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

FORM 10-Q

(Mark One)

|X| QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1998

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 Number)

11 Commerce Drive, Cranford, New Jersey 07016-3501
(Address of principal executive office)
(Zip Code)

(908) 272-8000
(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 twelve (12) months (or such shorter period that the Registrant was required to file such report) YES |X| NO |_| and (2) has been subject to such filing requirements for the past ninety (90) days YES |X| NO |_|

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of April 30, 1998, there were 56,977,190 shares of $0.01 par value common stock outstanding.

MACK-CALI REALTY CORPORATION

Form 10-Q

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MACK-CALI REALTY CORPORATION

Part I - Financial Information

Item I: Financial Statements

The accompanying unaudited consolidated balance sheets, statements of operations, of stockholders' equity, and of cash flows and related notes, 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 the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.

The results of operations for the three month period ended March 31, 1998 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)

ASSETS	March 31, 1998	December 31, 1997
Rental property		
Land	$ 461,368	$ 374,242
Buildings and improvements	2,567,225	2,206,462
Tenant improvements	50,708	44,596
Furniture, fixtures and equipment	4,650	4,316
	3,083,951	2,629,616
Less - accumulated depreciation and amortization	(118,567)	(103,133)
Total rental property	2,965,384	2,526,483
Cash and cash equivalents	11,717	2,704
Investment in partially-owned entity	18,034	--
Unbilled rents receivable	30,641	27,438
Deferred charges and other assets, net	21,672	18,989
Restricted cash	6,791	6,844
Accounts receivable, net of allowance for doubtful accounts of $493 and $327	3,826	3,736
Mortgage notes receivable	27,250	7,250
Total assets	$3,085,315	$2,593,444
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgages and loans payable	$1,207,592	$ 972,650
Dividends and distributions payable	35,139	28,089
Accounts payable and accrued expenses	31,510	31,136

Rents received in advance and security deposits	29,651	21,395
Accrued interest payable	1,935	3,489
Total liabilities	1,305,827	1,056,759
Minority interest of unitholders in Operating Partnership	404,830	379,245
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, 5,000,000 shares authorized, none issued		
Common stock, $0.01 par value, 190,000,000 shares authorized, 55,835,686 and 49,856,289 shares outstanding	558	499
Additional paid-in capital	1,463,460	1,244,883
Dividends in excess of net earnings	(89,360)	(87,942)
Total stockholders' equity	1,374,658	1,157,440
Total liabilities and stockholders' equity	$3,085,315	$2,593,444

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)

	Three Months Ended March 31,	
REVENUES	1998	1997
Base rents	$ 92,916	$42,791
Escalations and recoveries from tenants	10,357	6,612
Parking and other	2,006	1,544
Interest income	544	1,208
Total revenues	105,823	52,155
EXPENSES		
Real estate taxes	10,073	5,433
Utilities	8,301	3,725
Operating services	12,693	6,416
General and administrative	6,196	3,173
Depreciation and amortization	16,231	7,493
Interest expense	18,480	7,820
Total expenses	71,974	34,060
Income before minority interest	33,849	18,095
Minority interest	7,306	1,636
Net income	$ 26,543	$ 16,459
Basic earnings per share	$ 0.52	$ 0.45
Diluted earnings per share	$ 0.51	$ 0.44
Dividends declared per common share	$ 0.50	$ 0.45
Basic weighted average shares outstanding	51,363	36,461
Diluted weighted average shares outstanding	58,682	40,817

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

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

<TABLE>
<CAPTION>

		Retained Earnings	
	Additional	(Dividends in	Total

	Common Stock Shares	Par Value	Paid-In Capital	Excess of Net Earnings)	Stockholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1998	49,856	$499	$1,244,883	$(87,942)	$1,157,440
Net income	--	--	--	26,543	26,543
Dividends	--	--	--	(27,961)	(27,961)
Net proceeds from common stock offerings	5,856	58	215,726	--	215,784
Conversion of Units to shares of common stock	22	--	848	--	848
Proceeds from stock options exercised	102	1	2,003	--	2,004
Balance at March 31, 1998	55,836	$558	$1,463,460	$(89,360)	$1,374,658

</TABLE>

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)

<TABLE>
<CAPTION>

CASH FLOWS FROM OPERATING ACTIVITIES	Three Months Ended March 31, 1998	1997
<S>	<C>	<C>
Net income	$ 26,543	$ 16,459
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,231	7,493
Amortization of deferred financing costs	254	271
Minority interest	7,306	1,636
Changes in operating assets and liabilities:		
Increase in unbilled rents receivable	(3,203)	(1,606)
Increase in deferred charges and other assets, net	(3,790)	(1,665)
Increase in accounts receivable, net	(34)	(1,508)
Increase in accounts payable and accrued expenses	374	6,585
Increase in rents received in advance and security deposits	8,256	4,827
Decrease in accrued interest payable	(1,554)	(954)
Net cash provided by operating activities	$ 50,383	$ 31,538
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to rental property	$(406,659)	$(230,429)
Issuance of mortgage note receivable	(20,000)	(11,600)
Investment in partially-owned entity	(18,034)	--
Decrease (increase) in restricted cash	53	(170)
Net cash used in investing activities	$(444,640)	$(242,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgages and loans payable	$ 419,851	$ 47,195
Repayments of mortgages and loans payable	(205,514)	(19,299)
Repurchase of common units	(766)	--
Net proceeds from common stock offerings	215,784	--
Proceeds from stock options exercised	2,004	2,297
Payment of dividends and distributions	(28,089)	(17,554)
Net cash provided by financing activities	$ 403,270	$ 12,639
Net increase (decrease) in cash and cash equivalents	$ 9,013	$(198,022)
Cash and cash equivalents, beginning of period	2,704	204,807
Cash and cash equivalents, end of period	$ 11,717	$ 6,785

</TABLE>

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

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share amounts)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Mack-Cali Realty Corporation, a Maryland corporation, and subsidiaries (the "Company"), is a fully-integrated, self-administered, self-managed real estate investment trust ("REIT") providing leasing, management, acquisition, development, construction and tenant-related services for its properties. As of March 31, 1998, the Company owned and operated 227 properties and had a significant equity interest in another property (the "Properties"). The Properties aggregate approximately 25.2 million square feet, and are comprised of 216 office and office/flex buildings totaling approximately 24.8 million square feet, six industrial/warehouse buildings totaling approximately 387,000 square feet, two multi-family residential complexes consisting of 453 units, two stand-alone retail properties and two land leases. The Properties are located in 11 states, primarily in the Northeast and Southwest.

Basis of Presentation

The accompanying consolidated financial statements include all accounts of the Company and its majority-owned subsidiaries, which consist principally of Mack-Cali Realty, L.P. (the "Operating Partnership"). See Investment in Partially-owned Entity in Note 2 for the Company's treatment of unconsolidated partnership interests. All significant intercompany accounts and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

Rental Property

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition and development of rental properties are capitalized. Capitalized development costs include interest, property taxes, insurance and other project costs incurred during the period of construction. 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.

Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

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

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. Management does not believe that the value of any of its rental properties is impaired.

Investment in Partially-owned Entity

The Company acquired a 50 percent interest in an office property in March 1998. The Company accounts for its investment in a partially-owned entity under the equity method of accounting as the Company exercises significant influence. This investment is recorded initially at cost, as Investment in Partially-Owned Entity, and subsequently adjusted for net equity in income

(loss) and cash contributions and distributions.

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 on a straight-line basis, which approximates the effective interest method, over the term of the related indebtedness. Amortization of such costs is included in interest expense and was $254 and $271 for the three months ended March 31, 1998 and 1997, respectively.

Deferred Leasing Costs — Costs incurred in connection with leases are capitalized and amortized on a straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Operating Partnership provide leasing services to the Properties and receive fees as compensation ranging from 0.667 percent to 2.667 percent of adjusted rents. For the three months ended March 31, 1998 and 1997, such fees, which are capitalized and amortized, approximated $577 and $206, respectively.

Revenue Recognition — The Company recognizes base rental revenue on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Parking revenue includes income from parking spaces leased to tenants. Rental income on residential property under operating leases having terms generally of one year or less is recognized when earned.

The Company receives reimbursements 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 11).

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 federal income tax to the extent it distributes at least 95 percent of its REIT taxable income to its shareholders and satisfies certain other requirements. REITs are subject to a number of organizational and operational requirements. 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.

Interest Rate Contracts — Interest rate contracts are utilized by the Company to reduce interest rate risks. The Company does not hold or issue derivative financial instruments for trading purposes.

The differentials to be received or paid under contracts designated as hedges are recognized in income over the life of the contracts as adjustments to interest expense. Gains and losses are deferred and amortized to interest expense over the remaining life of the associated debt to the extent that such debt remains outstanding.

Earnings Per Share — In accordance with the Statement of Financial Accounting Standards No. 128 ("FASB No. 128") 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 stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount.

Dividends and Distributions

Payable	The dividends and distributions payable at March 31, 1998 represents dividends payable to shareholders of record on April 3, 1998 (55,922,025 shares), distributions payable to minority interest common unitholders (6,789,352 common units) on that same date and preferred distributions to preferred unitholders (232,401 preferred units) for the first quarter 1998. The first quarter 1998 dividends and common unit distributions of $0.50 per share and per common unit, as well as the first quarter preferred unit distribution of $16.875 per preferred unit, were approved by the Board of Directors on March 18, 1998 and were paid on April 21, 1998.
Underwriting Commissions and Costs	Underwriting commissions and costs incurred in connection with the Company's stock offerings are reflected as a reduction of additional paid-in-capital.
Stock Options	The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB No. 25"). Under APB No. 25, compensation cost is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options, if any, is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted closing market price of the Company's stock on the business day preceding the grant date. Accordingly, no compensation cost has been recognized for the Company's stock option plans. The Company provides additional pro forma disclosures as required under Statement of Financial Accounting Standards No. 123, "Accounting for Stock- Based Compensation" ("FASB No. 123"). See Note 12.
Reclassifi-cations	Certain reclassifications have been made to prior period balances in order to conform with current period presentation.

3. ACQUISITIONS/TRANSACTIONS

On January 31, 1997, the Company acquired 65 properties ("RM Properties") from Robert Martin Company, LLC and affiliates ("RM") for a total cost of approximately $450,000. The cost of the transaction (the "RM Transaction") was financed through the assumption of $185,283 of mortgage indebtedness ("TIAA Mortgage"), the payment of approximately $220,000 in cash, substantially all of which was obtained from the Company's cash reserves, and the issuance of 1,401,225 common units, valued at $43,788. The RM Properties consist primarily of 54 office and office/flex properties, aggregating approximately 3.7 million square feet, and six industrial/warehouse properties, aggregating approximately 387,000 square feet.

In connection with the RM Transaction, the Company was granted a three-year option to acquire two properties (the "Option Properties"), under certain conditions, one of which was acquired in 1997 (see below). The purchase price for the remaining Option Property, under the agreement, is subject to adjustment based on different formulas and is payable in cash or common units. The Company holds a $7,250 mortgage loan ("RM Note Receivable") secured by the remaining Option Property (see Note 6).

On December 11, 1997, the Company acquired 54 office properties, aggregating approximately 9.2 million square feet, (the "Mack Properties") from the Mack Company and Patriot American Office Group (the "Mack Transaction"), pursuant to a Contribution and Exchange Agreement (the "Agreement"), for a total cost of approximately $1,102,024.

The total cost of the Mack Transaction was financed as follows: (i) $498,757 in cash made available from the Company's cash reserves and from the $200,000 Prudential Term Loan (see Note 7), (ii) $291,879 in debt assumed by the Company (the "Mack Mortgages"), (iii) the issuance of 1,965,886 common units valued at $66,373, (iv) the issuance of 15,237 Series A preferred units and 215,325 Series B preferred units, valued at $236,491 (collectively, the "Preferred Units"), (v) warrants to purchase 2,000,000 common units (the "Unit Warrants"), valued at $8,524, and (vi) the issuance of Contingent Units, as described below.

In addition, 2,006,432 contingent common units, 11,895 Series A contingent preferred units and 7,799 Series B contingent preferred units (collectively, the "Contingent Units") were issued as contingent non-participating units. Such Contingent Units have no voting, distribution or other rights until such time as they are redeemed into common units, Series A preferred units, and Series B preferred units, respectively. Redemption of such Contingent Units shall occur

upon the achievement of certain performance goals relating to certain of the Mack Properties, specifically the achievement of certain leasing activity.

On account of the achievement of certain of the performance goals during the three months ended March 31, 1998, certain of the Contingent Units were redeemed for a specified amount of common and preferred units (see Note 8).

