, including all amendments thereto.

Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by Employee of: (i) any claim or right that may first arise after the Employment Termination Date; (ii) any claim or right of Employee under this Agreement or under the Purchase Agreement (as amended); (iii) any 401(k) benefits or other vested benefits due to Employee pursuant to the terms and conditions of any employee benefit plan of the Company or its affiliates in which Employee was a participant on or prior to the Employment Termination Date; or (iv) any claim or right Employee may have to indemnification, advancement, defense or reimbursement pursuant to Section 15(a) of the Employment Agreement, any applicable D&O policies or any similar insurance policies or the Company's or any Company Releasee's organizational documents.

8. Employee represents and affirms that (i) he has not commenced, maintained, prosecuted, or participated in any complaint, claim or action against the Company and/or the Company Releasees, in any court or before any administrative, investigative or arbitral body or agency, (ii) to the best of Employee's knowledge and belief, there is no outstanding claim or demand for relief against the Company and/or the Company Releasees by Employee or any person, organization, or entity acting on his behalf, and (iii) that Employee will not in the future commence, maintain, prosecute or participate in any complaint, claim of any nature or description or action, against the Company or any Company Releasee for any claim released herein in any court or before any administrative, investigative or arbitral body or agency. Notwithstanding the foregoing, this Agreement does not extend to those rights, which as a matter of law cannot be waived.

9. In further consideration of the covenants undertaken herein by Employee, the Company, MCRLP and MCRC, on behalf of themselves and each of their respective subsidiaries, affiliates and related companies, and all of their respective past subsidiaries, affiliates and related companies (individually and collectively "MCRC Releasors"), hereby waive, release and forever discharge Employee and his heirs, representatives, attorneys, agents, successors, and assigns from and with respect to any and all legally waivable claims, grievances, injuries, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, by contract, tort or pursuant to federal, state or local statute, regulation, ordinance or common law, which any of the MCRC Releasors now has, ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to any such MCRC Releasor, from the beginning of time until the Employment Termination Date, other than (i) any claim or right of any MCRC Releasor that may first arise after the Employment Termination Date, (ii) any claim or right of the Company or any MCRC Releasor under this Agreement or the Purchase Agreement (as amended), or (iii) claims that any such MCRC Releasor does not know of for misappropriation of material assets by Employee.

10. Neither this Agreement, nor anything contained in it, shall constitute or shall be used as an admission or as evidence of any liability or wrongdoing whatsoever by or attributable to the Company or the Company Releasees. The Company and the Company Releasees deny any liability whatsoever to Employee and/or that it or they have violated any agreement with Employee, or any duty or obligation owed him, derived from any source whatever whether statutory, regulatory, contractual or otherwise. Neither this Agreement, nor anything contained in it, shall be introduced in any proceeding in any forum of any nature or description except to enforce this Agreement or to defend against any claim relating to the subject matter of the releases contained herein or as required by court order, subpoena, or other legal process.

11. Employee agrees that he will not engage in any wrongful conduct that is injurious to the Company's, Parents', their respective affiliates' or its and their respective officers' or directors', reputation and interest, including but not limited to, disparaging, inducing or encouraging others to disparage or bring claims against the Company, Parents, their respective affiliates, or its or any of their respective officers or directors, or making or causing to be made any statement that is critical of or otherwise maligns the business reputation of the Company, Parents, their respective affiliates, or any of its and their respective officers or directors, except if testifying truthfully under oath pursuant to any lawful court order or subpoena ("Required Disclosure"), provided that Employee shall provide prior notice of a Required Disclosure as far in advance as reasonably practicable under the circumstances of a Required Disclosure (unless prohibited by law), so that the Company or its affiliates may intervene, appear or otherwise object, including by requesting confidential hearing or treatment at the Company's sole expense.

12. The Company (through its or its affiliates' officers and directors) will not engage in any wrongful conduct that is injurious to Employee's reputation and interest, including but not limited to, disparaging, inducing or encouraging others to disparage or bring claims against Employee, or making or causing to be made any statement that is critical of or otherwise maligns the business reputation of Employee, except pursuant to a Required Disclosure, provided that the Company shall provide prior notice of a Required Disclosure as far in advance as reasonably practicable under the circumstances of a Required Disclosure (unless prohibited by law), so that Employee may intervene, appear or otherwise object, including by requesting confidential hearing or treatment at Employee's sole expense.

13. The rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of New Jersey, without regard to principles of conflict of laws.

14. This Agreement and the Purchase Agreement (as amended) constitute and contain the entire agreement and understanding between Employee and the Company concerning the subject matters addressed herein and supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. It is understood and agreed that except for paragraphs 10(b) (Effect on Employee Benefits and Programs), 11 (Confidential Information), 12 (Return of Documents), 14 (Remedies), 15(a) (Indemnification), 19 (Notices), and 20 (Governing Law) of the Employment Agreement, which shall survive according to their respective terms, the Employment Agreement shall terminate and be null and void and of no further effect, from and after the Effective Date.

15. This Agreement may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic and facsimiled copies of such signed counterparts may be used in lieu of the originals for any purpose.

16. If any provision of this Agreement or the application thereof is held invalid, such invalidation shall not affect other provisions or applications of this Agreement and to this end, the provisions of this Agreement are declared to be severable, provided, however, that if the release provided for in Section 7 or any part thereof (or the Release to be delivered pursuant to Section 4 hereof or any part thereof) is declared or adjudged invalid or unenforceable for any reason and, as a result, a claim covered by and released in Section 7 or the Release (had Section 7 or the Release or part thereof not been declared or adjudged invalid or unenforceable) is brought by Employee against the Company, the entire Agreement shall be a nullity and all consideration provided in this Agreement shall be repaid by Employee to the Company.

17. Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction or interpretation of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter.

18. This Agreement cannot be modified except in writing signed by all parties.

19. Employee hereby acknowledges: (a) he has been advised to consult with an attorney before signing this Agreement; (b) he has obtained independent legal advice from an attorney of his choice with respect to this Agreement, or has knowingly and voluntarily chosen not to do so; (c) he freely, voluntarily and knowingly entered into this Agreement after due consideration; (d) he has had a minimum of twenty-one (21) days to review and consider this Agreement; (e) he has a right to revoke this Agreement by notifying Dennis Block, Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166 in writing through and including July 25, 2014; and (f) in exchange for his waivers, releases and commitments set forth herein, including his waiver and release of all claims arising under the Age Discrimination in Employment Act, the payments, benefits and other considerations that he is receiving pursuant to this Agreement exceed any payment, benefit or other thing of value to which he would otherwise be entitled, and are just and sufficient consideration for the waivers, releases and commitments set forth herein.

20. This Agreement shall become effective upon the expiration of the revocation period provided for in Section 19(e) above (the "Effective Date"), provided that this Agreement has not been revoked in whole or in part.

21. This Agreement shall inure to the benefit of and shall be binding upon the Company and/or the Company Releasees and all their respective successors and assigns, and any entity with which they may merge or consolidate or to which they may sell all or substantially all their or its assets, and Employee agrees that, except for transfers by will or the laws of descent and distribution, he may not sell or otherwise assign or transfer rights, obligations or benefits under this Agreement (or any surviving provisions of the Employment Agreement) and any attempt to do so shall be void; Employee further covenants and agrees that he has not assigned or otherwise transferred any claim released in this Agreement, in whole or party, to any person or entity.

22. Upon the Company's request at any time on or after the Employment Termination Date, Employee will return to the Company all keys, credit cards, if any, ID cards, and beepers, and will return or destroy any and all original and duplicate copies of all his work product and of files, calendars, books, records, notes, notebooks, manuals, computer disks, diskettes, and any other magnetic and other media materials he has in his possession or under his control which contains confidential or proprietary information of the Company; provided that through December 31, 2014, Employee may retain such keys and ID cards as may be necessary to access his office at the Company's Short Hills, New Jersey location pursuant to Section 2 of this Agreement, which keys and ID cards will be returned by Employee to the Company promptly after December 31, 2014.

23. All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or delivered by a recognized delivery service or mailed, postage prepaid, by express, certified or registered mail, return receipt requested, and addressed to the Chief Executive Officer of the Company or Employee, as applicable, at the address set forth on Schedule I hereto (or to such other address as shall have be duly provided in accordance with this Section 23).

24. The parties agree that the amounts and benefit payable hereunder are either exempt from or compliant with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance promulgated thereunder (the "Section 409A"), and the parties agree not to take any position inconsistent with such agreement for any reporting purposes, whether internal or external, and to cause their affiliates, successors and assigns not to take any such inconsistent position. Notwithstanding anything in this Agreement to the contrary, any payments or benefits due hereunder that constitute non-exempt "deferred compensation" (as defined in Section 409A) that are otherwise payable by reason of Employee's termination of service will not be paid or provided to Employee until he has undergone a "separation from service" (as defined in Section 409A), which the parties agree shall occur on October 23, 2014. If, and only if, Employee is a "specified employee" (as defined in Section 409A) and a payment or benefit provided for in this Agreement would be subject to additional tax under Section 409A if such payment or benefit is paid within six (6) months after Employee's separation from service (i.e., April 23, 2015), then such payment or benefit shall not be paid (or commence) during the six-month period immediately following Employee's separation from service except as provided in the immediately following sentence. In such an event, any payment or benefits that otherwise would have been made or provided during such six-month period and that would have incurred such additional tax under Section 409A shall instead be paid to Employee in a lump-sum cash payment on April 23, 2015 or, if earlier, within 10 days following the date of Employee's death. The parties agree that the payment to be made to Employee pursuant to Section 3(b) of this Agreement does not constitute non-exempt "deferred compensation" within the meaning of Section 409A. Employee's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. If Employee is entitled to any reimbursement of expenses or in-kind benefits that are includable in Employee's federal gross taxable income, the amount of such expenses reimbursable or in-kind benefits provided in any one calendar year shall not affect the expenses eligible for reimbursement or the in-kind benefits to be provided in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. Employee's right to reimbursement of expenses or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

[Rest of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Agreement to be executed as of the dates set for below.

BRADFORD R. KLATT

Dated: July 18, 2014

/s/ Bradford R. Klatt

ROSELAND MANAGEMENT SERVICES, L.P.

By: Roseland Services, L.L.C., its general partner

By: MC Roseland TRS Operating 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

Dated: July 18, 2014

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

Dated: July 18, 2014

MACK-CALI REALTY CORPORATION

Dated: July 18, 2014

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

Exhibit A

Release

Reference is made to that certain Separation Agreement entered as of July 18, 2014 ("Agreement") by and between the undersigned (the "Employee") and Roseland Management Services, L.P. (the "Company"). Capitalized terms used in this Release and not defined herein shall have the meaning assigned to them in the Agreement.

In further consideration of the covenants undertaken pursuant to the Agreement, including, without limitation, Section 4 of the Agreement and the payments described in Section 3 of the Agreement, the Employee hereby waives, releases and forever discharges (i) the Company and any of its predecessors, parents (including each of MCRLP and MCRC), subsidiaries, affiliates, and related companies, and all of its and/or their respective past and present parents, subsidiaries, affiliates, (ii) the respective past and present directors, officers and employees of the foregoing entities, and to the extent related to activities of the foregoing entities, the respective insurers, attorneys, representatives and agents of the foregoing entities, and (iii) all of the respective successors and assigns of the foregoing entities (individually and collectively "Company Releasees") from and with respect to any and all legally waivable claims, grievances, injuries, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, by contract, tort or pursuant to federal, state or local statute, regulation, ordinance or common law, which Employee now has, ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to Employee, from the beginning of time until the Employment Termination Date. Without limiting the generality of the foregoing, this waiver, release, and discharge includes any claim or right asserted or which could have been asserted by Employee against the Company or any Company Releasee and/or based upon or arising under any federal, state or local tort, fair employment practices, equal opportunity, or wage and hour laws, including, but not limited to, the common law of the State of New York and the State of New Jersey, Title VII of the Civil Rights Act of 1964, the New York State Human Rights Law, the New York City Human Rights Law, the Americans with Disabilities Act, the Age Discrimination in Employment Act, 42 U.S.C. Section 1981, the Equal Pay Act, the Fair Labor Standards Act, the New York Labor Law, the New Jersey Law Against Discrimination, the New Jersey Wage and Hour Law, the New Jersey Family Leave Act, the New Jersey Conscientious Employee Protection Act and the Employee Retirement Income Security Act, including all amendments thereto.

Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by Employee of: (i) any claim or right that may first arise after the Employment Termination Date; (ii) any claim or right of Employee under the Agreement or under the Purchase Agreement (as amended); (iii) any 401(k) benefits or other vested benefits due to Employee pursuant to the terms and conditions of any employee benefit plan of the Company or its affiliates in which Employee was a participant on or prior to the Employment Termination Date; or (iv) any claim or right Employee may have to indemnification, advancement, defense or reimbursement pursuant to Section 15(a) of the Employment Agreement, any applicable D&O policies or any similar insurance policies or the Company's or any Company Releasee's organizational documents.

/s/ Bradford R. Klatt
BRADFORD R. KLATT

Schedule I

Employee Address

[Intentionally Omitted]

EXHIBIT 10.123

SEPARATION AGREEMENT

This SEPARATION AGREEMENT (the "Agreement") is made and entered by and between Carl Goldberg ('Employee") and Roseland Management Services, L.P. (the "Company").

WHEREAS, Employee and the Company are parties to an Employment Agreement entered into as of October 23, 2012 (the 'Employment Agreement"), made in connection with and at the closing of the transactions contemplated by, that certain Membership Interest and Asset Purchase Agreement (the "Purchase Agreement") dated as of October 8, 2012, entered into by and among Canoe Brook Investors, L.L.C. (formerly known as Roseland Partners, L.L.C.), a New Jersey limited liability company ("Seller"), Mack-Cali Realty Acquisition Corp., a Delaware corporation, or its designee (the "Purchaser"), Mack-Cali Realty, L.P., a Delaware limited partnership ('MCRLP") and Mack-Cali Realty Corporation, a Maryland corporation ("MCRC" and, together with MCRLP, the "Parents"), and, for the limited purposes stated therein, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg;

WHEREAS, the Company and Employee desire that Employee resign his employment with the Company and his position as Co-President of the Company to reduce the Company's administrative and general expenses, and the parties determined to effect such Employee resignations upon the terms and conditions set forth herein;

WHEREAS, in connection with the forgoing, concurrently with the execution of this Agreement, Seller, Purchaser, Parents and each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg entered into an Amendment to the Purchase Agreement which shall become effective as of the Effective Date and conditioned upon the effectiveness of this Agreement; and

WHEREAS, in connection with the forgoing, concurrently with the execution of this Agreement, Carl Goldberg has entered into a Consulting Agreement with the Company (the "Consulting Agreement") pursuant to which Carl Goldberg will provide certain consulting services to the Company as an independent contractor for a period of one year.

NOW THEREFORE in consideration of the mutual covenants set forth herein, Employee and the Company agree as follows:

1. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Employment Agreement.

2. Employee hereby resigns from employment with the Company, from his position of Co-President of the Company, and from any and all offices, positions, directorship, and/or fiduciary responsibilities of any nature or description with the Company, Parents or their respective subsidiaries or affiliates or any of their employee benefit plans, effective as of October 23, 2014 (the "Employment Termination Date"). Notwithstanding the foregoing, Employee shall have the right to continue to use his existing office at the Company's Short Hills, New Jersey location until December 31, 2014 in order for Employee to transition his current business activities related to Seller to another location in an orderly fashion, provided that Employee shall not be entitled to any salary or other compensation for such period or activities.

3. (a) Subject to Section 4, in full and final satisfaction of any amounts due or which could be due to Employee pursuant to the Employment Agreement and any other benefits thereunder or otherwise, it is agreed as follows:

    (i) Within five days following the Employment Termination Date, the Company will pay Employee any unpaid amounts in respect of the Annual Base Salary earned by Employee through the Employment Termination Date, and Employee shall not be entitled to any additional payment in respect of his Annual Base Salary or any other salary (including, without limitation, no right or entitlement to any of the Remaining Salary);

    (ii) Six months after the date of Employee's separation from service (as determined pursuant to Section 409A, defined below), or, if earlier, within ten days after the date of Employee's death, the Company will pay Employee or the legal representatives of his estate, as applicable, $500,000 in full satisfaction of all bonus payments or obligations in respect thereto, including all Awarded Target Bonuses;

    (iii) The Company will reimburse Employee for as yet unreimbursed expenses he may have incurred prior to the Employment Termination Date, subject to Employee's submission of appropriate receipts and pursuant to its expense reimbursement policy, within 60 days following the Employment Termination Date;

    (iv) The Company shall continue to provide Employee with health insurance coverage through the Employment Termination Date; and

    (v) If the Employee timely elects to receive continuation of health insurance coverage pursuant to COBRA, the Company shall pay, on behalf of the Employee and his eligible dependents, the applicable COBRA premiums until the earlier of (i) October 23, 2015 and (ii) the termination of the Consulting Agreement for any reason.

   (b) In consideration of Employee's execution of this Agreement, and the representations, covenants and releases given by the Employee herein, the Company will pay Employee $750,000 within five days following the Employment Termination Date.

4. On or within five days following the Employment Termination Date, the Employee shall provide the Company a release in the form attached hereto as Exhibit A (the "Release") in further consideration for, and as a condition precedent to, receipt of the payments described in Section 3 herein. In addition, it is understood and agreed that all payments hereunder shall be subject to all required deductions and withholdings.

5. Employee understands and agrees that he is receiving compensation, payments and/or benefits under this Agreement and the Amendment to the Purchase Agreement that are in excess of those to which he is now entitled, from the Company and/or Company Releasees (as defined in Section 7), and that such compensation, payments and benefits are being provided to him in consideration of his acceptance and execution of, and in reliance upon his representations in, this Agreement. Employee acknowledges that such consideration is adequate and satisfactory to him.