With the completion of the Mack Transaction, the Cali Realty Corporation name was changed to Mack-Cali Realty Corporation, and the name of the Operating Partnership was changed from Cali Realty, L.P. to Mack-Cali Realty, L.P.

Additionally in 1997, the Company acquired 13 office and office/flex properties, aggregating 1,495,950 square feet, in nine separate transactions with separate sellers, for an aggregate cost of approximately $204,446. Such acquisitions were funded primarily with drawings on the Company's revolving credit facilities.

On January 23, 1998, the Company acquired 10 acres of vacant land in the Stamford Executive Park, located in Stamford, Fairfield County, Connecticut for approximately $1,338, which was funded from the Company's cash reserves. The vacant land, on which the Company plans to develop a 40,000 square-foot office/flex property, was acquired from RMC Development Co., LLC. In conjunction with the acquisition of the developable land, the Company signed a 15- year lease, on a triple-net basis, with a single tenant to occupy the entire property being developed.

On January 30, 1998, the Company acquired a 17-building office/flex portfolio, aggregating approximately 748,660 square feet located in the Moorestown West Corporate Center in Moorestown, Burlington County, New Jersey and in Bromley Commons in Burlington, Burlington County, New Jersey. The 17 properties were acquired for a total cost of approximately $47,452. The Company is under contract to acquire an additional four office/flex properties in the same locations. The Company also has an option to purchase a property following completion of construction and required lease-up for approximately $3,700. The purchase contract also provides the Company a right of first refusal to acquire up to six additional office/flex properties totaling 202,000 square feet upon their development and lease-up. The initial transaction was funded primarily from drawing on one of the Company's credit facilities as well as the assumption of mortgage debt with an estimated fair value of $8,354 (the "McGarvey Mortgages"). The McGarvey Mortgages currently have a weighted average annual effective interest rate of 6.24 percent and are secured by five of the office/flex properties acquired.

On February 2, 1998, the Company acquired 2115 Linwood Avenue, a 68,000 square-foot vacant office building located in Fort Lee, Bergen County, New Jersey. The building was acquired for approximately $5,164, which was made available from drawing on one of the Company's credit facilities.

On February 5, 1998, the Company acquired 500 West Putnam Avenue ("500 West Putnam"), a 121,250 square-foot office building located in Greenwich, Fairfield County, Connecticut. The property was acquired for a total cost of approximately $20,125, funded from drawing on one of the Company's credit facilities as well as the assumption of mortgage debt with an estimated fair value of $12,104 which bears interest at an annual effective interest rate of 6.52 percent.

On February 25, 1998, the Company acquired 10 Mountainview Road ("Mountainview"), a 192,000 square-foot office property, located in Upper Saddle River, Bergen County, New Jersey. The property was acquired for approximately $24,725, which was made available from proceeds received from the Company's February 1998 offering of common stock.

On March 12, 1998, the Company acquired 1250 Capital of Texas Highway South, a 270,703 square foot Class A office building in Austin, Travis County, Texas. The property was acquired for a total cost of approximately $37,062, which was made available from drawing on one of the Company's credit facilities.

On March 27, 1998, the Company acquired four office buildings, a daycare center, plus land parcels, and a 50 percent interest in another office building, all of such properties aggregating 875,000 square feet and located in the Prudential Business Campus office complex in Parsippany and East Hanover, Morris County, New Jersey. The properties were acquired for a total cost of approximately $175,856 million, which funds were made available from the Company's cash reserves (provided in part from the proceeds received in the sale of 2,705,628 shares of the Company's Common Stock pursuant to a Stock Purchase Agreement with The Prudential Insurance Company of America, Strategic Value Investors, LLC and Strategic Value Investors International, LLC) and from drawing on one of the Company's credit facilities.

Also, on March 27, 1998, the Company acquired ten office properties (the "Pacifica I Acquisition"), located in suburban Denver and Colorado Springs, Colorado, and 2.5 acres of vacant land, located in the Denver Tech Center, from Pacifica Holding Company ("Pacifica"), a private real estate owner and operator in Denver, Colorado, for a total cost of approximately $74,712. Such funds were

made available from drawing on one of the Company's credit facilities and the issuance of common units (see Note 8). The Pacifica I Acquisition was comprised of approximately 620,156 square feet of Pacifica's entire 1.4 million square-foot office portfolio, which consists of 19 office buildings and related operations. The Company currently is a party to a letter of intent to acquire the remaining nine office buildings, encompassing 742,973 square feet, from Pacifica for an aggregate purchase price of approximately $113,000.

On March 30, 1998, the Company acquired two office buildings, aggregating 308,215 square feet, in the Morris County Financial Center located in Parsippany, Morris County, New Jersey. The properties were acquired for a total cost of approximately $52,753, which was made available from drawing on one of the Company's credit facilities.

4. DEFERRED CHARGES AND OTHER ASSETS

	March 31, 1998	December 31, 1997
Deferred leasing costs	$ 22,662	$ 20,297
Deferred financing costs	3,669	3,640
	26,331	23,937
Accumulated amortization	(10,428)	(9,535)
Deferred charges, net	15,903	14,402
Prepaid expenses and other assets	5,769	4,587
Total deferred charges and other assets, net	$ 21,672	$ 18,989

5. RESTRICTED CASH

Restricted cash includes security deposits for the Company's residential properties and certain commercial 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:

	March 31, 1998	December 31, 1997
Escrow and other reserve funds	$ 1,552	$ 1,278
Security deposits	5,239	5,566
Total restricted cash	$6,791	$ 6,844

6. MORTGAGE NOTES RECEIVABLE

In connection with the RM Transaction on January 31, 1997, the Company provided a $11,600 non-recourse mortgage loan (the "RM Note Receivable") to entities controlled by the RM principals, bearing interest at an annual rate of 450 basis points over the one-month LIBOR. The RM Note Receivable, which is secured by the Option Properties and

guaranteed by certain of the RM principals, matures on February 1, 2000. In conjunction with the acquisition of one of the Option Properties on August 15, 1997, the sellers of the property, certain RM principals, prepaid $4,350 of the RM Note Receivable, leaving a remaining principal balance of $7,250 secured by the remaining Option Property.

On March 6, 1998, prior to the completion of the Pacifica I Acquisition, the Company provided a $20,000 mortgage loan to an entity controlled by certain principals of Pacifica. Such mortgage loan is secured by an office property in California. The mortgage note receivable bears interest at an annual rate of 9.25 percent and has a two-year term.

7. MORTGAGES AND LOANS PAYABLE

	March 31, 1998	December 31, 1997
TIAA Mortgage	$ 185,283	$ 185,283
Harborside Mortgages	150,000	150,000
CIGNA Mortgages	75,910	86,650
Mitsubishi Mortgages	72,204	72,204
Prudential Mortgages	61,669	62,205
Other Mortgages	99,937	88,474
Prudential Term Loan	200,000	200,000
Revolving Credit Facilities	356,751	122,100

Contingent Obligation	5,838	5,734
Total mortgages and loans payable	$1,207,592	$ 972,650

TIAA MORTGAGE

In connection with the RM Transaction, on January 31, 1997, the Company assumed a $185,283 non-recourse mortgage loan with Teachers Insurance and Annuity Association of America ("TIAA"), with interest only payable monthly at a fixed annual rate of 7.18 percent (the "TIAA Mortgage"). The TIAA Mortgage is secured and cross-collateralized by 43 of the RM Properties and matures on December 31, 2003. The Company, at its option, may convert the TIAA Mortgage to unsecured debt upon achievement by the Company of an investment credit rating of Baa3/BBB- or better. The TIAA Mortgage is prepayable in whole or in part subject to certain provisions, including yield maintenance.

HARBORSIDE MORTGAGES

In connection with the acquisition of Harborside Financial Center ("Harborside"), on November 4, 1996, the Company assumed existing mortgage debt and was provided seller-financed mortgage debt aggregating $150,000. The existing financing, with a principal balance of $104,059 as of March 31, 1998, bears interest at a fixed rate of 7.32 percent for a term of approximately nine years. The seller-provided financing, with a principal balance of $45,941 as of March 31, 1998, also has a term of approximately nine years and initially bears interest at a rate of 6.99 percent. The interest rate on the seller-provided financing will be reset at the end of the third and sixth loan years based on the yield of the three-year treasury obligation at that time, with spreads of 110 basis points in years four through six and 130 basis points in years seven through maturity.

CIGNA MORTGAGES

In connection with the Mack Transaction, the Company assumed non-recourse mortgage debt (the "CIGNA Mortgages") aggregating $75,910 in principal as of March 31, 1998, with Connecticut General Life Insurance Company (CIGNA). Such mortgages, which are secured by five of the Mack Properties, bear interest at a weighted average fixed rate of 7.68 percent and require monthly payments of interest and principal on various term amortization schedules. The various mortgages mature between October 1998 and October 2003.

In April 1998, simultaneous with the Company obtaining the $150,000 Prudential Mortgage Loan, as described below, the Company retired one of the CIGNA Mortgages with a principal balance of $27,835.

MITSUBISHI MORTGAGES

In connection with the Mack Transaction, the Company assumed non-recourse variable-rate mortgage debt (the "Mitsubishi Mortgages") aggregating $72,204 in principal as of December 31, 1997 with Mitsubishi Trust and Banking Corporation. Such mortgages, which are secured by two of the Mack Properties, bear interest at a variable rate of 65 basis points over LIBOR (5.6875 percent at March 31, 1998) and mature between January 2008 and January 2009.

PRUDENTIAL MORTGAGES

The Company has mortgage debt (the "Prudential Mortgages") aggregating $61,669 in principal as of March 31, 1998 with Prudential Insurance Company of America, substantially all of which was assumed in the Mack Transaction. Such mortgages, which are secured by three properties, bear interest at a weighted average fixed rate of 8.43 percent, all of which require monthly payments of interest. Certain of the Prudential Mortgages require monthly payments of principal, in addition to interest, on various term amortization schedules. The Prudential Mortgages mature between October 2003 and July 2004.

OTHER MORTGAGES

The Company has mortgage debt ("Other Mortgages") aggregating $99,937 in principal as of March 31, 1998 with eight different lenders, which were assumed in the Mack Transaction and the 1998 acquisitions of the McGarvey Properties and 500 West Putnam, and are secured by 14 individual properties. The Other Mortgages are comprised of: (i) fixed rate debt aggregating $80,723, which bears interest at a weighted average effective rate of 6.89 percent, and require monthly payments of principal and interest on various term amortization schedules, and (ii) variable rate debt aggregating $19,214, which bears interest at 115 basis points over LIBOR. The Other Mortgages mature between February 1999 and October 2010.

In April 1998, simultaneous with the Company obtaining the $150,000 Prudential Mortgage Loan, as described below, the Company retired $20,338 of the Other Mortgages.

PRUDENTIAL TERM LOAN

On December 10, 1997, the Company obtained a $200,000 term loan from Prudential Securities Corp. ("PSC") the "Prudential Term Loan." The proceeds of the loan were used to fund a portion of the cash consideration in completion of the Mack Transaction. The loan has a one-year term and interest payments are required monthly at an interest rate of 110 basis points over one-month LIBOR. The loan is a recourse loan secured by 11 properties owned by the Company and located in New Jersey. The Prudential Term Loan was subsequently retired in April 1998, simultaneous with the Company obtaining the $150,000 Prudential Mortgage Loan, as described below.

REVOLVING CREDIT FACILITIES

Prudential Facility

The Company has a revolving credit facility (the "Prudential Facility") from PSC in the amount of $100,000 which currently bears interest at 110 basis points over one-month LIBOR, and matures on March 31, 1999. The Prudential Facility is a recourse liability of the Operating Partnership and is secured by the Company's equity interest in Harborside. The terms of the Prudential Facility include certain restrictions and covenants that limit, among other things, dividend payments and additional indebtedness and that require compliance with specified financial ratios and other financial measurements. The Company had no outstanding borrowings at March 31, 1998 and December 31, 1997 under the Prudential Facility.

Original Unsecured Facility

On August 6, 1997, the Company obtained an unsecured revolving credit facility (the "Original Unsecured Facility") in the amount of $400,000 from a group of 13 lender banks. The facility carries a three-year term and bears interest at 125 basis points over one-month LIBOR.

The terms of the Original Unsecured Facility included certain restrictions and covenants which limit, among other things, dividend payments and additional indebtedness and which required compliance with specified financial ratios and other financial measurements. The facility also required a fee on the unused balance payable quarterly in arrears, at a rate ranging from one-eighth of one percent to one-quarter of one percent of such balance, depending on the level of borrowings outstanding in relation to the total facility commitment.

The Company had outstanding borrowings of $356,751 and $122,100 at March 31, 1998 and December 31, 1997, respectively, under the Original Unsecured Facility. The Original Unsecured Facility was subsequently repaid and retired in connection with the Company obtaining the 1998 Unsecured Facility in April 1998, as described below.

1998 Unsecured Facility

On April 17, 1998, the Company repaid in full and terminated the Original Unsecured Facility and obtained a new unsecured revolving credit facility (the "1998 Unsecured Facility") in the amount of $870,000 from a group of 25 lender banks, led by The Chase Manhattan Bank and Fleet National Bank. The 1998 Unsecured Facility has a three-year term and currently bears interest at 110 basis points over LIBOR, a reduction of 15 basis points from the retired

Original Unsecured Facility. Based upon the Company's achievement of an investment grade long-term unsecured debt rating, the interest rate will be reduced, on a sliding scale, and a competitive bid option will become available.

The terms of the 1998 Unsecured Facility include certain restrictions and covenants which limit, among other things, dividend payments and additional indebtedness and which require compliance with specified financial ratios and other financial measurements. The 1998 Unsecured Facility also requires a 17.5 basis point fee on the unused balance payable quarterly in arrears.

The lending group for the 1998 Unsecured Facility consists of: The Chase Manhattan Bank, as administrative agent; Fleet National Bank, as syndication agent; PNC Bank, N.A., as documentation agent; Bankers Trust, Commerzbank, AG, The First National Bank of Chicago, First Union National Bank and NationsBank, as managing agents; Creditanstalt Corporate Finance, Inc., Dresdner Bank, AG, European American Bank (EAB), Hypo Bank, Societe Generale and Summit Bank, as co-agents; and Kredietbank, N.V., Key Bank, Mellon Bank, N.A., The Bank of New York, Citizens Bank, Crestar, DG Bank, Tokai Bank, US Trust, Bayerische Landesbank and Erste Bank.

$150,000 PRUDENTIAL MORTGAGE LOAN

On April 30, 1998, the Company obtained a $150,000, interest-only mortgage loan from The Prudential Insurance Company of America with a seven-year term. The mortgage loan, which is secured by 12 of the Company's Properties, has an effective annual interest rate of 7.1 percent, and includes a conversion feature whereby the Company, upon receiving an investment-grade credit rating, will have the option to convert the loan into senior unsecured debt.

The proceeds of the new loan were used, along with funds drawn from one of the Company's credit facilities, to retire the Prudential Term Loan, as well as approximately $48,200 of the Mack Mortgages.

CONTINGENT OBLIGATION

As part of the Harborside acquisition, the Company agreed to make payments (with an estimated net present value of approximately $5,252 at acquisition date) to the seller for development rights ("Contingent Obligation") if and when the Company commences construction on the acquired site during the next several years. However, the agreement provides, among other things, that even if the Company does not commence construction, the seller may nevertheless require the Company to acquire these rights during the six-month period after the end of the sixth year. After such period, the seller's option lapses, but any development in years 7 through 30 will require a payment, on an increasing scale, for the development rights. For the quarter ended March 31, 1998, interest was imputed on the Contingent Obligation, thereby increasing the balance of the Contingent Obligation to $5,838 as of March 31, 1998.

INTEREST RATE CONTRACTS

On May 24, 1995, the Company entered into an interest rate swap agreement with a commercial bank. The swap agreement fixes the Company's one-month LIBOR base to a fixed 6.285 percent per annum on a notional amount of $24,000 through August 1999.

On January 23, 1996, the Company entered into another interest rate swap agreement with a commercial bank. This swap agreement has a three-year term and a notional amount of $26,000, which fixes the Company's one-month LIBOR base to 5.265 percent per annum.

The Company is exposed to credit loss in the event of non-performance by the other parties to the interest rate contracts. However, the Company does not anticipate non-performance by any of its counterparties.

CASH PAID FOR INTEREST & INTEREST CAPITALIZED

Cash paid for interest for the three ended month ended March 31, 1998 and 1997 was $20,302 and $8,503, respectively. Interest capitalized by the Company for the three month ended March 31, 1998 and 1997 was $201 and none, respectively.

8. MINORITY INTEREST

Minority interest in the accompanying consolidated financial statements relates to common units in the Operating Partnership, in addition to certain preferred units issued in the Mack Transaction, held by parties other than the Company. Preferred and common units issued in 1997 and the three months ended March 31, 1998 are described in Note 3.

Preferred Units

As described in Note 3, in connection with the funding of the Mack Transaction, the Company issued 15,237 Series A Preferred Units and 215,325 Series B Preferred Units, with an aggregate value of $236,490. The Preferred Units have a stated value of $1,000 per unit and are preferred as to assets over any class of common units or other class of preferred units of the Company, based on circumstances per the applicable unit certificates.

The quarterly distribution on each Preferred Unit (representing 6.75 percent of the Preferred Unit stated value of $1,000 on an annualized basis) is an amount equal to the greater of (i) $16.875 or (ii) the quarterly distribution attributable to a Preferred Unit determined as if such unit had been converted into common units, subject to adjustment for customary anti-dilution rights. Each of the Series A Preferred Units may be converted at any time into common units at a conversion price of $34.65 per unit, and, after the one year anniversary of the date of the Series A Preferred Units' initial issuance, common units received pursuant to such conversion may be redeemed into common stock. Each of the Series B Preferred Units may be converted at any time into common units at a conversion price of $34.65 per unit, and, after the three year anniversary of the date of the Series B Preferred Units' initial issuance, common units received pursuant to such conversion may be redeemed into common stock. Each of the common units are redeemable after one year for an equal number of shares of common stock.

The Preferred Units, issued in the Mack Transaction, are convertible into Common

Units at $34.65 per common unit, which is an amount less than the $39.0625 closing stock price on the date of closing of the Mack Transaction. Accordingly, the Company recorded, on December 11, 1997, the financial value ascribed to the beneficial conversion feature inherent in the Preferred Units upon issuance, which totaled $26,801 ($29,361, before allocation to minority common unitholders) and was recorded as beneficial conversion feature in stockholders' equity. The beneficial conversion feature was amortized in full as the Preferred Units were immediately convertible upon issuance; such amortization was included in minority interest for the year ended December 31, 1997.

During the three months ended March 31, 1998, the Company issued 1,839 additional Preferred Units (1,111 of Series A and 728 of Series B), valued at approximately $1,886, in connection with the achievement of certain performance goals at the Mack Properties in the redemption of an equivalent number of Contingent Units. Such Preferred Units carry the identical terms as those issued in the Mack Transaction.

Common Units

Certain individuals and entities own common units in the Operating Partnership. A common unit and a share of common stock of the Company have substantially the same economic characteristics in as much as they effectively share equally in the net income or loss of the Operating Partnership.

Common units are redeemable by the common unitholders at their option, subject to certain restrictions, on the basis of one common unit for either one share of common stock or cash equal to the fair market value of a share at the time of the redemption. The Company has the option to deliver shares of common stock in exchange for all or any portion of the cash requested. When a unitholder redeems a common unit, minority interest is reduced and the Company's investment in the Operating Partnership is increased.

During the three months ended March 31, 1998, a common unitholder in the operating partnership redeemed 20,000 common units and received $766 in cash from the Company. Additionally, certain other common unitholders redeemed an aggregate of 22,300 common units for an equivalent number of shares of common stock in the Company.

As described in Note 3, the Company issued an aggregate of 3,408,532 common units in 1997 in connection with the completion of the RM Transaction, the Mack Transaction and a 1997 single-property acquisition.

On March 26, 1998, in connection with the Pacifica I Acquisition, the Company issued 100,175 common units, valued at approximately $3,779.

During the three months ended March 31, 1998, the Company also issued 634,000 common units, valued at approximately $21,405, in connection with the achievement of certain performance goals at the Mack Properties in redemption of an equivalent number of contingent common Units.

Contingent Common & Preferred Units

In conjunction with the completion of the Mack Transaction, 2,006,432 contingent common units, 11,895 Series A contingent Preferred Units and 7,799 Series B contingent Preferred Units were issued as contingent non-participating units. Such Contingent Units have no voting, distribution or other rights until such time as they are redeemed into common units, Series A Preferred Units, and Series B Preferred Units, respectively. Redemption of such Contingent

Units shall occur upon the achievement of certain performance goals relating to certain of the Mack Properties, specifically the achievement of certain leasing activity. On account of certain of the performance goals having been achieved during the three months ended March 31, 1998, the Company redeemed 634,000 contingent common units and 1,839 contingent Preferred Units and issued an equivalent number of common and Preferred Units, as indicated above.

Unit Warrants

As described in Note 3, in connection with the funding of the Mack Transaction, the Company granted warrants to purchase 2,000,000 common units. The Unit Warrants are exercisable at any time after one year from the date of their issuance and prior to the fifth anniversary thereof at an exercise price of $37.80 per common unit.

Minority Ownership

As of March 31, 1998 and December 31, 1997, the minority interest common unitholders owned 10.8 percent (19.5 percent, including the effect of the conversion of Preferred Units into common units) and 10.9 percent (20.4 percent including the effect of the conversion of Preferred Units into common units) of the Operating Partnership, respectively (excluding any effect for the exercise of Unit Warrants).

9. EMPLOYEE BENEFIT PLAN

All employees of the Company who meet certain minimum age and period of service requirements are eligible to participate in a 401(k) defined contribution plan (the "Plan"). The Plan allows eligible employees to defer up to 15 percent of their annual compensation. The amounts contributed by employees are immediately vested and non-forfeitable. The Company, at management's discretion, may match employee contributions. No employer contributions have been made to date.

10. COMMITMENTS AND CONTINGENCIES

Tax Abatement Agreements

Grove Street Property

Pursuant to an agreement with the City of Jersey City, New Jersey, as amended, expiring in 2004, the Company is required to make payments in lieu of property taxes ("PILOT") on its property at 95 Christopher Columbus Drive, Jersey City, Hudson County, New Jersey. Such PILOT, as defined, is $1,267 per annum through May 31, 1999 and $1,584 per annum through May 31, 2004.

Harborside Financial Center Property

Pursuant to an agreement with the City of Jersey City, New Jersey obtained by the former owner of the Harborside property in 1988 and assumed by the Company as part of the acquisition of the property in November 1996, the Company is required to make PILOT payments on its Harborside property. The agreement, which commenced in 1990, is for a term of 15 years. Such PILOT is equal to two percent of Total Project Costs, as defined, in year one and increases by $75 per annum through year fifteen. Total Project Costs, as defined, are $148,712.

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 March 31, 1998 are as follows:

Period	Amount
April 1, 1998 to December 31, 1998	$ 240
1999	320
2000	320
2001	320
2002	320
Thereafter	17,851
Total	$19,371

Other Contingencies

On December 10, 1997, a Shareholder's Derivative Action was filed in Maryland Court on behalf of a shareholder. The complaint questioned certain executive compensation decisions made by the Company's Board of Directors in connection with the Mack Transaction. The Board's compensation decisions were discussed in the proxy materials distributed in connection with the Mack Transaction and were approved by in excess of 99 percent of the voting shareholders. Although the Company believes that this lawsuit was factually and legally baseless, the Company on May 4, 1998 agreed to a settlement pursuant to which it incurred a cost of $554, and agreed to certain changes to employment agreements of certain of its executive officers. The Company expects to incur an additional $196 in costs associated with defending this action. The Company provided for $750 at December 31, 1997 for this matter.

The Company is a defendant in other certain litigation arising in the normal course of business activities. Management does not believe that the resolution of these matters will have a materially adverse effect upon the Company.

11. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2020. Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.

12. STOCKHOLDERS' EQUITY

To maintain its qualification as a REIT, not more than 50 percent in value of the outstanding shares of the Company may be owned, directly or indirectly, by

five or fewer individuals at any time during the last half of any taxable year of the Company, other than its initial taxable year (defined to include certain entities), applying certain constructive ownership rules. To help ensure that the Company will not fail this test, the Company's Articles of Incorporation provide for, among other things, certain restrictions on the transfer of the 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 will demand 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.

On May 15, 1997, the stockholders approved an increase in the authorized shares of common stock in the Company to 190,000,000.

On October 15, 1997, the Company completed an underwritten public offer and sale of 13,000,000 shares (the "1997 Offering") of its common stock. The Company received approximately $489,116 in net proceeds (after offering costs) from the 1997 Offering. The Company used $160,000 of such proceeds to repay outstanding borrowings on its Original Unsecured Facility and the remainder of the proceeds to fund a portion of the purchase price of the Mack Transaction, for other potential acquisitions, and for general corporate purposes.

On February 25, 1998, the Company completed an underwritten public offer and sale of 2,500,000 shares of its common stock and used the net proceeds, which totaled approximately $92,194 (after offering costs) to pay down a portion of its outstanding borrowings under the Company's credit facilities and fund the acquisition of Moutainview (see Note 3).