6. Except for the payments and benefits provided for in Sections 2 and 3, and any 401(k) or other vested benefits due to Employee pursuant to the terms and conditions of any employee benefit plan of the Company or its affiliates in which Employee was a participant on or prior to the Employment Termination Date, Employee acknowledges and agrees that he is entitled to no other compensation, payments, rights, or benefits from the Company and/or the Company Releasees of any kind or nature whatsoever, including, without limitation, pursuant to the Employment Agreement (including, without limitation, the Fixed Amount, Remaining Salary, Medical Continuation, Target Bonuses, accelerated vesting of Vested Options or other Vested Incentive Compensation and Vested Option Exercise Election) and/or for any other salary, tips, severance pay, fringe benefits, vacation pay, bonuses, incentive compensation, sick pay, insurance, disability insurance, medical benefits, paid or unpaid leave, severance, vesting of equity awards, performance award or payments or any other allowance, payment, grant, award or benefit of any nature or description; provided however that nothing herein shall affect Employee's rights to indemnification, advancement, defense or reimbursement pursuant to Section 15(a) of the Employment Agreement, any applicable D&O policies or any similar insurance policies or the Company's or any Company Releasee's organizational documents. In addition, the Employee acknowledges and agrees that any unvested portion of equity and/or equity-based awards (including, without limitation, stock options, restricted stock and phantom awards), if any, previously granted to the Employee by the Company, MCRLP, MCRC or any of their respective subsidiaries or affiliates, that remain outstanding shall, as of the Employment Termination Date, be immediately forfeited and the Employee shall have no further rights to such unvested awards.

7. In further consideration of the covenants undertaken herein by the Company, including, without limitation, the payments described in Section 3, Employee hereby waives, releases and forever discharges (i) the Company and any of its predecessors, parents (including each of MCRLP and MCRC), subsidiaries, affiliates, and related companies, and all of its and/or their respective past and present parents, subsidiaries, affiliates, (ii) the respective past and present directors, officers and employees of the foregoing entities, and to the extent related to activities of the foregoing entities, the respective insurers, attorneys, representatives and agents of the foregoing entities, and (iii) all of the respective successors and assigns of the foregoing entities (individually and collectively "Company Releasees") from and with respect to any and all legally waivable claims, grievances, injuries, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, by contract, tort or pursuant to federal, state or local statute, regulation, ordinance or common law, which Employee now has, ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to Employee, from the beginning of time until the Employment Termination Date. Without limiting the generality of the foregoing, this waiver, release, and discharge includes any claim or right asserted or which could have been asserted by Employee against the Company or any Company Releasee and/or based upon or arising under any federal, state or local tort, fair employment practices, equal opportunity, or wage and hour laws, including, but not limited to, the common law of the State of New York and the State of New Jersey, Title VII of the Civil Rights Act of 1964, the New York State Human Rights Law, the New York City Human Rights Law, the Americans with Disabilities Act, the Age Discrimination in Employment Act, 42 U.S.C. Section 1981, the Equal Pay Act, the Fair Labor Standards Act, the New York Labor Law, the New Jersey Law Against Discrimination, the New Jersey Wage and Hour Law, the New Jersey Family Leave Act, the New Jersey Conscientious Employee Protection Act and the Employee Retirement Income Security Act, including all amendments thereto.

Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by Employee of: (i) any claim or right that may first arise after the Employment Termination Date; (ii) any claim or right of Employee under this Agreement, the Purchase Agreement (as amended) or the Consulting Agreement; (iii) any 401(k) benefits or other vested benefits due to Employee pursuant to the terms and conditions of any employee benefit plan of the Company or its affiliates in which Employee was a participant on or prior to the Employment Termination Date; or (iv) any claim or right Employee may have to indemnification, advancement, defense or reimbursement pursuant to Section 15(a) of the Employment Agreement, any applicable D&O policies or any similar insurance policies or the Company's or any Company Releasee's organizational documents.

8. Employee represents and affirms that (i) he has not commenced, maintained, prosecuted, or participated in any complaint, claim or action against the Company and/or the Company Releasees, in any court or before any administrative, investigative or arbitral body or agency, (ii) to the best of Employee's knowledge and belief, there is no outstanding claim or demand for relief against the Company and/or the Company Releasees by Employee or any person, organization, or entity acting on his behalf, and (iii) that Employee will not in the future commence, maintain, prosecute or participate in any complaint, claim of any nature or description or action, against the Company or any Company Releasee for any claim released herein in any court or before any administrative, investigative or arbitral body or agency. Notwithstanding the foregoing, this Agreement does not extend to those rights, which as a matter of law cannot be waived.

9. In further consideration of the covenants undertaken herein by Employee, the Company, MCRLP and MCRC, on behalf of themselves and each of their respective subsidiaries, affiliates and related companies, and all of their respective past subsidiaries, affiliates and related companies (individually and collectively "MCRC Releasors"), hereby waive, release and forever discharge Employee and his heirs, representatives, attorneys, agents, successors, and assigns from and with respect to any and all legally waivable claims, grievances, injuries, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, by contract, tort or pursuant to federal, state or local statute, regulation, ordinance or common law, which any of the MCRC Releasors now has, ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to any such MCRC Releasor, from the beginning of time until the Employment Termination Date, other than (i) any claim or right of any MCRC Releasor that may first arise after the Employment Termination Date, (ii) any claim or right of the Company or any MCRC Releasor under this Agreement, the Purchase Agreement (as amended) or the Consulting Agreement, or (iii) claims that any such MCRC Releasor does not know of for misappropriation of material assets by Employee.

10. Neither this Agreement, nor anything contained in it, shall constitute or shall be used as an admission or as evidence of any liability or wrongdoing whatsoever by or attributable to the Company or the Company Releasees. The Company and the Company Releasees deny any liability whatsoever to Employee and/or that it or they have violated any agreement with Employee, or any duty or obligation owed him, derived from any source whatever whether statutory, regulatory, contractual or otherwise. Neither this Agreement, nor anything contained in it, shall be introduced in any proceeding in any forum of any nature or description except to enforce this Agreement or to defend against any claim relating to the subject matter of the releases contained herein or as required by court order, subpoena, or other legal process.

11. Employee agrees that he will not engage in any wrongful conduct that is injurious to the Company's, Parents', their respective affiliates' or its and their respective officers' or directors', reputation and interest, including but not limited to, disparaging, inducing or encouraging others to disparage or bring claims against the Company, Parents, their respective affiliates, or its or any of their respective officers or directors, or making or causing to be made any statement that is critical of or otherwise maligns the business reputation of the Company, Parents, their respective affiliates, or any of its and their respective officers or directors, except if testifying truthfully under oath pursuant to any lawful court order or subpoena ("Required Disclosure"), provided that Employee shall provide prior notice of a Required Disclosure as far in advance as reasonably practicable under the circumstances of a Required Disclosure (unless prohibited by law), so that the Company or its affiliates may intervene, appear or otherwise object, including by requesting confidential hearing or treatment at the Company's sole expense.

12. The Company (through its or its affiliates' officers and directors) will not engage in any wrongful conduct that is injurious to Employee's reputation and interest, including but not limited to, disparaging, inducing or encouraging others to disparage or bring claims against Employee, or making or causing to be made any statement that is critical of or otherwise maligns the business reputation of Employee, except pursuant to a Required Disclosure, provided that the Company shall provide prior notice of a Required Disclosure as far in advance as reasonably practicable under the circumstances of a Required Disclosure (unless prohibited by law), so that Employee may intervene, appear or otherwise object, including by requesting confidential hearing or treatment at Employee's sole expense.

13. The rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of New Jersey, without regard to principles of conflict of laws.

14. This Agreement, the Purchase Agreement (as amended) and the Consulting Agreement constitute and contain the entire agreement and understanding between Employee and the Company concerning the subject matters addressed herein and supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. It is understood and agreed that except for paragraphs 10(b) (Effect on Employee Benefits and Programs), 11 (Confidential Information), 12 (Return of Documents), 14 (Remedies), 15(a) (Indemnification), 19 (Notices), and 20 (Governing Law) of the Employment Agreement, which shall survive according to their respective terms, the Employment Agreement shall terminate and be null and void and of no further effect, from and after the Effective Date.

15. This Agreement may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic and facsimiled copies of such signed counterparts may be used in lieu of the originals for any purpose.

16. If any provision of this Agreement or the application thereof is held invalid, such invalidation shall not affect other provisions or applications of this Agreement and to this end, the provisions of this Agreement are declared to be severable, provided, however, that if the release provided for in Section 7 or any part thereof (or the Release to be delivered pursuant to Section 4 hereof or any part thereof) is declared or adjudged invalid or unenforceable for any reason and, as a result, a claim covered by and released in Section 7 or the Release (had Section 7 or the Release or part thereof not been declared or adjudged invalid or unenforceable) is brought by Employee against the Company, the entire Agreement shall be a nullity and all consideration provided in this Agreement shall be repaid by Employee to the Company.

17. Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction or interpretation of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter.

18. This Agreement cannot be modified except in writing signed by all parties.

19. Employee hereby acknowledges: (a) he has been advised to consult with an attorney before signing this Agreement; (b) he has obtained independent legal advice from an attorney of his choice with respect to this Agreement, or has knowingly and voluntarily chosen not to do so; (c) he freely, voluntarily and knowingly entered into this Agreement after due consideration; (d) he has had a minimum of twenty-one (21) days to review and consider this Agreement; (e) he has a right to revoke this Agreement by notifying Dennis Block, Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166 in writing through and including July 25, 2014; and (f) in exchange for his waivers, releases and commitments set forth herein, including his waiver and release of all claims arising under the Age Discrimination in Employment Act, the payments, benefits and other considerations that he is receiving pursuant to this Agreement exceed any payment, benefit or other thing of value to which he would otherwise be entitled, and are just and sufficient consideration for the waivers, releases and commitments set forth herein.

20. This Agreement shall become effective upon the expiration of the revocation period provided for in Section 19(e) above (the "Effective Date"), provided that this Agreement has not been revoked in whole or in part.

21. This Agreement shall inure to the benefit of and shall be binding upon the Company and/or the Company Releasees and all their respective successors and assigns, and any entity with which they may merge or consolidate or to which they may sell all or substantially all their or its assets, and Employee agrees that, except for transfers by will or the laws of descent and distribution, he may not sell or otherwise assign or transfer rights, obligations or benefits under this Agreement (or any surviving provisions of the Employment Agreement) and any attempt to do so shall be void; Employee further covenants and agrees that he has not assigned or otherwise transferred any claim released in this Agreement, in whole or party, to any person or entity.

22. Upon the Company's request at any time on or after the Employment Termination Date, Employee will return to the Company all keys, credit cards, if any, ID cards, and beepers, and will return or destroy any and all original and duplicate copies of all his work product and of files, calendars, books, records, notes, notebooks, manuals, computer disks, diskettes, and any other magnetic and other media materials he has in his possession or under his control which contains confidential or proprietary information of the Company; provided that through December 31, 2014, Employee may retain such keys and ID cards as may be necessary to access his office at the Company's Short Hills, New Jersey location pursuant to Section 2 of this Agreement, which keys and ID cards will be returned by Employee to the Company promptly after December 31, 2014.

23. All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or delivered by a recognized delivery service or mailed, postage prepaid, by express, certified or registered mail, return receipt requested, and addressed to the Chief Executive Officer of the Company or Employee, as applicable, at the address set forth on Schedule I hereto (or to such other address as shall have be duly provided in accordance with this Section 23).

24. The parties agree that the amounts and benefit payable hereunder are either exempt from or compliant with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance promulgated thereunder (the "Section 409A"), and the parties agree not to take any position inconsistent with such agreement for any reporting purposes, whether internal or external, and to cause their affiliates, successors and assigns not to take any such inconsistent position. Notwithstanding anything in this Agreement to the contrary, any payments or benefits due hereunder that constitute non-exempt "deferred compensation" (as defined in Section 409A) that are otherwise payable by reason of Employee's termination of service will not be paid or provided to Employee until he has undergone a "separation from service" (as defined in Section 409A). If, and only if, Employee is a "specified employee" (as defined in Section 409A) and a payment or benefit provided for in this Agreement would be subject to additional tax under Section 409A if such payment or benefit is paid within six (6) months after Employee's separation from service, then such payment or benefit shall not be paid (or commence) during the six-month period immediately following Employee's separation from service except as provided in the immediately following sentence. In such an event, any payment or benefits that otherwise would have been made or provided during such six-month period and that would have incurred such additional tax under Section 409A shall instead be paid to Employee in a lump-sum cash payment six months after the date of Employee's separation from service or, if earlier, within 10 days following the date of Employee's death. The parties agree that the payment to be made to Employee pursuant to Section 3(b) of this Agreement does not constitute non-exempt "deferred compensation" within the meaning of Section 409A. Employee's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. If Employee is entitled to any reimbursement of expenses or in-kind benefits that are includable in Employee's federal gross taxable income, the amount of such expenses reimbursable or in-kind benefits provided in any one calendar year shall not affect the expenses eligible for reimbursement or the in-kind benefits to be provided in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. Employee's right to reimbursement of expenses or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

[Rest of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Agreement to be executed as of the dates set for below.

CARL GOLDBERG

Dated: July 18, 2014

/s/ Carl Goldberg

ROSELAND MANAGEMENT SERVICES, L.P.

By: Roseland Services, L.L.C., its general partner

By: MC Roseland TRS Operating 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

Dated: July 18, 2014

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

Dated: July 18, 2014

MACK-CALI REALTY CORPORATION

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

Dated: July 18, 2014

Exhibit A

Release

Reference is made to that certain Separation Agreement entered as of July 18, 2014 ("Agreement") by and between the undersigned (the "Employee") and Roseland Management Services, L.P. (the "Company"). Capitalized terms used in this Release and not defined herein shall have the meaning assigned to them in the Agreement.

In further consideration of the covenants undertaken pursuant to the Agreement, including, without limitation, Section 4 of the Agreement and the payments described in Section 3 of the Agreement, the Employee hereby waives, releases and forever discharges (i) the Company and any of its predecessors, parents (including each of MCRLP and MCRC), subsidiaries, affiliates, and related companies, and all of its and/or their respective past and present parents, subsidiaries, affiliates, (ii) the respective past and present directors, officers and employees of the foregoing entities, and to the extent related to activities of the foregoing entities, the respective insurers, attorneys, representatives and agents of the foregoing entities, and (iii) all of the respective successors and assigns of the foregoing entities (individually and collectively "Company Releasees") from and with respect to any and all legally waivable claims, grievances, injuries, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, by contract, tort or pursuant to federal, state or local statute, regulation, ordinance or common law, which Employee now has, ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to Employee, from the beginning of time until the Employment Termination Date. Without limiting the generality of the foregoing, this waiver, release, and discharge includes any claim or right asserted or which could have been asserted by Employee against the Company or any Company Releasee and/or based upon or arising under any federal, state or local tort, fair employment practices, equal opportunity, or wage and hour laws, including, but not limited to, the common law of the State of New York and the State of New Jersey, Title VII of the Civil Rights Act of 1964, the New York State Human Rights Law, the New York City Human Rights Law, the Americans with Disabilities Act, the Age Discrimination in Employment Act, 42 U.S.C. Section 1981, the Equal Pay Act, the Fair Labor Standards Act, the New York Labor Law, the New Jersey Law Against Discrimination, the New Jersey Wage and Hour Law, the New Jersey Family Leave Act, the New Jersey Conscientious Employee Protection Act and the Employee Retirement Income Security Act, including all amendments thereto.

Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by Employee of: (i) any claim or right that may first arise after the Employment Termination Date; (ii) any claim or right of Employee under the Agreement, the Purchase Agreement (as amended) or the Consulting Agreement; (iii) any 401(k) benefits or other vested benefits due to Employee pursuant to the terms and conditions of any employee benefit plan of the Company or its affiliates in which Employee was a participant on or prior to the Employment Termination Date; or (iv) any claim or right Employee may have to indemnification, advancement, defense or reimbursement pursuant to Section 15(a) of the Employment Agreement, any applicable D&O policies or any similar insurance policies or the Company's or any Company Releasee's organizational documents.

/s/ Carl Goldberg
CARL GOLDBERG

Schedule I

<u>Employee Address</u>

[Intentionally Omitted]

EXHIBIT 10.124

AMENDMENT TO MEMBERSHIP INTEREST AND ASSET PURCHASE AGREEMENT

THIS AMENDMENT TO MEMBERSHIP INTEREST AND ASSET PURCHASE AGREEMENT (this "Amendment"), dated as of July 18, 2014, is entered into by and among Canoe Brook Investors, L.L.C. (formerly known as Roseland Partners, L.L.C.), a New Jersey limited liability company ("Seller"), Mack-Cali Realty Acquisition Corp., a Delaware corporation, or its designee (the "Purchaser"), Mack-Cali Realty, L.P., a Delaware limited partnership ("MCRLP") and Mack-Cali Realty Corporation, a Maryland corporation ("MCRC" and, together with MCRLP, the "Parents"), and each of Marshall B. Tycher ("Tycher"), Bradford R. Klatt ("Klatt") and Carl Goldberg ("Goldberg").