On March 18, 1998, in connection with the acquisition of Prudential Business Campus, the Company completed an offer and sale of 2,705,628 shares of its common stock using the net proceeds of approximately $99,899 (after offering costs) in the funding of such acquisition. (see Note 3).

On March 27, 1998, the Company completed an underwritten public offer and sale of 650,407 shares of its common stock and used the net proceeds, which totaled approximately $23,690 (after offering costs) to pay down a portion of its outstanding borrowings under the Company's credit facilities.

Finally, on April 29, 1998, the Company completed an underwritten offer and sale of 994,228 shares of its common stock and used the net proceeds, which totaled approximately $34,650 (after offering costs) primarily to pay down a portion of its outstanding borrowings under the Company's credit facilities.

Stock Option Plans

In 1994, and as subsequently amended, the Company established the Cali Employee Stock Option Plan ("Employee Plan") and the Cali Director Stock Option Plan ("Director Plan") under which a total of 5,380,188 shares (subject to adjustment) of the Company's common stock have been reserved for issuance (4,980,188 shares under the Employee Plan and 400,000 shares under the Director Plan). Stock options granted under the Employee Plan in 1994 and 1995 become exercisable over a three-year period and those options granted under the Employee Plan in 1996 and 1997 become exercisable over a five-year period. All stock options granted under the Director Plan become exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years.

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

	Shares Under Options	Weighted Average Exercise Price
Outstanding at January 1, 1995	625,000	$17.23
Granted	230,200	17.69
Exercised	--	--
Lapsed or canceled	3,588	17.25
Outstanding at December 31, 1995	851,612	17.36
Granted	809,700	23.97
Exercised	126,041	17.25
Lapsed or canceled	7,164	19.52
Outstanding at December 31, 1996	1,528,107	20.86
Granted	2,126,538	37.35
Exercised	337,282	21.33
Lapsed or canceled	30,073	22.62
Outstanding at December 31, 1997	3,287,290	31.47
Granted	901,150	37.31

Exercised	101,062	19.81
Lapsed or canceled	344	30.40
Outstanding at March 31, 1998	4,087,034	$33.04
Options exercisable at December 31, 1997	1,432,027	$25.22
Options exercisable at March 31, 1998	1,340,965	$25.68
Available for grant at December 31, 1997	1,629,575	
Available for grant at March 31, 1998	728,769	

Stock Warrants

On January 31, 1997, in conjunction with the completion of the RM Transaction, the Company granted a total of 400,000 warrants to purchase an equal number of shares of common stock ("Stock Warrants") at $33 per share (the market price at date of grant) to Timothy Jones, Brad Berger and certain other Company employees formerly with RM. Such warrants vest equally over a three-year period and have a term of ten years.

On December 12, 1997, in conjunction with the completion of the Mack Transaction, the Company granted a total of 491,756 Stock Warrants to purchase an equal number of shares of common stock at $38.75 per share (the market price at date of grant) to Mitchell Hersh, and certain other Company executives formerly with the Patriot American Office Group. Such warrants vest equally over a five-year period and have a term of ten years.

Stock Compensation

In January 1997, the Company entered into employment contracts with seven of its key executives which provided for, among other things, compensation in the form of stock awards (the "Restricted Stock Awards") and Company-financed stock purchase rights (the "Stock Purchase Rights"), and associated tax obligation payments. In connection with the Restricted Stock Awards, the executives were to receive 199,070 shares of the Company's common stock vesting over a five-year period contingent on the Company meeting certain performance objectives. Additionally, pursuant to the terms of the Stock Purchase Rights, the Company provided fixed rate, non-recourse loans, aggregating $4,750, to such executives to finance their purchase of 152,000 shares of the Company's common stock, which the Company agreed to forgive ratably over five years, subject to continued employment. Such loans were for amounts equal to the fair market value of the associated shares at the date of grant. Subsequently, from April 18, 1997 through April 24, 1997, the Company

purchased, for constructive retirement, 152,000 shares of its outstanding common stock for $4,680. The excess of the purchase price over par value was recorded as a reduction to additional paid-in capital. Concurrent with this purchase, the Company sold to the Operating Partnership 152,000 Units for $4,680.

The value of the Restricted Stock Awards and the balance of the loans related to the Stock Purchase Rights at the grant date were recorded as unamortized stock compensation in stockholders' equity. As a result of provisions contained in certain of the Company's executive officers' employment agreements, which were triggered by the Mack Transaction on December 11, 1997, the loans provided by the Company under the Stock Purchase Rights were forgiven by the Company, and the vesting and issuance of the restricted stock issued under the Restricted Stock Awards was accelerated, and related tax obligation payments were made.

Earnings Per Share

FASB No. 128 requires a dual presentation of basic and diluted earnings per share ("EPS") on the face of the income statement for all companies with complex capital structures even where the effect of such dilution is not material. Basic EPS excludes dilution and is computed by dividing net income available to common stockholders 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 March 31, 1998, and 1997 in accordance with FASB No. 128.

	For the Three Months Ended March 31,			
	1998		1997	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS

Net income	$26,543	$26,543	$16,459	$16,459
Add: Net income attributable to potentially dilutive securities	--	3,395	--	1,636
Adjusted net income	$26,543	$29,938	$16,459	$18,095
Weighted average shares	51,363	58,682	36,461	40,817
Per Share	$ 0.52	$ 0.51	$ 0.45	$ 0.44

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

	1998	1997
Basic EPS Shares:	51,363	36,461
Add: Stock Options	612	533
Restricted Stock Awards	--	199
Stock Warrants	137	--
Operating Partnership Units	6,570	3,624
Diluted EPS Shares:	58,682	40,817

13. IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income ("FASB No. 130"), which establishes standards for the reporting and display of comprehensive income and its components. This statement requires a separate statement to report the components of comprehensive income for each period reported. The provisions of this statement are effective for fiscal years beginning after December 15, 1997. Management believes that there are no items that would require presentation in a separate statement of comprehensive income.

In June 1997, the FASB also issued Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information, ("FASB No. 131"), which establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and require that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. This

statement is effective for financial statements for annual periods beginning after December 15, 1997 and interim periods a year later, and requires that comparative information from earlier years be restated to conform to the requirements of this standard.

14. PRO FORMA FINANCIAL INFORMATION (unaudited)

The following proforma financial information for the three month periods ended March 31, 1998 and 1997 are presented as if the RM Transaction, the Mack Transaction and all other acquisitions and common stock offerings completed in 1997, and all acquisitions and common stock offerings completed during the three months ended March 31, 1998 had all occurred on January 1, 1997. In management's opinion, all adjustments necessary to reflect the effects of these transactions have been made.

This pro forma financial information is not necessarily indicative of what the actual results of operations of the Company would have been assuming such transactions had been completed as of January 1, 1997, nor do they represent the results of operations of future periods.

	Three Months Ended March 31,	
	1998	1997
Total revenues	$ 116,530	$ 116,554
Operating and other expenses	(34,470)	(35,779)
General and administrative	(6,600)	(6,070)
Depreciation and amortization	(17,982)	(16,910)
Interest expense	(22,753)	(24,469)
Income before minority interest and extraordinary item	34,725	33,326
Minority interest	(7,181)	(6,847)
Income before extraordinary item	$ 27,544	$ 26,479
Basic earnings per common share	$ 0.49	$ 0.48

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES

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.

The following comparisons for the three months ended March 31, 1998 ("1998"), as compared to the three months ended March 31, 1997 ("1997") make reference to the following: (i) the effect of the "Same-Store Properties," which represents all properties owned by the Company at December 31, 1996, (ii) the effect of the acquisition of the RM Properties on January 31, 1997, (iii) the effect of the acquisition of the Mack Properties on December 11, 1997, and (iv) the effect of the "Acquired Properties," which represents all properties acquired by the Company from January 1, 1997 through March 31, 1998, excluding RM and Mack.

Three Months Ended March 31, 1998 Compared to Three Months Ended March 31, 1997

Total revenues increased $53.7 million, or 102.9 percent, for 1998 over 1997. Base rents increased $50.1 million, or 117.1 percent, of which an increase of $8.5 million, or 19.9 percent, was attributable to the Acquired Properties, an increase of $5.5 million, or 12.8 percent, due to the RM Properties, an increase of $35.7 million, or 83.3 percent, due to the Mack Properties and an increase of $0.4 million, or 1.1 percent, due to occupancy and rental rate changes at the Same-Store Properties. Escalations and recoveries increased $3.8 million, or 56.6 percent, of which an increase of $1.1 million, or 16.5 percent, was attributable to the Acquired Properties, an increase of $0.5 million, or 6.5 percent, due to the RM Properties, and an increase of $2.3 million, or 34.9 percent, due to the Mack Properties, offset by a decrease of $0.1 million, or 1.3 percent, due to occupancy changes at the Same-Store Properties. Parking and other income increased $0.5 million, or 29.9 percent, of which $0.1 million, or 7.1 percent, was attributable to the RM Properties, $0.4 million, or 21.4 percent, due to the Mack Properties, and $0.1 million, or 8.7 percent, was attributable to the Acquired Properties, offset by a decrease of $0.1 million, or 7.3 percent, due to the Same-Store Properties. Interest income decreased $0.7 million, or 55.0 percent, due primarily to the use of the funds previously invested to fund the RM Transaction.

Total expenses for 1998 increased $37.9 million, or 111.3 percent, as compared to 1997. Real estate taxes increased $4.6 million, or 85.4 percent, for 1998 over 1997, of which an increase of $0.8 million, or 14.8 percent, was attributable to the Acquired Properties, an increase of $0.8 million, or 14.7 percent, due to the RM Properties, an increase of $2.9 million, or 53.2 percent, due to the Mack Properties, and an increase of $0.1 million, or 2.7 percent, attributable to the Same-Store Properties. Additionally, operating services increased $6.3 million, or 97.8 percent, and utilities increased $4.6 million, or 122.8 percent, for 1998 over 1997. The aggregate increase in operating services and utilities of $10.9 million, or 107.0 percent, consists of $1.8 million, or 17.6 percent, attributable to the Acquired Properties, an increase of $1.1 million, or 10.9 percent, due to the RM Properties, and an increase of $8.4 million, or 82.1 percent, due to the Mack Properties, offset by a decrease of $0.4 million, or 3.6 percent, attributable to the Same-Store Properties. General and administrative expense increased $3.0 million, or 95.3 percent, of which $2.0 million, or 64.3 percent, is due primarily to an increase in payroll and related costs as a result of the Company's expansion, $0.8 million, or 23.8 percent, due to additional costs related to the Mack Properties, and $0.2 million, or 7.2 percent, attributable to additional costs related to the RM Properties. Depreciation and amortization increased $8.7 million, or 116.6 percent, for 1998 over 1997, of which $1.5 million, or 20.8 percent, relates to depreciation on the Acquired Properties, an increase of $1.1 million, or 15.0 percent, attributable to the RM Properties, an increase of $5.6 million, or 74.5 percent, due to the Mack Properties, and an increase of $0.5 million, or 6.3 percent, due to the Same-Store Properties. Interest expense increased $10.7 million, or 136.3 percent, for 1998 over 1997, of which $1.1 million, or 14.2 percent, was attributable to the TIAA Mortgage, $0.2 million, or 2.6 percent, due to assumed mortgages on Acquired Properties, an increase of $5.3 million, or 67.5 percent, due to assumed mortgages from the Mack Properties, and an increase of $4.1 million, or 52.0 percent, due to net additional drawings from the Company's credit facilities as a result of Company acquisitions and the $200 million Prudential Term Loan obtained in December 1997, as well as changes in LIBOR.

Income before minority interest increased to $33.9 million in 1998 from $18.1 million in 1997. The increase of $15.8 million was due to the factors discussed above.

Net income increased $10.0 million for 1998, from $16.5 million in 1997 to $26.5 million in 1998. This increase was a result of an increase in income before

minority interest of $15.8 million, offset by an increase of $5.7 million in minority interest, primarily attributable to distributions on preferred units in 1998.

Liquidity and Capital Resources

Statement of Cash Flows

During the three months ended March 31, 1998, the Company generated $50.4 million in cash flows from operating activities, and together with $419.9 million in borrowings from the Company's credit facilities, $215.8 million in net proceeds from the Company's common stock offerings during the period, $2.7 million from the Company's cash reserves, and $2.0 million in proceeds from stock options exercised, used an aggregate of $690.8 million to acquire 39 properties and pay for other tenant improvements and building improvements for $406.7 million, repay outstanding borrowings on its credit facilities and other mortgage debt of $205.5 million, pay quarterly dividends and distributions of $28.1 million, provide $20.0 million for a mortgage note receivable, invest $18.0 million in a partially-owned entity, invest $11.7 of cash reserves in overnight investments, and repurchase 20,000 common units for $0.8 million.

Capitalization

On February 25, 1998, the Company completed an underwritten public offer and sale of 2,500,000 shares of its common stock and used the net proceeds, which totaled approximately $92.2 million (after offering costs) to pay down a portion of its outstanding borrowings under the Company's credit facilities and fund the acquisition of Moutainview (see Note 3 to the Financial Statements).

On March 18, 1998, in connection with the acquisition of Prudential Business Campus, the Company completed an offer and sale of 2,705,628 shares of its common stock using the net proceeds of approximately $99.9 million (after offering costs) in the funding of such acquisition (see Note 3 to the Financial Statements).

On March 26, 1998, in connection with the acquisition of certain properties from the Pacifica Holding Company, the Company issued 100,175 common units, valued at approximately $3.8 million.

On March 27, 1998, the Company completed an underwritten public offer and sale of 650,407 shares of its common stock and used the net proceeds, which totaled approximately $23.7 million (after offering costs) to pay down a portion of its outstanding borrowings under the Company's credit facilities.

During the three months ended March 31, 1998, the Company also issued 634,000 common units and 1,839 preferred units, valued at approximately $23.3 million, in connection with the achievement of certain performance goals at the Mack Properties, with an equivalent number of contingent common units being redeemed.

On April 29, 1998, the Company completed an underwritten offer and sale of 994,228 shares of its common stock and used the net proceeds, which totaled approximately $34.7 million (after offering costs) primarily to pay down a portion of its outstanding borrowings under the Company's credit facilities.

On April 17, 1998, the Company repaid in full and terminated its $400 million unsecured revolving credit facility, led by Fleet National Bank, and obtained a new unsecured revolving credit facility (the "1998 Unsecured Facility") in the amount of $870.0 million from a group of 25 lender banks, led by The Chase Manhattan Bank and Fleet National Bank. The 1998 Unsecured Facility has a three-year term and currently bears interest at 110 basis points over one-month LIBOR, a reduction of 15 basis points from the retired Original Unsecured Facility. Based upon the Company's achievement of an investment grade long-term unsecured debt rating, the interest rate will be reduced, on a sliding scale, and a competitive bid option will become available.

The terms of the 1998 Unsecured Facility include certain restrictions and covenants which limit, among other things, dividend payments and additional indebtedness and which require compliance with specified financial ratios and other financial measurements. The 1998 Unsecured Facility also requires a 17.5 basis point fee on the unused balance payable quarterly in arrears.

The lending group for the 1998 Unsecured Facility consists of: The Chase Manhattan Bank, as administrative agent; Fleet National Bank, as syndication agent; PNC Bank, N.A., as documentation agent; Bankers Trust, Commerzbank, AG, The First National Bank of Chicago, First Union National Bank and NationsBank, as managing agents; Creditanstalt Corporate Finance, Inc., Dresdner Bank, AG, European American Bank (EAB), Hypo Bank, Societe Generale and Summit Bank, as co-agents; and Kredietbank, N.V., Key Bank, Mellon Bank, N.A., The Bank of New York, Citizens Bank, Crestar, DG Bank, Tokai Bank, US Trust, Bayerische Landesbank and Erste Bank.

The new unsecured facility, together with the Company's previously-existing

$100.0 million revolving credit facility with Prudential Securities Corp., provides the Company with a total credit line borrowing capacity of $970.0 million.

On April 30, 1998, the Company obtained a $150.0 million, interest-only mortgage loan from The Prudential Insurance Company of America with a seven-year term. The mortgage loan, which is secured by 12 of the Company's Properties, has an effective annual interest rate of 7.1 percent, and includes a conversion feature whereby the Company, upon receiving an investment-grade credit rating, will have the option to convert the loan into senior unsecured debt.

The proceeds of the new loan were used, along with funds drawn from one of the Company's credit facilities, to pay off and retire a $200.0 million term loan with Prudential, as well as approximately $48.2 million in property mortgage loans assumed in the December 1997 Mack/Patriot transaction.

Following the completion of the $150.0 million secured loan with Prudential, the Company has 151 unencumbered properties, totaling 14.8 million square feet, representing 59.0 percent of the Company's total portfolio on a square footage basis.

Historically, rental revenue has been the principal source of funds to pay operating expenses, debt service and capital expenditures, excluding non-recurring capital expenditures. Management believes that the Company will have access to the capital resources necessary to expand and develop its business. To the extent that the Company's cash flow from operating activities is insufficient to finance its non-recurring capital expenditures such as property acquisition costs and other capital expenditures, the Company expects to finance such activities through borrowings under its credit facilities and other debt and equity financing.

The Company expects to meet its short-term liquidity requirements generally through its working capital and net cash provided by operating activities, along with the Prudential facility and the new unsecured credit facility, led by Chase and Fleet Bank. The Company is frequently examining potential property acquisitions and, at any one given time, one or more of such acquisitions may be under consideration. Accordingly, the ability to fund property acquisitions is a major part of the Company's financing requirements. The Company expects to meet its financing requirements through funds generated from operating activities, long-term or short term borrowings (including draws on the Company's credit facilities) and the issuance of debt securities or additional equity securities. In addition, the Company anticipates utilizing the Second Prudential Facility and the Unsecured Facility primarily to fund property acquisition activities.

The Company does not intend to reserve funds to retire the existing TIAA mortgage, Harborside mortgages, $150,000 Prudential mortgage loan, its various other property mortgages, and borrowings under the revolving credit facilities or other long-term mortgages and loans payable 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. The Company anticipates that its available cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs both in the short and long-term. However, if these sources of funds are insufficient or unavailable, the Company's ability to make the expected distribution discussed below may be adversely affected.

To maintain its qualification as a REIT, the Company must make annual distributions to its stockholders of at least 95 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 stockholders which, based upon current policy, in the aggregate would equal approximately $114.0 million on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would only be paid out of available cash after meeting both operating requirements and scheduled debt service on mortgages and loans payable.

Funds from Operations

The Company considers funds from operations, after adjustment for straight-lining of rents, one measure of REIT performance. Funds from operations is defined as net income (loss) before minority interest of unitholders (preferred), computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains (or losses) from debt restructuring, other extraordinary and significant non-recurring items, and sales of property, plus real estate-related depreciation and amortization. Funds from operations should not be considered as an alternative to net income as an indication of the Company's performance or to cash flows as a measure of liquidity.

NAREIT's definition of FFO indicates that the calculation should be made before any extraordinary item (determined in accordance with GAAP), and before any

deduction of significant non-recurring events that materially distort the comparative measurement of the Company's performance.

Funds from operations for the three months ended March 31, 1998 and 1997 as calculated in accordance with the National Association of Real Estate Investment Trusts' definition published in March 1995, are summarized in the following table (in thousands):

	Three Months Ended March 31,	
	1998	1997
Income before distribution to preferred unitholders and minority interest	$ 33,849	$ 18,095
Add: Real estate-related depreciation and amortization	16,120	7,479
Deduct: Rental income adjustment for straight-lining of rents	(3,203)	(1,607)
Funds from operations after adjustment for straight-lining of rents, before distributions to preferred unitholders	$ 46,766	$ 23,967
Deduct: Distribution to preferred unitholders	(3,911)	--
Funds from operations after adjustment for straight-lining of rents	$ 42,855	$ 23,967
Fully-converted weighted average shares outstanding (1)	64,621	40,085
Weighted average shares outstanding (2)	57,932	40,085

(1) Assumes redemption/conversion of all outstanding units (both preferred and common), calculated on a weighted average basis, for shares of common stock in the Company.
(2) Assumes redemption of all outstanding common units, calculated on a weighted average basis, for shares of common stock in the Company.

Inflation

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

Year 2000

Many computer systems experience problems handling dates beyond the year 1999. Therefore, some computer hardware and software will need to be modified prior to the year 2000 in order to remain functional. The Company is assessing both the internal readiness of its systems as well as the compliance of its vendors for the handling of the year 2000. The Company expects to implement successfully the systems and programming changes necessary to address year 2000 issues, and does not believe that the cost of such actions will have a material effect on the Company's results of operations or financial condition. There can be no assurance, however, that there will not be a delay in, or increased costs associated with, the implementation of such changes, and the Company's inability to implement such changes could have an adverse effect on future results of operations.

Disclosure Regarding Forward-Looking Statements

The Company considers portions of this information to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of The Securities Exchange Act of 1934. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not Appplicable.

PART II - Other Information

Item 1. Legal Proceedings

Reference is made to Other Contingencies in Footnote 10 (Commitments and Contingencies) to the consolidated financial Statements which is specifically incorporated by reference herein.

Item 2. Changes in Securities and Use of Proceeds

(c) Reference is made to the first and last paragraphs under Preferred Units, and the fourth, fifth and sixth paragraphs under Common Units in Footnote 8 (Minority Interest) to the Consolidated Financial Statements which are specifically incorporated by reference herein. Also specifically incorporated by reference herein are the first, fourth, fifth and sixth paragraphs in Footnote 3 (Acquisitions/Transactions) to the Consolidated Financial Statements.

Item 6 - Exhibits

The following exhibits are filed herewith:

Exhibit No.	Exhibit Title
10.145	Purchase and Sale Agreement by and between Sylvan Way L.L.C., as Seller, and Mack-Cali Realty Acquisition Corp., as Purchaser, dated February 4, 1998
10.146	Purchase and Sale Agreement by and between PRUBETA-3, as Seller, and Mack-Cali Realty Acquisition Corp., as Buyer, dated February 18, 1998
10.147	Second Amendment to Purchase and Sale Agreement by and between PRUBETA-3, as Seller, and Mack-Cali Realty Acquisition Corp., Parsippany Campus Realty Associates, L.P., and Mack-Cali Realty, L.P., as Buyers, dated March 27, 1998
10.148	Assignment and Assumption Agreement, dated March 27, 1998, by Equity Parsippany Venture, as Assignor, to Mack-Cali Realty Acquisition Corp., as Assignee
10.149	Asset Purchase Agreement, dated as of March 25, 1998, between Mack-Cali Realty, L.P., as Acquiror, and Pacifica Holding Company LLC, as Contributor
10.150	Contribution and Exchange Agreement, dated March 25, 1998, by and between Pacifica Progress/Union Limited Liability Company, as Contributor, and Mack-Cali Realty, L.P. and Mack-Cali Realty Corporation
10.151	Contribution and Exchange Agreement, dated March 26, 1998, by and among parties setforth herein, as Contributor, and Mack-Cali Realty, L.P. and Mack-Cali Realty Corporation [Pacifica Development Properties II]
10.152	Contribution and Exchange Agreement, dated March 25, 1998, by and among parties setforth herein, as Contributors, and Mack-Cali Realty, L.P. and Mack-Cali Realty Corporation [Centennial Valley - Park One]
10.153	Contribution and Exchange Agreement, dated March 25, 1998, by and among parties setforth herein, as Contributors, and Mack-Cali Realty, L.P. and Mack-Cali Realty Corporation [67 Inverness]
10.154	Contribution and Exchange Agreement, dated March 25, 1998, by and between Apollo/Pacifica Pyramid, LLC, as Contributor, and Mack-Cali Realty, L.P. and Mack-Cali Realty Corporation
10.155	Contribution and Exchange Agreement, dated March 25, 1998, by and between Pacifica 384 Inverness Partnership, as Contributor, and Mack-Cali Realty, L.P. and Mack-Cali Realty Corporation
10.156	Contribution and Exchange Agreement, dated March 25, 1998, by and between Pacifica Development Properties LLC, as Contributor, and Mack-Cali Realty, L.P. and Mack-Cali Realty Corporation
10.157	Indemnification Agreement, dated March 25, 1998, among Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Apollo Real Estate Investment Fund II, L.P., Pacifica Holding Company, L.L.C. and Pacifica Holding Company

10.158	Indemnification Agreement, dated March 25, 1998, among Mack-Cali

Realty Corporation, Mack-Cali Realty, L.P., Pacifica Holding Company, L.L.C. and Pacifica Holding Company.

10.159 Notice of Settlement of Derivative Action and Hearing on Proposed Settlement, dated April 2, 1998.

10.160 Revolving Credit Agreement among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties to This Agreement, dated April 16, 1998

10.161 Underwriting Agreement, dated April 23, 1998, between Mack-Cali Realty Corporation and Merrill Lynch, Pierce, Fenner and Smith Incorporated.