WHEREAS, on October 8, 2012, Seller, Purchaser and Parents, and, for the limited purposes stated therein, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg, entered into that certain Membership Interest and Asset Purchase Agreement (the "Purchase Agreement"), pursuant to which Purchaser acquired the real estate development and management businesses and certain real property assets of Seller;

WHEREAS, in connection with the consummation of the transactions contemplated by the Purchase Agreement, Purchaser, MCRLP, MCRC (as "Party A" thereunder), Seller (as "Party B" thereunder) and U.S. Bank National Association (as the "Escrow Agent" thereunder) entered into that certain Indemnity Escrow Agreement dated October 23, 2012 (the "Indemnity Escrow Agreement");

WHEREAS, in connection with the consummation of the transactions contemplated by the Purchase Agreement, on October 23, 2012, Klatt and Goldberg became employed as Co-Presidents of Roseland Management Services, L.P., a Delaware limited liability partnership (the "Company") and a subsidiary of MCRLP, and each of Klatt and Goldberg has entered into an employment agreement with the Company dated October 23, 2012 (the "Klatt Employment Agreement" and the "Goldberg Employment Agreement," respectively);

WHEREAS, Klatt, Goldberg and the Company desire that Klatt and Goldberg resign from their employment and as Co-Presidents of Company and that the Klatt Employment Agreement and the Goldberg Employment Agreement be terminated effective as of the Employment Termination Date (as such term is defined in the Separation Agreements) pursuant to and in accordance with the terms of Separation Agreements to be entered into simultaneously herewith between the Company and each of Klatt and Goldberg (the "Separation Agreements"); and

WHEREAS, in connection with the foregoing, the parties desire to submit a joint notice to the Escrow Agent on the Effective Date (as such term is defined in the Separation Agreements) to distribute all amounts remaining in the Escrow Fund held under the Indemnity Escrow Agreement to Seller, and to effect certain amendments to the Purchase Agreement as provided herein.

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

1. *Definitions*. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Purchase Agreement.

2. *Earn out.* The Purchaser and Parents confirm, acknowledge and agree that Seller has earned $1,000,000 of the Earnout pursuant to clause (c) of Section I.B. of Exhibit C to the Purchase Agreement, and notwithstanding anything to the contrary in Exhibit C to the Purchase Agreement, Parents shall cause Purchaser to pay such amount to Seller within five (5) days following the Effective Date.

3. *Indemnification Escrow.* Purchaser, Parents and Seller agree to deliver a "Joint Written Direction" to the Escrow Agent pursuant to Section 5(e) of the Indemnity Escrow Agreement on the Effective Date to direct the Escrow Agent to release and distribute to Seller all amounts remaining in the Escrow Fund held by the Escrow Agent in the Escrow Account established pursuant to the Indemnity Escrow Agreement.

4. *Other Amendments to Purchase Agreement*.

   (a) *Termination of Non-Compete Covenants*. The parties agree that from and after October 23, 2014, Klatt and Goldberg shall have no further obligations under Section 5.08(a) of the Purchase Agreement. For the avoidance of doubt, (i) the obligations and agreements of Seller and Tycher under Section 5.08(a) of the Purchase Agreement shall remain in full force and effect and continue without amendment or modification, except to the extent set forth below; and (ii) nothing herein shall affect or limit the obligations of Goldberg under any consulting or similar agreement entered into between Goldberg and the Company. In furtherance of the foregoing, Section 5.08(a) of the Purchase Agreement is amended and restated effective as of the Effective Date, by replacing subsection (a) of Section 5.08 with the following:

   "(a) During the Restricted Period, the Seller and each of the Principals (in the case of each Principal, other than in his capacity as an employee of Purchaser, the Parents or any of their Affiliates) shall not (and shall cause their respective Affiliates not to), in the Territory, engage, directly or indirectly, in the Business or, without prior written consent of the Purchaser, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any Person engaged in the Business in the Territory; *provided*, *however*, that (i) for the purposes of this Section 5.08(a), ownership of securities having no more than 2% of the outstanding voting power of any competitor whose securities are listed on any U.S. national securities exchange shall not be deemed to be in violation of this Section 5.08(a) as long as the Person owning such securities has no other connection or relationship with such competitor, (ii) Seller and each Principal shall be permitted to develop, manage, lease and/or sell the Excluded Assets and the assets listed on Section 3.26 of the Disclosure Schedule, and (iii) Tycher will be permitted to fund and assist Jack Tycher or any entity controlled by Jack Tycher in the event that Jack Tycher is not employed by MCRC or any of its Affiliates and initiates his own business during the Restricted Period, even if such business competes with the Business; *provided, however*, that if during the Restricted Period, Tycher provides material funding, or arranges or assists with the raising of material funding, or otherwise provides material assistance, to or in connection with such business or any property, project or development described below, then prior to any investment, development or construction during the Restricted Period by Jack Tycher or an entity controlled by Jack Tycher in or of a multi-family project located anywhere on the East Coast of the United States from Washington, D.C. to Boston, Mass. and which has an initial development and construction budget of $40,000,000 or more, Tycher will (A) give (or cause Jack Tycher to give) MCRC reasonable prior notice prior to the acquisition or investment during the Restricted Period by Jack Tycher or any entity controlled by Jack Tycher of or in the property on which such project is to be developed or in such project or development, and (B) cause Jack Tycher or the applicable entity controlled by him to give MCRC (or an affiliate designated by MCRC) a reasonable right of first offer to make an investment of at least 50% in such property or project. Without limiting the foregoing, for purposes of the foregoing clause (iii), funding of more than 20% of the business or of any such investment, project or development shall be deemed material funding.

For purposes of this Section 5.08, (i) "Territory" means in the United States and Canada, and (ii) "Restricted Period" means, (w) as to Seller, the period of four (4) years from and after the Closing Date, (x) as to Tycher with respect to this subsection (a) of this Section 5.08, a period commencing on the Closing Date and ending on the later of (A) three (3) years after the Closing Date and (B) one (1) year after the employment of Tycher with the Companies, MCRC and any Affiliate of MCRC shall terminate for any reason, (y) as to each of Klatt and Goldberg with respect to this subsection (a) of this Section 5.08, a period commencing on the Closing Date and ending on October 23, 2014; and (z) as to each of the Principals, with respect to subsections (b) and (c) of this Section 5.08, four (4) years after the employment of such Principal with the Companies, MCRC or any Affiliate of MCRC shall terminate for any reason."

(b) The parties agree that from and after the Effective Date, Section 5.08(b) of the Purchase Agreement shall not apply to the hiring of Jack Tycher or Devra Goldberg.

(c) Section 5.18 of the Purchase Agreement shall be amended effective as of the Effective Date by deleting the second sentence thereof and replacing such sentence with the following: "*During the period beginning on July 18, 2014 and ending on the sixth (6th) anniversary of the Closing Date, Seller shall, and the Principals shall cause Seller to, maintain a net worth (based on the fair market value of the Seller's assets) of not less than $10,000,000; provided, however, that from and after a Change of Control of MCRC, Seller shall no longer be required to comply with this net worth requirement.*"

(d) Section 8.07(c) of the Purchase Agreement shall be amended effective as of the Effective Date by deleting, in clause (iii) of subsection (c) of Section 5.18, the words "*after the third (3rd) anniversary of the Closing Date,*" and replacing them with the words: "*from and after July 18, 2014,*".

5. *Representations and Warranties*.

(a) Each of the Principals (only as to himself on a several basis and not jointly with any other Principal) and Seller represents and warrants to the Parents and Purchaser, as follows:

i. The execution and delivery of this Amendment, the performance of Seller's obligations hereunder and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all requisite action on the part of Seller and no other action by Seller is necessary to authorize the transactions contemplated hereby. This Amendment has been executed and delivered by a duly authorized officer or manager of Seller.

ii. This Amendment has been duly executed and delivered by Seller and each of the Principals, each of the Separation Agreements has been duly executed and delivered by Klatt or Goldberg, as applicable, and the Consulting Agreement dated as of today's date among Goldberg, Devra Goldberg and the Company (the "Consulting Agreement") has been duly executed and delivered by Goldberg, and (assuming due authorization, execution and delivery by the other parties thereto) this Amendment, each of the Separation Agreements and the Consulting Agreement constitutes a legal, valid and binding obligation of Seller and each of the Principals that is a party thereto, as applicable, enforceable against Seller and/or each such Principal, as the case may be, in accordance with its terms.

(b) Each of the Parents, jointly and severally, represents and warrants to Seller and the Principals, as follows:

i. The execution and delivery by the Purchaser, each of the Parents and the Company of this Amendment, the Separation Agreements, and the Consulting Agreement (as applicable), the performance of their respective obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby by the Purchaser, the Parents and the Company have been duly authorized by all requisite corporate, limited partnership or limited liability company action on the part of the Purchaser, the Parents and the Company, as applicable.

ii. This Amendment has been duly executed and delivered by the Purchaser and each of the Parents, the Separation Agreements have been duly executed and delivered by the Company and each of the Parents, and the Consulting Agreement has been duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by the other parties thereto) this Amendment , the Separation Agreements and the Consulting Agreement constitute the legal, valid and binding obligations of the Purchaser, the Parents and the Company, as applicable, enforceable against the Purchaser, the Parents and/or the Company, as the case may be, in accordance with its terms.

6. *Miscellaneous*.