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: May 15, 1998

/s/ Thomas A. Rizk

Thomas A. Rizk
Chief Executive Officer

/s/ Barry Lefkowitz

Date: May 15, 1998
Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of the 4th day of February, 1998 (the "Effective Date"), by and between SYLVAN WAY L.L.C., a Virginia limited liability company, ("Seller"), and MACK - CALI REALTY ACQUISITION CORP., a Delaware corporation ("Purchaser").

WITNESSETH:

In consideration of the mutual covenants and agreements set forth herein the parties hereto do hereby agree as follows:

ARTICLE 1- SALE OF PROPERTY

Seller agrees to sell, transfer and assign and Buyer agrees to purchase, accept and assume, subject to the terms and conditions stated herein, all of Seller's right, title and interest in and to the following (herein collectively called the "Property"):

1.1 Real Property. That certain parcel of real estate consisting of #'s 1 and 5 Sylvan Way, and a branch bank building, located in Morris County Financial Center, Parsippany, New Jersey, and legally described in Exhibit A attached hereto and incorporated herein by this reference, together with all buildings, improvements and fixtures located thereon and all rights, privileges and appurtenances pertaining thereto including all of Seller's right, title and interest in and to all rights-of-way, open or proposed streets, alleys, easements, strips or gores of land adjacent thereto (herein collectively called the "Real Property"); and

1.2 Personal Property. All tangible personal property owned by Seller (excluding any computer or computer equipment and software owned by Seller or Seller's property manager), located on the Real Property, and used in the ownership, operation and maintenance of the Real Property as shown on Exhibit Q hereto, and all nonconfidential books, records and files (excluding appraisals, budgets, Seller's strategic plans for the Property, internal analyses, marketing information, submissions relating to Seller's obtaining of corporate authorization, attorney and accountant work product, or other information in the possession or control of Seller or Seller's property manager which Seller deems proprietary) relating to the Real Property (herein collectively called the "Personal Property"); and

1.3 Other Property Rights. (a) Seller's interest as landlord in all leases encumbering the Real Property on the Closing Date (as defined in Section 6.1); (b) if and to the extent assignable by Seller, (i) all service, supply, maintenance, utility and

commission agreements, all equipment leases, and all contracts, subcontracts and agreements relating to the construction of any unfinished tenant improvements, to the extent described in Exhibit B attached hereto and incorporated herein by this reference, and (ii) all licenses, permits and other written authorizations necessary for the use, operation or ownership of the Real Property or Personal Property and in Seller's possession or control and (c) all rights of Seller (if any) to the names "One Sylvan Way," "Five Sylvan Way" and "Morris County Financial Center", to the extent such rights are assignable without expense to Seller (it being acknowledged by Buyer that Seller does not have exclusive rights to use such name and that Seller has not registered the same in any manner) (the rights and interests of Seller described in clauses (b) and (c) hereinabove being herein collectively called the "Other Property"). All of the Other Property and Personal Property, if any, to the extent that such items exist and are in the possession of Seller, shall be conveyed to Buyer by quitclaim bill of sale, without any warranty of title whatsoever. All of the foregoing items purchased under this Agreement shall be hereinafter sometimes referred to collectively as the "Property." The Property is being sold in an "AS IS" condition and "WITH ALL FAULTS" as of the date of this Agreement and of Closing (as defined herein).

ARTICLE 2 - PURCHASE PRICE

The total purchase price to be paid by Buyer for the purchase of the Property is the sum of FIFTY TWO MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS ($52,800,000) in immediately available funds (the "Purchase Price"). Buyer understands that Chase Manhattan may possess a right of first refusal to acquire the branch banking facility and ingress and egress rights (the "Bank Property") and that Seller intends to give Chase Manhattan notice and an opportunity to exercise those rights. Buyer and Seller agree that the value of the Bank Property is $1,250,000 and that if Chase Manhattan elects to acquire the Bank Property, the Property shall automatically be diminished by the subtraction of

the Bank Property from the whole and the Purchase Price of the so-diminished Property shall be reduced by $1,250,000. If Chase Manhattan elects to acquire the Bank Property the Buyer agrees that it will nevertheless Close on the remainder of the Property for the reduced Purchase Price as aforesaid, subject of course to Buyer's other rights to terminate this Agreement and not Close.

The Purchase Price shall be paid in the following manner:

2.1 Deposit Money. Upon execution and delivery of this Agreement and as a condition precedent to the effectiveness of this Agreement, Buyer shall also deliver a certified or cashier's check in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) payable to the Title Company identified in paragraph 3.1 hereof, as a deposit (the "Deposit") whose street address is 81 Main Street, White Plains, NY,10601, Attention: Anthony Ruggeri, Vice President, as

escrow agent ("Escrow Agent"). Concurrently with countersigning this Agreement, Seller shall forward the check to the Title Company. The Deposit shall be held and delivered by Escrow Agent in accordance with the provisions of Article 12. Any interest earned on the Deposit shall be considered a part of the Deposit. Except as otherwise set forth herein, the Deposit shall be applied against the Purchase Price on the Closing Date. Escrow Agent is to deposit the Deposit in a federally-insured bank. The parties acknowledge that only $100,000 of the Deposit will be federally insured. (Note: Upon the Buyer selecting the Title Company described in Section 3.1 hereof, Escrow Agent will transfer the Deposit to the Title Company provided that the Title Company will concurrently execute a writing similar to the signature block for Escrow Agent undertaking to hold the Deposit in accordance with the provisions of this Agreement and to comply with the provision of Article 12 and Section 14.2.)

2.2 Cash at Closing. On the Closing Date, Buyer shall pay to Seller an amount equal to the difference between (a) the Purchase Price, and (b) the amount of the Deposit as of the Closing Date (the "Balance"), subject to the prorations and adjustments set forth in Article 5 or as otherwise provided under this Agreement, plus any other amounts required to be paid by Buyer at Closing, in immediately available funds by wire transfer as more particularly set forth in Section 6.2.

ARTICLE 3 - TITLE MATTERS

3.1 Title to Real Property. Buyer shall, when it executes and returns this Agreement to Seller, identify in writing a title insurance company to act as Escrow Agent pursuant to the provisions of paragraph 2.1 hereof, post the Deposit as required in said paragraph and order at its sole cost and expense within three (3) days of the Execution Date (a) a commitment from First American Title Insurance Co. of New York (the "Title Company") to issue an Owner's Policy of Title Insurance with respect to the Property (the "Title Report"), (b) copies of all recorded documents referred to on Schedule B of the Title Report as exceptions to coverage (the "Title Documents"), and (c) a certified boundary survey of the Property (the "Survey"). Except as provided in Section 3.2, Seller shall convey and Buyer shall accept title to the Property, subject to (i) applicable zoning and building ordinances and land use regulations, now and hereafter in effect, to the extent adopted by any municipal or governmental authority and applicable to all or any portion of the Property; (ii) (Intentionally deleted), (iii) such state of facts as disclosed in the Survey, (iv) such state of facts as would be disclosed by a physical inspection of the Property, (v) the lien of taxes not yet due and payable, (vi) any exceptions caused by Buyer, its agents, representatives or employees, (vii) such other exceptions as the Title Company shall commit to insure over, without any additional cost to Buyer, whether such insurance is made available in

consideration of payment, bonding, indemnity of Seller or otherwise, and (viii) the rights of tenants in possession as set forth in Subsection 6.3(c)], (ix) the exceptions set forth in Chicago Title Insurance Company Policy number 31-901-60-04654, dated 4/13/95; and (x) such facts as are shown on the as-built survey which was prepared by Henderson and Bodwell, drawing number J310-1010, dated 4/6/95at the time of the 1995 acquisition of the Property by Seller, (the foregoing exceptions described in clauses (i) through (x) being herein collectively called the "Permitted Exceptions").

3.2 Title Defects.

3.2.1 Certain Exceptions to Title. Buyer shall have the right to object in writing to any title matters that are not Permitted Exceptions and that materially adversely affect Buyer's title to the Real Property which may appear on supplemental title reports or updates to the Title Report issued at the request of Buyer after the date hereof (herein collectively called the "Other Liens") within five (5) days after the receipt thereof by Buyer. Unless Buyer shall timely object to such Other Liens, all such Other Liens and any matters which do not materially adversely affect Buyer's title to the Real Property which are set forth in any such supplemental reports or updates shall be deemed to constitute additional Permitted Exceptions. Any exceptions which are timely objected to by Buyer shall be herein collectively called the "Title Objections." Seller may elect (but shall not be obligated) to remove, or cause to be removed at its expense, any Title Objections, and shall be entitled to a reasonable adjournment of the Closing (not to exceed ninety (90) days) for the purpose of such removal, which removal will be deemed effected by the issuance of title insurance eliminating or insuring against the effect of the Title Objections. Seller shall notify Buyer in writing within five (5) days after receipt of Buyer's notice of Title Objections whether Seller elects to remove the same. If Seller is unable to remove or endorse over any Title Objections prior to the Closing, or if Seller elects not to remove one or more Title Objections, Buyer may elect to either (a) terminate this Agreement, in which event the Deposit shall be paid to Buyer and, thereafter, the parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement, or (b) waive such Title Objections, in which event such Title Objections shall be deemed "Permitted Exceptions" and the Closing shall occur as herein provided without any reduction of or credit against the Purchase Price. Unless Buyer elects to terminate within two business days after receipt of Seller's election to cure a Title Objection or not, as the case may be, Buyer shall be deemed to have elected (b) above and to have waived its objections. The

aforementioned elections shall be evidenced by notice to the other party pursuant to the notice provisions in this Agreement.

3.2.2 Discharge of Title Objections. If on the Closing Date there are any Title Objections which Seller has elected to pay and discharge, Seller may use any portion of the Balance to satisfy the same, provided Seller shall deliver to Buyer at the Closing instruments in recordable form and sufficient to satisfy such Title Objections of record, together with the cost of recording or filing such instruments, or provided that Seller shall cause the Title Company to insure over the same, without any additional cost to Buyer, whether such insurance is made available in consideration of payment, bonding, indemnity of Seller or otherwise.

3.3 Title Insurance. At Closing, the Title Company shall issue to Buyer, at Buyer's sole cost and expense, an ALTA Owner's Form of title insurance policy in the form of the Title Report (the "Owner's Title Policy"), in the amount of the Purchase Price, insuring that fee simple title to the Real Property is vested in Buyer subject only to the Permitted Exceptions. Buyer shall be entitled to request that the Title Company provide, at Buyer's sole cost and expense, such endorsements (or amendments) to the Owner's Title Policy as Buyer may reasonably require, provided that (a) such endorsements (or amendments) shall be at no cost or additional liability to Seller, (b) Buyer's obligations under this Agreement shall not be conditioned upon Buyer's ability to obtain such endorsements and, if Buyer is unable to obtain such endorsements, Buyer shall nevertheless be obligated to proceed to close the transaction contemplated by this Agreement (the "Transaction") without reduction of or set off against the Purchase Price, and (c) the Closing shall not be delayed as a result of Buyer's request.

ARTICLE 4 - BUYER'S DUE DILIGENCE/CONDITION OF THE PROPERTY

Buyer acknowledges that commencing prior to the execution of this Agreement and continuing for a period which will expire at 5:00 PM then-prevailing Eastern Time on the tenth (10th) business day following the "Effective Date", which for the purposes of this Agreement is the date upon which the second of Purchaser and Seller shall execute this Agreement, (the "Due Diligence Period"), Buyer may continue to conduct, its financial due diligence of and review of title to the Property. Buyer acknowledges that it has been afforded the opportunity to

conduct examinations, inspections, testing, studies and/or investigations (herein collectively called the "Due Diligence") of the Property and information regarding the Property prior to the Execution Date and has completed same, but for financial due diligence and title review. If Buyer is not satisfied with the results of its Due Diligence, Buyer may terminate this Agreement by written notice to Seller given in accordance with the provisions of Section 14.9 hereof on or before the

last day of the Due Diligence Period, and, in the event of such termination, neither Seller nor Buyer shall have any liability hereunder except for those obligations which expressly survive the termination of this Agreement and Buyer shall be entitled to the return of the Deposit. In the event Buyer fails to terminate this Agreement on or before the last day of the Due Diligence Period, Buyer shall be deemed to have waived its rights to terminate this Agreement in accordance with this Article 4. Buyer and Seller each acknowledge and agree that Buyer shall have no additional period after the expiration of the Due Diligence Period to conduct further physical Due Diligence regarding the Property. At Closing and as a material inducement for Seller to consummate the Transaction, Buyer will deliver a certification in the form of Exhibit F attached hereto and incorporated herein by this reference.

ARTICLE 5 - ADJUSTMENTS AND PRORATIONS

The following adjustments and prorations shall be made at Closing:

5.1 Lease Rentals and Expenses.

5.1.1 Rents. All collected rents and other payments from tenants under the Leases shall be prorated between Seller and Buyer as of the Closing Date. Seller shall be entitled to all rents (including any percentage rent, additional rent and any accrued tax and operating expense reimbursements and escalations), charges, and other revenue of any kind attributable to any period under the Leases to but not including the Closing Date. Buyer shall be entitled to all rents (including any percentage rent, additional rent and any accrued tax and operating expense reimbursements and escalations), charges and other revenue of any kind attributable to any period under the Leases on and after the Closing Date. Rents and expense escalations or other reimbursements due Landlord under the Leases not collected as of the Closing Date shall not be prorated at the time of Closing, but Buyer shall make a good faith effort to collect the same on Seller's behalf and to tender the same to Seller upon receipt (which obligation of Buyer shall survive the Closing and not be merged therein); provided, however, that all rents, escalations and other reimbursements due landlord under the Leases collected by Buyer on or after the Closing Date shall first be applied to all amounts due under the Leases at the time of collection (i.e., current rents and sums due Buyer as the current owner and landlord) with the balance (if any) payable to Seller, but only to the extent of amounts delinquent and actually due Seller. Buyer shall not have an exclusive right to collect the sums due Seller under the Leases and Seller hereby retains its rights to pursue any tenant under the Leases for sums due Seller for periods attributable to Seller's ownership of the Property.

Seller's rights under the immediately preceding sentence shall survive the Closing and not be merged therein. Buyer shall receive a credit against the Purchase Price for prepaid rentals held by Seller covering the period post-Closing.

5.1.2 Lease Expenses. At Closing, Buyer shall reimburse Seller for the Lease Expenses (as defined in Section 13.2) to the extent required by the terms of Section 13.2. All Lease Expenses arising out of or attributable to the initial term of Leases executed prior to the Effective Date or renewals or expansions of existing Leases executed prior to the Effective Date shall, notwithstanding any language to the contrary in Article 5 or Article 13, be borne and payable by Seller, including, without limitation, all Lease Expenses due on account of leases, renewals, extensions or expansions of (i) Diagnostic Retrieval Services, (ii) Integrated Communications, (iii) Fujitsu, (iv) Kelley Drye & Warren and (v) Coopers & Lybrand.

5.2 Real Estate and Personal Property Taxes. Real estate and personal property taxes shall be prorated on a cash basis for the calendar year in which the Closing occurs, regardless of the year for which

such taxes are assessed. Such proration shall be calculated based upon the actual number of days in such calendar year, with Seller being responsible for that portion of such calendar year occurring prior to midnight of the day prior to the Closing Date and Buyer being responsible for that portion of such calendar year occurring after 12:01 a.m. of the Closing Date. If the real estate and/or personal property tax rate and assessments have not been set for the calendar year in which the Closing occurs, then the proration of such taxes shall be based upon the rate and assessments for the preceding calendar year, and such proration shall be adjusted post-closing between Seller and Buyer upon presentation of written evidence that the actual taxes paid for the calendar year in which the Closing occurs differ from the amounts used at Closing and in accordance with the provisions of Section 5.7. This obligation shall survive Closing and shall not be merged into the Deed.

Seller shall pay all installments of special assessments due and payable prior to the Closing Date and Buyer shall pay all installments of special assessments due and payable on and after the Closing Date; provided, however, that Seller shall not be responsible for any installments of special assessments which have not been confirmed or which relate to projects that have not been completed on the date hereof. Notwithstanding the foregoing terms of this Section, Seller shall have no obligation to pay (and Buyer shall not receive a credit at Closing for) any real estate or personal property taxes or special assessments to the extent that Buyer is entitled after Closing to reimbursement of taxes and assessments, or the recovery of any increase in taxes and assessments, from the tenants under the Leases,

regardless of whether Buyer actually collects such reimbursement or increased taxes and assessments from such tenants, it being understood and agreed by Buyer and Seller that the burden of collecting such reimbursements shall be solely on Buyer.

5.3 Other Property Operating Expenses. Operating expenses for the Property shall be prorated as of midnight of the day prior to the Closing Date. Seller shall pay all utility charges and other operating expenses attributable to the Property to, but not including the Closing Date (except for those utility charges and operating expenses payable by tenants in accordance with the Leases) and Buyer shall pay all utility charges and other operating expenses attributable to the Property on or after the Closing Date. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading and post-closing adjustments between Buyer and Seller shall be made within twenty (20) days of the date that actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and shall not be merged therein. Seller shall not assign to Buyer any deposits which Seller has with any of the utility services or companies servicing the Property. Buyer shall arrange with such services and companies to have accounts opened in Buyer's name beginning at 12:01 a.m. on the Closing Date. Notwithstanding the foregoing terms of this Section, Seller shall have no obligation to pay (and Buyer shall not receive a credit at Closing for) any operating expenses to the extent that Buyer is entitled after Closing to reimbursement of operating expenses, or the recovery of any increase in operating expenses, from the tenants under the Leases, regardless of whether Buyer actually collects such reimbursement or increased operating expenses from such tenants, it being understood and agreed by Buyer and Seller that the burden of collecting such reimbursements shall be solely on Buyer.

5.4 Closing Costs. Buyer shall pay all premiums and charges of the Title Company for the Owner's Title Policy (including endorsements) to be issued pursuant to the Title Report, the cost of any survey obtained by Buyer, all recording and filing charges in connection with the instrument by which Seller conveys the Property, one-half (1/2) of all escrow or closing charges, if any, all costs of Buyer's Due Diligence and any other costs customarily paid by the Buyer pursuant to local practice. Seller shall pay one-half (1/2) of all escrow or closing charges and all transfer taxes and similar charges, if any, applicable to the transfer of the Property to Buyer and any other costs customarily paid by the Seller pursuant to local practice. Except as otherwise agreed by the parties, each party shall pay its own attorneys. The obligations of the parties to pay applicable escrow or closing charges shall survive the termination of this Agreement.

5.5 Cash Security Deposits. At Closing, Seller shall give Buyer a credit against the Balance in the aggregate amount of $43,284.11, the unapplied cash security deposits held by Seller under the Leases as of the Effective Date(but not including any interest thereon) less any applications of such deposits which shall have been approved by Buyer and any normal and customary administrative or similar charges to which Seller may be entitled under applicable law.

5.6 Apportionment Credit. In the event the apportionments to be made at the Closing result in a credit balance (i) to Buyer, such sum shall be paid at the Closing by giving Buyer a credit against the Balance in the amount of such credit balance, or (ii) to Seller, Buyer shall pay the amount thereof to Seller at the Closing by wire transfer of immediately available funds to the account or accounts to be designated by Seller for the payment of the Balance.

5.7 Delayed Adjustment. If at any time following the Closing Date, the amount of an item listed in any section of this Article 5 shall prove to be incorrect (whether as a result of an error in calculation or a lack of complete and accurate information as of the Closing), the party in whose favor the error was made shall promptly pay to the other party the sum necessary to correct such error upon receipt of proof of such error, provided that such proof is delivered to the party from whom payment is requested on or before one hundred twenty (120) days after Closing, or in accordance with Section 9.3.3 as to the matters discussed in 9.3.3.. The provisions of this Section 5.7 shall survive the Closing and not be merged therein.

ARTICLE 6 - CLOSING

Buyer and Seller hereby agree that the Transaction shall be consummated as follows:

6.1 Closing Date. This Transaction shall close ("Closing") on the date (the "Closing Date") which is fifteen (15) business days following the expiration of the Due Diligence Period. Closing may, at Seller's election, be either by a so-called "New York style" closing or through an escrow with the Title Company. The Closing shall take place at 10:00 a.m. then-prevailing Eastern Time in the offices of Seller's attorneys or, at Seller's election, at the Title Company, and Buyer and Seller shall conduct a "pre-closing" on the last business day prior to the Closing Date with title transfer and payment of the Purchase Price to be completed on the Closing Date as set forth in Section 6.2. Time is of the essence with respect to payment of the Purchase Price and to the Closing Date.

6.2 Title Transfer and Payment of Purchase Price. Provided all conditions precedent to Seller's obligations hereunder have been satisfied, Seller agrees to convey title to the Real Property to Buyer by Bargain & Sale Deed with Covenant Against

Grantor's Acts upon confirmation of receipt of the Purchase Price by the Escrow Agent as set forth below. Provided all conditions precedent to Buyer's obligations hereunder have been satisfied, Buyer agrees to deliver the payment specified in Section 2.2 by timely delivering the same to the Escrow Agent no later than 11:00 a.m. then-prevailing Eastern Time on the Closing Date and unconditionally directing the Escrow Agent to deposit the same in Seller's designated account by 1:00 p.m. Eastern Time on the Closing Date. For each full or partial day after the Closing Date that Seller has not received in its account the payment specified in Section 2.2, Buyer shall pay to Seller one (1) day's interest on the unpaid funds at the rate per annum equal to the "prime" lending rate of interest then in effect as listed by The Wall Street Journal.

6.3 Seller's Closing Deliveries. At the Closing, Seller shall deliver or cause to be delivered to the Escrow Agent the following:

(a) Deed. A deed in the form specified in paragraph 6.2, and Exhibit G attached hereto and incorporated herein by this reference, conveying to Buyer all of Seller's right, title and interest in and to the Real Property, subject only to the Permitted Exceptions ("Deed").

(b) Bill of Sale. A quitclaim bill of sale in the form of Exhibit H attached hereto and incorporated herein by this reference conveying all of Seller's right, title and interest in and to the Personal Property.

(c) Assignment of Tenant Leases. An assignment and assumption of

tenant leases, in the form of Exhibit I attached hereto and incorporated herein by this reference ("Assignment of Leases") transferring all of Seller's interest in the tenant space leases for the tenants identified on Exhibit J attached hereto and incorporated herein by this reference (as updated at Closing)and any amendments, guarantees and other documents relating thereto (herein collectively called the "Leases"), together with all assignable non-cash security deposits deposited by the tenants thereunder and not applied by Seller in accordance with the terms of the Leases.

(d) Assignment of Equipment Leases, Commission Agreements and Service Contracts. An assignment and assumption of the equipment leases, commission agreements, service contracts, and other contracts and agreements described on Exhibit B, warranties and guaranties and the Other Property (to the extent the same are not transferred by the Deed, Bill of Sale or Assignment of Leases) in the form of Exhibit K attached hereto and incorporated herein by this reference ("Assignment of Contracts"), transferring, to the extent assignable, without liability or

expense to Seller, all of Seller's interest in the equipment leases and any lease commission agreements in effect at the Property on the Closing Date, all uncanceled service contracts encumbering the Property on the Closing Date, all warranties and guaranties which remain in effect on the Closing Date and any Other Property Rights not otherwise transferred to Buyer (all of the foregoing being herein collectively called the "Contracts"). Seller shall not assign any existing management agreement or any contracts or policies of insurance for the Property.

(e) Estoppel Letters. Executed estoppel letters from (a) each of those tenants identified on Exhibit L-1 attached hereto and incorporated herein by this reference as "Major Tenants" (the "Major Tenants"), and (b) other tenants collectively occupying no less than sixty percent (60 %) of the area leased under the Leases (excluding the area leased under the Leases with the Major Tenants) and which are obligated under their respective Leases to deliver such letters to the landlord (the "Other Tenants").All of such estoppel letters shall be substantially in the form which such Major Tenant or Other Tenant is required to provide pursuant to the terms of such Major Tenant's or Other Tenant's Lease or, if no form is specified in any of the Leases, in the form of Exhibit L-2 attached hereto and incorporated herein by this reference. In the event Seller cannot for any reason obtain a tenant estoppel letter from any of the Other Tenants, Seller, at its option, may deliver to Buyer a Seller's (landlord) estoppel letter in the form specified in the preceding sentence. If Seller shall obtain an estoppel certificate from any such tenant after delivery of such Seller's estoppel letter with respect to such tenant, Seller's (landlord) estoppel letter shall, as of the date of such tenant's estoppel letter, be without further force or effect. Seller shall have no liability or responsibility for the information set forth in the Tenant Estoppel Letters delivered by the Tenants.

(f) Notice to Tenants. A single form letter in the form of Exhibit M attached hereto and incorporated herein by this reference to each tenant under the Leases, duplicate copies of which would be sent notifying it of the sale of the Property to Buyer and advising it that all future payments of rent and other payments due under the Leases, are to be made to Buyer at an address designated by Buyer.

(g) Non-Foreign Status Affidavit. A non-foreign status affidavit in the form of Exhibit N attached hereto and incorporated herein by this reference, as required by Section 1445 of the Internal Revenue Code.

(h) Evidence of Authority. Evidence of the approval of the Manager of Seller

with respect to the authority to act on behalf of Seller.