(a) This Amendment shall be effective only upon and as of the Effective Date, and, except as set forth herein, the Purchase Agreement shall remain in full force and effect and shall be otherwise unaffected hereby. In the event that any one of the Separation Agreements is revoked, in whole or in part, or otherwise does not become effective as of the Effective Date, this Amendment shall be null and void and of no force and effect, and each of the Purchase Agreement and the Indemnity Escrow Agreement shall remain in full force and effect and shall be unaffected by this Amendment.

(b) This Amendment may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

(c) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts to be made and performed entirely within such State.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and attested, all as of the date first above written.

MACK-CALI REALTY CORPORATION, a Maryland corporation

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

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

By: Mack-Cali Realty Corporation, general partner

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

MACK-CALI REALTY ACQUISITION CORP, a Delaware corporation

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

CANOE BROOK INVESTORS, L.L.C, a New Jersey limited liability company

By: /s/ Marshall B. Tycher
Name: Marshall B. Tycher
Title: Manager

/s/ Marshall B. Tycher
MARSHALL B. TYCHER

/s/ Bradford R. Klatt
BRADFORD R. KLATT

/s/ Carl Goldberg
CARL GOLDBERG

EXHIBIT 10.125

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (this "Agreement") is made this 18th day of July, 2014, effective as of the Effective Date (as defined below), by and among Roseland Management Services, L.P., a Delaware limited partnership, and Carl Goldberg and Devra Goldberg (each, a "Consultant," and together, the "Consultants").

WHEREAS, concurrently with the execution of this Agreement, Carl Goldberg entered into a Separation Agreement (the "Separation Agreement") with the Company pursuant to which his employment with the Company and/or any of its affiliates shall terminate effective as of October 23, 2014;

WHEREAS, the Company believes that the Consultants business advice and experience will be beneficial to the Company and wishes to obtain such advice and the benefit of the Consultants knowledge and experience; and

WHEREAS, the Company desires to retain the services of the Consultants and the Consultants desire to provide services to the Company, in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitations, the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the parties hereto, intending legally to be bound, hereby covenant and agree as follows:

ARTICLE I
ENGAGEMENT OF SERVICES

1.1 Engagement of Consultant. Subject to the terms and conditions set forth herein, the Company shall engage the Consultants and each Consultant agrees to provide consulting services as set forth in Section 1.2 of this Agreement.

1.2 Services to be Provided.

(a) **Services.** During the Term (as defined in Section 1.3 hereof) of this Agreement, the Consultants shall provide the services described in Schedule I attached hereto, and shall perform such other related services as may be reasonably requested by Company's Chief Executive Officer (the "CEO") from time to time (collectively referred to herein as, the "Services"). The Consultants shall report directly to the CEO, and shall perform the Services faithfully, industriously, and to the best of each Consultant's ability, experience, and talents.

(b) **Performance of Services.** During the Term of this Agreement, the Consultants shall be responsible for reasonably determining the location, method, details and means of performing the Services required under this Agreement. The Consultants shall obtain and maintain in effect all permits, licenses and authorizations necessary to Consultants' performance of Services hereunder and shall at all times perform such Services and conduct Consultants' business and affairs in accordance with all applicable federal, state and local laws and regulations. It is agreed by the parties that (i) Carl Goldberg shall have primary responsibility for the provision and quality of the Services hereunder, (ii) Carl Goldberg shall be liable for any breach of this Agreement by Devra Goldberg, and (iii) Devra Goldberg shall not be liable for any breach of this Agreement by Carl Goldberg.

(c) **Hours.** During the Term of this Agreement, the Consultants shall devote their reasonable attention and time during usual business hours to the business and affairs of the Company to the extent necessary or advisable to provide the Services to the reasonable satisfaction of the CEO. The Consultants shall use their best efforts in good faith to provide the Services when requested as set forth above.

(d) **Location and Office Services**. During the Term, each Consultant will have the right to use such Consultant's existing office at the Company's Short Hills, New Jersey location without any obligation to pay rent for the use of such office space. The Consultants may render the Services at the Company's Short Hills, New Jersey location, or at such other location as may be reasonably determined by the Consultants. The Consultants will not be responsible to pay for any related support services to the extent such support services are used as directed by the CEO for the provision of the Services hereunder. Without limiting the obligations of the Consultants pursuant to Article IV herein, the Company shall be entitled to charge the Consultants, from time to time, an amount to be reasonably determined by the Company (and may deduct such amounts from the Consulting Fees or other amounts due to Consultants hereunder) for support services to the extent used by the Consultants for work or matters other than the provision of Services hereunder.

1.3 **Term and Effectiveness of Agreement.** The term of this Agreement shall commence on October 24, 2014 (the "Commencement Date") and shall continue until the first (1st) anniversary of the Commencement Date (the "Anniversary Date") (the duration of this Agreement collectively referred to as, the "Term"), unless terminated in accordance with the provisions of Article 3 hereof. This Agreement may be renewed for an additional period(s) only upon the mutual written agreement of the parties. This Agreement shall be effective only upon and as of the effective date of the Separation Agreement and the Separation Agreement between Bradford Klatt and the Company (the "Klatt Separation Agreement") (such date, the "Effective Date"). In the event that the Separation Agreement or the Klatt Separation Agreement is revoked, in whole or in part, or otherwise does not become effective as of the Effective Date, this Agreement shall be null and void and of no force and effect.

1.4 **Nature of Consulting Relationship.**

(a) **In General.** It is agreed and understood by the parties to this Agreement that, for all purposes, during the Term of this Agreement each Consultant shall serve solely as an independent contractor of the Company and shall not be an employee of the Company in any capacity. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between any of the Consultants and Company or its affiliates. As an independent contractor, each Consultant shall accept any directions issued by the Company pertaining to the goals to be attained and the results to be achieved by Consultant, but, except to the extent otherwise expressly set forth in this Agreement, the Consultants shall be solely responsible for the manner and hours in which Consultants will perform the Services under this Agreement.

(b) **Tax Treatment**. It is agreed and understood by the parties to this Agreement that the Company shall treat each Consultant as an independent contractor for purposes of all tax laws (local, state and federal) and file any required forms consistent with that status. Each Consultant agrees, as an independent contractor, that such Consultant is not entitled to unemployment benefits in the event this Agreement terminates, or workers' compensation benefits in the event that such Consultant is injured in any manner while performing obligations under this Agreement. Each Consultant shall be solely responsible to pay any and all local, state, and/or federal income, social security, unemployment taxes for such Consultant, as well as workers' compensation coverage.

(c) **Employee Benefits**. Except as expressly set forth in the Separation Agreement of each Consultant, each Consultant (i) acknowledges and agrees that such Consultant shall not receive any employee benefits of any kind from the Company, and shall be excluded from participating in any fringe benefit plans or programs or any of its affiliates as a result of the performance of the Services under this Agreement, without regard to such Consultant's independent contractor status and (ii) waives any and all rights, if any, to participation in any of the Company's or its affiliates' fringe benefit plans or programs including, but not limited to, health, welfare, deferred compensation, sickness, accident or dental coverage, life insurance, disability benefits, severance, accidental death and dismemberment coverage, unemployment insurance coverage, workers' compensation coverage, and pension or 401(k) benefits, if any, provided by the Company or its affiliates to its or their employees.

ARTICLE II
COMPENSATION

2.1 **Fees.** In consideration for the Services to be provided by the Consultants hereunder, the Company shall pay a total fee to the Consultants equal to Four Hundred Thousand ($400,000) (the "Consulting Fee") for the Term of this Agreement, payable in four installments of One Hundred Thousand Dollars ($100,000) per three-month period, on the first business day following each such three-month period.

2.2 **Expense Reimbursement.** During the Term of this Agreement, the Company shall reimburse the Consultants for all reasonable business expenses actually paid or incurred by the Consultants in the course of, pursuant to and in furtherance of providing the Services hereunder, upon proper submission of supporting documentation by the Consultants and in accordance with such policies and guidelines as from time to time may be established by the Company.

2.3 **Payments.** Without limiting Section 1.4(b), at the Consultants request, the Company will pay the Consulting Fee or a portion thereof and/or the expense reimbursement pursuant to Section 2.2, to an entity controlled by Consultants, by check or wire transfer of immediately available funds to such account as the Consultants may provide to the Company in writing reasonably in advance of any payment date.

2.4 **Release.** Within five days of the Commencement Date, Devra Goldberg shall execute and deliver to the Company the release in the form attached hereto as Exhibit A (the "Release"). The Company's obligations hereunder (including, without limitation, the payment obligations pursuant to this Article II), shall be subject to and conditioned upon the due execution and delivery of the Release.

ARTICLE III
TERMINATION

3.1 **Termination.** Notwithstanding anything to the contrary contained in this Agreement, the engagement of the Consultant and provision of Services under this Agreement shall terminate on the earliest of:

(i) the expiration of the Term as set forth in Section 1.3;

(ii) the date on which one party (the "Terminating Party") provides written notice of such termination to the other party or parties (the "Breaching Party") by reason of the fact that the Breaching Party has materially breached its obligations under this Agreement, which breach is not cured by the Breaching Party within twenty (20) days after the Terminating Party has given written notice of such breach to the Breaching Party; provided that the Terminating Party shall not be obligated to offer notice and an opportunity to cure if the breach is not curable;

(iii) the death of Carl Goldberg; or

(iv) the date on which Carl Goldberg suffers from a disability, which for purposes of this Agreement shall mean that Carl Goldberg shall, as a result of mental or physical incapacity, illness or disability, become unable to perform his obligations hereunder for a period of thirty (30) consecutive days.

3.2 **Termination Payments.**

(i) In the event that the Consultants terminate this Agreement pursuant to Section 3.1(ii) above due to the Company's material breach of this Agreement, the Company shall pay to the Consultants a lump sum amount, within thirty (30) days of the date of termination, in an amount equal to the entire unpaid portion of the Consulting Fee.

(ii) In the event that this Agreement is terminated for any reason (other than termination by the Consultants pursuant to Section 3.1(ii) above due to the Company's material breach of this Agreement), the Company shall pay to the Consultants a lump sum amount, within thirty (30) days of the date of termination, in an amount equal to any earned yet unpaid portion of the Consulting Fee due through the date of termination.

(iii) In addition, upon termination of this Agreement for any reason, the Company shall reimburse the Consultants for any reasonable business expenses incurred prior to the date of termination of this Agreement in accordance with Section 2.2 hereof.

3.3 **Survival**. The provisions of this Article III shall survive the termination of this Agreement, as applicable.

ARTICLE IV
NONDISCLOSURE

4.1 **Confidentiality**. Each Consultant understands and acknowledges that in connection with the Services such Consultant will be exposed to Confidential Information (as defined below), all of which is proprietary and which will rightfully belong to the Company or its affiliates. Each Consultant agrees to hold in a fiduciary capacity for the benefit of the Company all such Confidential Information and agrees, during the Term and any time thereafter, to keep confidential and not disclose to any other person or entity (other than the Company or its employees, attorneys, accountants, advisors or consultants as required for the provision of Services hereunder) or use for its own benefit or the benefit of any person or entity other than the Company, any Confidential Information. The obligations under this Section 4.1 shall not apply to information which: (i) is or becomes generally available to the public without breach of the commitment provided for in this Section 4.1 or any other agreement between the Company and any of the Consultants; (ii) is required to be disclosed by law, order or regulation of a court or tribunal or government authority; *provided*, *however*, that in any such case, the Consultants shall notify the Company as early as reasonably practicable prior to disclosure to allow the Company to take appropriate measures to preserve the confidentiality of such information; (iii) is being disclosed in connection with any legal proceeding to enforce this Agreement; or (iv) is being disclosed to a Consultant’s accountants, legal counsel or other professional advisors who are actively and directly advising such Consultant in connection with this Agreement and whom such Consultant will instruct and, to the maximum extent practicable, cause, to observe the terms of this Section 4.1. For purposes of this Agreement, “Confidential Information” means information disclosed to any of the Consultants or their representatives or known by any of them as a consequence of or in connection with services provided to the Company or its affiliates (including information conceived, originated, discovered or developed by any of the Consultants), and not generally known or otherwise in the public domain, about or pertaining to the Company or its affiliates or their respective businesses.

4.2 **Non-Competition**.

(a) Subject to subsections (b) and (c) of this Section 4.2, at all times during the Term of this Agreement (including any extension of this Agreement if applicable), each of the Consultants agrees that, without obtaining the prior written consent of the Company, such Consultant shall not, directly or indirectly, through affiliates or other persons or entities, render any services that are substantially the same as the Services provided to the Company pursuant to this Agreement in connection with any Competing Project in the Territory. For purposes of this Section 4.2, the term “Competing Project” shall mean any multi-family or office-service, flex, or office property, development or project, and the term “Territory” shall mean Hudson County, New Jersey.

(b) For the avoidance of doubt, this Section 4.2 shall not prevent any of the Consultants from having an ownership of securities constituting no more than 2% of the outstanding voting power of any competitor of the Company or its affiliates whose securities are listed on any U.S. national securities exchange. In addition, the Consultants shall be permitted to develop, manage, lease and/or sell the (i) assets listed on Section 3.26 of the Disclosure Schedule of that certain Membership Interest and Asset Purchase Agreement (as amended, the "Purchase Agreement") dated as of October 8, 2012, entered into by and among Canoe Brook Investors, L.L.C. (formerly known as Roseland Partners, L.L.C.), a New Jersey limited liability company, Mack-Cali Realty Acquisition Corp., a Delaware corporation, or its designee, Mack-Cali Realty, L.P., a Delaware limited partnership and Mack-Cali Realty Corporation, a Maryland corporation, and, for the limited purposes stated therein, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg and (ii) the Excluded Assets (as defined in the Purchase Agreement).

(c) Each Consultant agrees that the restrictions imposed upon such Consultant by the provisions of this Section 4.2 are fair and reasonable considering the nature of the Company's business, and are reasonably required for the protection of the Company, and that the provisions of this Section 4.2 relating to areas of restriction, business limitations, or time periods of restriction were specifically discussed in good faith and are acceptable to such Consultant.

4.3. **Securities Trading**. Each Consultant hereby acknowledges that in the capacity as a consultant as set forth in this Agreement, such Consultant will have access to and, from time to time, be in possession of proprietary, confidential and material, non-public information relating to the Company or its affiliates, including Mack-Cali Realty Corporation ("MCRC"). Each Consultant acknowledges that such Consultant has been made aware of and understands that such Consultant is prohibited from trading in any securities of MCRC, the Company or their affiliates while in possession of material, non-public information and that the restriction contained herein shall survive the termination of this Agreement without limitation. Without limiting the generality of the foregoing, each Consultant agrees that suh Consultant shall not buy, sell or otherwise effect transactions in any stock or other securities of MCRC, the Company or their affiliates or any derivative securities thereof during any "blackout period" as described in MCRC's insider trading policy and, in all cases, shall refrain from engaging in any transaction involving the stock or other securities of MCRC, the Company or their affiliates without first obtaining pre-clearance of the transaction from MCRC's compliance officer.

4.4 **Remedies**. Each Consultant agrees that the Company's remedies at law for any breach or threat of breach by any of the Consultants of the provisions of this Article IV will be inadequate, and that the Company shall be entitled to an injunction or injunctions, without the necessity for the posting of a bond or other collateral security, to prevent breaches or threatened breaches of the provisions of this Article IV and to enforce specifically the terms and provisions hereof. If, at the time of the enforcement of this Article IV, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under the circumstances then existing, each of the Consultants and the Company agree that it is the intention of the parties hereto that such provision should be enforceable to the maximum extent permissible under applicable law.

4.5 **Survival**. The provisions of this Article IV shall survive the termination of this Agreement, as applicable.

ARTICLE V
CERTAIN ADDITIONAL AGREEMENTS

5.1 **Indemnification of Consultants.**

(a) **Indemnification.** The Company shall indemnify and hold harmless to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, each of the Consultants, including but not limited to such Consultant was or is a party or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, or by or in the right of the Company to procure a judgment in its favor (a "Proceeding"), by reason of the fact that such Consultant is or was a consultant to or agent of the Company, or by reason of anything done or not done by such Consultant in such capacities, against all liability and loss suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Consultant, including in connection with any such action, suit or proceeding, provided that such Consultant acted in good faith, in a manner that was not grossly negligent or constituted willful misconduct and in a manner such Consultant reasonably believed to be in the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Consultant's conduct was unlawful.

(b) **Prepayment of Expenses.** Expenses incurred in defending any Proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Consultant to repay such amount if it should be ultimately determined that such Consultant is not entitled to be indemnified by the Company as authorized in this Section 5.1 or otherwise. The Company shall pay the amount of such expenses to the Consultant within twenty (20) days following such Consultant's delivery to the Company of a written request for an advance pursuant to this Section 5.1, together with a reasonable accounting of such expenses. Each Consultant hereby acknowledges and agrees to repay to the Company any advances made pursuant to this Section 5.1 if and to the extent that it shall ultimately be found that such Consultant is not entitled to be indemnified by the Company for such amounts.

ARTICLE VI
MISCELLANEOUS

6.1 **Entire Agreement; Amendment.** This Agreement, together with the Separation Agreement of each Consultant and, with respect to Carl Goldberg, the Purchase Agreement (as amended) (as defined in the Separation Agreement between Carl Goldberg and the Company), constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, both written and oral, among the parties hereto. This Agreement may not be amended or modified in any way except by a written instrument executed by the Company and the Consultants.

6.2 **Notice.** All notices under this Agreement shall be in writing and shall be given by personal delivery, or by registered or certified United States mail, postage prepaid, return receipt requested, to the address set forth below:

If to the Consultants:

c/o Carl Goldberg
18 Castle Court
Randolph, NJ 07869

If to the Company:

Roseland Management Services, L.P.
343 Thornall Street
Edison, NJ 08837-2206
Attention: Chief Executive Officer

or to such other person or persons or to such other address or addresses as the Consultants and the Company or their respective successors or assigns may hereafter furnish to the other by notice similarly given. Notices, if personally delivered, shall be deemed to have been received on the date of delivery, and if given by registered or certified mail, shall be deemed to have been received on the fifth business day after mailing.

6.3 **Governing Law.** The rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of New Jersey, without regard to principles of conflict of laws of each State.

6.4 **Jurisdiction and Venue; Waiver of Jury Trial.** Each of the parties irrevocably and unconditionally (i) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement, shall be brought and determined exclusively in any federal court located in the State of New Jersey, in the county of Essex, or if such federal court does not have jurisdiction over such suit, action or legal proceeding, it shall be brought and determined exclusively in any state court located in the State of New Jersey, in the county of Essex; (ii) consents to the exclusive jurisdiction of each such court in any such suit, action or proceeding; (iii) irrevocably waives and agrees not to assert by way or motion, defense, objection or otherwise, in any such suit, action of legal proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or legal proceeding was brought in an inconvenient forum, that the venue thereof is improper, or that this Agreement may not be enforced in or by the above-named courts; and (iv) agrees that service of any court papers may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable law or court rules in such courts. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY MATTER ARISING OUT OF, RELATING TO, OR CONNECTED WITH THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER.

6.5 **Assignment: Successors and Assigns.** Neither the Consultants nor the Company may make any direct or indirect assignment or subcontracting of this Agreement or any interest herein, by operation of laws or otherwise, without the prior written consent of the other party; provided that the Company shall assign its rights and obligations under this Agreement to any corporation, partnership, organization or other entity in the event that the Company shall effect a reorganization, consolidate with or merge into such other corporation, partnership, organization or other entity, or transfer all or substantially all of its properties or assets to such other corporation, partnership, organization or other entity. This Agreement shall inure to the benefit of and be binding upon the Company and each Consultant, and their respective heirs, personal representatives, executors, legal representatives, successors and permitted assigns.

6.6 **Waiver.** The waiver by any party hereto of the other party's prompt and complete performance or breach or violation of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation, and the waiver by any party hereto to exercise any right or remedy which he or it may possess shall not operate nor be construed as the waiver of such right or remedy by such party or as a bar to the exercise of such right or remedy by such party upon the occurrence of any subsequent breach or violation.

6.7 **Severability.** The invalidity of any one or more of the words, phrases, sentences, clauses, sections or subsections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses, sections or subsections contained in this Agreement shall be declared invalid by a court of competent jurisdiction, then this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, section or sections, or subsection or subsections had not been inserted.

6.8 **Attorneys Fees**. In the event that any dispute shall arise between the Company and the Consultants based, in whole or in part, upon this Agreement or any provisions contained herein, the prevailing party in any dispute shall be entitled to recover from the non-prevailing party, and shall be awarded by a court of competent jurisdiction, any and all reasonable fees and disbursements of counsel paid, incurred or suffered by such prevailing party as the result of, arising from, or in connection with, any such dispute.

6.9 **Compliance with Legal Requirements.** The Company shall not be required, by reason of this Agreement, to provide workers' compensation, disability insurance, Social Security or unemployment compensation coverage nor any other statutory benefit to any of the Consultants. Each Consultant shall comply at such Consultant's expense with all applicable provisions of workers' compensation laws, unemployment compensation laws, federal Social Security law, the Fair Labor Standards Act, federal, state and local income tax laws, and all other applicable federal, state and local laws, regulations and codes relating to terms and conditions of employment required to be fulfilled by employers or independent contractors.

6.10 **Gender and Number.** Wherever the context shall so require, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural and all plural words shall include the singular.

6.11 **Section Headings.** The section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of any or all of the provisions of this Agreement.

6.12 **No Third Party Beneficiary other than Company.** Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm, corporation, partnership, association or other entity, other than the parties hereto and each of their respective heirs, personal representatives, legal representatives, successors and assigns, any rights or remedies under or by reason of this Agreement.

6.13 **Noncontravention.** Each of the Consultants expressly agrees and represents that the Services to be performed by such Consultant pursuant hereto are not and shall not be in contravention of any other agreement or arrangement by which such Consultant is or may hereafter be bound.

6.14 **Counterparts; Facsimile**. This Agreement may be executed in multiple counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same instrument. Any signature page delivered by facsimile or PDF signature shall be binding to the same extent as an original signature page with regard to any agreement subject to the terms hereof or any amendment thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party who requests it.

6.15 **Right to Consult with Counsel; No Drafting Party**. Each Consultant acknowledges having read and considered all of the provisions of this Agreement carefully, and having had the opportunity to consult with counsel of such Consultant's own choosing, and, given this, such Consultant agrees that the obligations created hereby are not unreasonable. Each Consultant acknowledges that such Consultant has had an opportunity to negotiate any and all of these provisions and no rule of construction shall be used that would interpret any provision in favor of or against a party on the basis of who drafted the Agreement.

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

THE COMPANY:

ROSELAND MANAGEMENT SERVICES, L.P.

By: Roseland Services, L.L.C., its general partner

By: MC Roseland TRS Operating 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

THE CONSULTANTS:

/s/ Carl Goldberg
CARL GOLDBERG

/s/ Devra Goldberg
DEVRA GOLDBERG

Schedule I

Description of Services

Executive-level assistance to obtain for the Company and/or its affiliates land use approvals or other governmental permits in connection with the development of multi-family or office-service, flex, office or other projects, and otherwise interacting with governmental authorities on behalf of the Company and/or its affiliates to further their respective business interests with such authorities.

Exhibit A

Release

Reference is made to that certain Consulting Agreement entered into as of July 18, 2014 ("Agreement") by and between the undersigned and Roseland Management Services, L.P. (the "Company"). Capitalized terms used in this Release and not defined herein shall have the meaning assigned to them in the Agreement.

The undersigned was an employee of the Company until October 23, 2014 (the "Employment Termination Date"). The undersigned acknowledges that the undersigned left her employment at her own volition in order to enter into and receive the rights and benefits provided to the undersigned under the Agreement. In consideration for the company entering into the Agreement with the undersigned and the covenants undertaken pursuant to the Agreement, including, without limitation, the payments set forth in Article II of the Agreement, the undersigned hereby waives, releases and forever discharges (i) the Company and any of its predecessors, parents, subsidiaries, affiliates, and related companies, and all of its and/or their respective past and present parents, subsidiaries, affiliates, (ii) the respective past and present directors, officers and employees of the foregoing entities, and to the extent related to activities of the foregoing entities, the respective insurers, attorneys, representatives and agents of the foregoing entities, and (iii) all of the respective successors and assigns of the foregoing entities (individually and collectively "Company Releasees") from and with respect to any and all legally waivable claims, grievances, injuries, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, by contract, tort or pursuant to federal, state or local statute, regulation, ordinance or common law, which the undersigned now has, ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to the undersigned, from the beginning of time until the Employment Termination Date. Without limiting the generality of the foregoing, this waiver, release, and discharge includes any claim or right asserted or which could have been asserted by the undersigned against the Company or any Company Releasee and/or based upon or arising under any federal, state or local tort, fair employment practices, equal opportunity, or wage and hour laws, including, but not limited to, the common law of the State of New York and the State of New Jersey, Title VII of the Civil Rights Act of 1964, the New York State Human Rights Law, the New York City Human Rights Law, the Americans with Disabilities Act, the Age Discrimination in Employment Act, 42 U.S.C. Section 1981, the Equal Pay Act, the Fair Labor Standards Act, the New York Labor Law, the New Jersey Law Against Discrimination, the New Jersey Wage and Hour Law, the New Jersey Family Leave Act, the New Jersey Conscientious Employee Protection Act and the Employee Retirement Income Security Act, including all amendments thereto.

Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by the undersigned of: (i) any claim or right that may first arise after the Employment Termination Date; (ii) any claim or right of the undersigned under the Agreement; or (iii) any 401(k) benefits or other vested benefits due to the undersigned pursuant to the terms and conditions of any employee benefit plan of the Company or its affiliates in which the undersigned was a participant on or prior to the Employment Termination Date.

/s/ Devra Goldberg
Devra Goldberg

Exhibit 31.1

MACK-CALI REALTY CORPORATION
Certification

I, Mitchell E. Hersh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying 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: July 23, 2014

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

Exhibit 31.2

MACK-CALI REALTY CORPORATION
Certification

I, Anthony Krug, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mack-Cali Realty Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying 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:	July 23, 2014	By:	/s/ Anthony Krug
			Anthony Krug
			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 Quarterly Report on Form 10-Q of Mack-Cali Realty Corporation (the “Company”) for the quarterly period ended June 30, 2014, 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 Anthony Krug, 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: July 23, 2014

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

Date: July 23, 2014

By: /s/ Anthony Krug
Anthony Krug
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.