(i) Seller's Certificate. The certificate of Seller certifying to the matters set forth in Section 8.2.

(j) Property Documents. (i) To the extent in the possession of Seller or the current manager of the Property, (A) the original (or, if unavailable, a copy) of the existing certificate or certificates of occupancy for the Property, and (B) all original (or, if unavailable, copies of) certificates, licenses, permits, authorizations and approvals issued for or with respect to the Property by governmental and quasi-governmental authorities having jurisdiction; and (ii) all non-proprietary books and records located at the Property or at the off ice of Seller's building manager relating to the Property and the ownership and operation thereof (the items described in clauses (i) and (ii) being herein collectively called the "Property Documents").

(k) Other Documents. Such other documents as may be reasonably required by the Title Company or as may be agreed upon by Seller and Buyer to consummate the Transaction.

(1) Letters of Credit as Tenant Security Deposits. With respect to any security deposits which are letters of credit, Seller shall, if the same are assignable, (i) deliver to Buyer at the Closing such letters of credit,(ii) execute and deliver such other instruments as the issuers of such letters of credit shall reasonably require, and (iii) cooperate with Buyer to change the named beneficiary under such letters of credit to Buyer so long as Seller does not incur any additional liability or expense in connection therewith. Notwithstanding the foregoing to the contrary, Seller can complete after Closing the requirements of this Section 6.3(1) not completed thereby, at which point the obligations under this Section 6.3(1) shall survive Closing and not merge into the Deed. If letters of credit are not assignable, Seller shall undertake the obligation to obtain a new letter of credit from such tenant for the benefit of Buyer.

(m) Keys and Original Documents. Keys to all locks on the Real Property (in Seller's or Seller's building manager's possession) and originals or, if originals are not available, copies, of the Leases and Contracts (unless canceled as set forth herein) encumbering the Property on the Closing Date.

(n) Transfer Taxes. If applicable, duly completed and signed real estate

transfer tax returns.

(o) ISRA. Seller agrees to cooperate (but at no cost or expense to it) with Buyer in Buyer's applications for a New Jersey ISRA letter of non-applicability, which application shall be prepared and diligently prosecuted by Buyer at its sole cost.

(p) Assignment of Rights (as defined in Section 8.3.2) in the form set forth on Exhibit C.

6.4 Buyer Closing Deliveries. At the Closing, Buyer shall deliver or cause to be delivered to the Escrow Agent the following:

(a) Balance. The Balance, as adjusted for apportionments and other adjustments required under this Agreement, plus any other amounts required to be paid by Buyer at Closing.

(b) Assignment of Leases. The Assignment of Leases executed and acknowledged by Buyer.

(c) Assignment of Equipment Leases, Commission Agreements and Service Contracts. The Assignment of Contracts executed and acknowledged by Buyer.

(d) Buyer's Certificates. The certificate of Buyer required under Article 4 hereof and a certificate of Buyer certifying as to the matters set forth in Section 8.1.

(e) Buyer's ERISA Certificate. The certificate of Buyer substantially in the form of Exhibit O attached hereto and incorporated herein by this reference and any other certificate or other information reasonably required by Seller to satisfy Seller that the Transaction does not constitute a non-exempt prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and that the Transaction complies with ERISA in all respects.

(f) Evidence of Authority. Documentation to establish to Seller's reasonable satisfaction the due authorization of Buyer's acquisition of the Property and Buyer's delivery of the documents required to be delivered by Buyer pursuant to this Agreement, including, but not limited to, the organizational documents of Buyer, as they may have been amended from time to time, resolutions of Buyer and incumbency certificates of Buyer.

(g) Other Documents. Such other documents as may be reasonably required by the Title Company or may be agreed upon by Seller and Buyer to consummate the Transaction.

(h) Transfer Taxes. If applicable, duly completed and signed real estate transfer tax returns.

6.5 Delivery of Deed. Effective upon delivery of the Deed, actual and exclusive possession (subject only to the Permitted Exceptions) and risk of loss to the Property shall pass from Seller to Buyer.

ARTICLE 7 - CONDITIONS TO CLOSING

7.1 Seller's Obligations. Seller's obligation to close the Transaction is conditioned on all of the following, any or all of which may be waived by Seller by an express written waiver, at its sole option:

(a) Approval. (Intentionally Deleted);

(b) Representations True. Subject to the provisions of Section 8.3 hereof, all representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent they expressly relate to an earlier date;

(c) Buyer's Financial Condition. (Intentionally Omitted); and

(d) Buyer's Deliveries Complete. Buyer shall have delivered the funds required hereunder and all of the documents to be executed by Buyer set forth in Section 6.4 and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Buyer at or prior to the Closing.

(e) Rights of First Refusal or First Negotiation. Notwithstanding any other provision of this Agreement to the contrary, Seller shall not be obligated to Close hereunder unless, by the Closing Date, it shall either (x) have obtained satisfactory releases, waivers or declinations, as the case may be, from two parties, namely, Coopers & Lybrand and Dun & Bradstreet (or their successors) which may possess rights of first negotiation or rights of first refusal, as the case may be, to purchase the Property or part of the

Property, or (y) have concluded that no such rights currently exist or if they do exist have been waived, released or terminated by estoppel. (See Section 2.1 for a discussion of certain rights of first refusal held by Chase Manhattan as to the Bank Property.)

(f) Litigation. No litigation shall be pending or threatened against Seller which, if decided adversely to Seller, could delay, threaten or stop the transactions contemplated by this Agreement from being effected.

7.2 Buyer's Obligations. Buyer's obligation to close the Transaction is conditioned on all of the following, any or all of which may be expressly waived by Buyer in writing, at its sole option:

(a) Representations True. Subject to the provisions of Section 8.3, all representations and warranties made by Seller in this Agreement, as the same may be amended as provided in Section 8.3, shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent that they expressly relate to an earlier date;

(b) Title Conditions Satisfied. At the time of the Closing, title

to the Property shall be as provided in Article 3 of this Agreement; and

(c) Seller's Deliveries Complete. Seller shall have delivered all of the documents and other items required pursuant to Section 6.3 and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Seller at or prior to the Closing.

(d) Rights of First Refusal or First Negotiation. Buyer shall not be obligated to Close hereunder unless, by the Closing date, in the case of Dun & Bradstreet and Coopers & Lybrand, Buyer shall have concurred with Seller's conclusion that such rights of first refusal or first negotiation which they or either or them may have had have been terminated or waived or terminated by estoppel, as the case may be. (See Section 2.1 as to certain rights of first refusal held by Chase Manhattan as to the Bank Property.)

7.3 Waiver of Failure of Conditions Precedent. At any time or times on or before the date specified for the satisfaction of any condition, Buyer or Seller may elect in writing to waive the benefit of any such condition set forth in Section 7.1 or Section 7.2, respectively. By closing the Transaction, Buyer shall be conclusively

deemed to have waived the benefit of any remaining unfulfilled conditions set forth in Section 7.2. In the event any of the conditions set forth in Sections 7.1 or 7.2 are neither waived nor fulfilled, Buyer or Seller (as appropriate) may terminate their obligations to perform at the Closing and otherwise under this Agreement in accordance with the provisions of Article 10.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

8.1 Buyer's Representations. Buyer represents and warrants to, and covenants with, Seller as follows:

8.1.1 Buyer's Authorization. Buyer is duly organized (or formed), validly existing and in good standing under the laws of its State of organization and the State in which the Property is located, and is authorized to consummate the Transaction and fulfill all of its obligations hereunder and under all documents contemplated hereunder to be executed by Buyer and has all necessary power and capacity to execute and deliver this Agreement and all documents contemplated hereunder to be executed by Buyer, and to perform all of its obligations hereunder and thereunder. This Agreement and all documents contemplated hereunder to be executed by Buyer, have been duly authorized by all requisite partnership or corporate action on the part of Buyer and are the valid and legally binding obligation of Buyer, enforceable in accordance with their respective terms. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by Buyer, nor the performance of the obligations of Buyer hereunder or thereunder will result in the violation of any law or any provision of the agreement of partnership or articles of incorporation and by-laws of Buyer or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Buyer is bound.

8.1.2 Buyer's Financial Condition. Buyer's financial condition is as is represented to Seller on any financial statements previously submitted to Seller by Buyer.

8.2 Seller's Representations. Seller represents and warrants to Buyer as follows:

8.2.1 Seller's Authorization. Seller is (a) duly organized, validly existing and in good standing under the laws of its State of organization and the State in which the Property is located, (b) subject to obtaining the approvals or waivers, as the case may be, described in Subsection 7.1(a) and (e), is

authorized to consummate the Transaction and fulfill all of its obligations hereunder and under all documents contemplated hereunder to be executed by Seller, and (c) has all necessary power to execute and deliver this Agreement and all documents

contemplated hereunder to be executed by Seller and to perform its obligations hereunder and thereunder. Subject to obtaining the approvals described in Subsection 7.1(a), this Agreement and all documents contemplated hereunder to be executed by Seller have been duly authorized by all requisite action on the part of Seller and are the valid and legally binding obligation of Seller enforceable in accordance with their respective terms. To the best of Seller's knowledge, neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by Seller nor the performance of the obligations of Seller hereunder or thereunder will result in the violation of any law or any provision of the operating agreement of Seller or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Seller is bound.

8.2.2 Other Seller's Representations. To the best of Seller's knowledge (as such term is hereinafter defined):

(a) Except as set forth in the Title Report and, to the extent reviewed by or otherwise available to Buyer, the documents, investigations or notices delivered to or otherwise received by Buyer, and as listed in Exhibit P attached hereto and incorporated herein by this reference, Seller has not received any written notice of pending litigation against Seller which, if determined adversely to Seller, would adversely affect the Property.

(b) As of the date of this Agreement, Seller has not entered into any commission agreements, equipment leases, service, supply, maintenance, union or utility contracts affecting the Property which will be binding upon Buyer after the Closing other than the Contracts listed in Exhibit B attached hereto, provided, however, Exhibit B may change prior to Closing as new Contracts are executed by Seller, as set forth in Section 9.2.1 herein.

(c) Seller has not received any written notice of default under the terms of any of the Contracts except as listed in Exhibit P attached hereto.

(d) As of the date of this Agreement, the only tenants of the Property are the tenants listed in Exhibit J attached hereto and incorporated

herein by this reference. Exhibit J may change prior to Closing, however, should permitted new leases be executed, as provided in Article 13 of this Agreement, prior to Closing.

(e) Except as listed in Exhibit P attached hereto or disclosed in any report or writing delivered to Buyer from Seller, Seller has not received any written notice from any governmental authority of any violation of any zoning, building, fire, or health code, statute, ordinance, rule or regulation applicable to the Property. Buyer understands and Seller acknowledges that Buyer will investigate and satisfy itself with regard to the environmental condition of the Property and the presence or absence of Hazardous Materials during its Due Diligence Period. Seller agrees that it shall provide Buyer with true copies of any notices it may receive from and after the Effective Date through and until the Closing Date of any notices it receives relating to the environmental condition of the Property or Hazardous Materials in, at, under or about the Property.

(f) Seller is not a "foreign person", "foreign partnership", nor a "foreign corporation" as those terms are defined in Section 7701 of the Internal Revenue Code of 1986, as amended.

(g) To the best of Seller's knowledge, no condemnation proceedings relating to the Real Property are pending or threatened with regard to the Property.

(h) To the best of Seller's knowledge, Seller has not received any notice from any insurance company or board of fire underwriters of any defects or inadequacies in,

on, or about the Property, or any part of component thereof which would adversely affect the insurability of the Property or cause an increase in the premiums for the Property which have not been cured or resolved.

(i) To the best of Seller's knowledge, during the period between April, 1995, and October, 1997, no spill or discharge of Hazardous Materials occurred in, on, under of about the Property. And since October, 1997. no spill of discharge of Hazardous Materials has occurred in, on, under or about the Property.

(j) Seller has delivered to Purchaser true, complete and correct copies of all (1) Leases set forth on Exhibit J; (2) Contracts set forth on

Exhibit B; (3) other documents referred to on Exhibits to this Agreement.

(k) Seller has not delivered or received a notice of default pursuant to any of the Leases.

8.3 General Provisions.

8.3.1 No Representation As to Leases. Seller does not represent or warrant that any particular Lease or Leases will be in force or effect on the Closing Date or that the tenants will have performed their obligations thereunder.

8.3.2 Definition of "Seller's Knowledge". All references in this Agreement to "Seller's knowledge" or words of similar import shall refer only to the actual knowledge of William N. Cinnamond, and James Rosasco (together, the "Designated Employee"). Mr. Rosasco was a Vice President of J. P. Morgan Investment Management Inc.("Morgan"), Seller's investment manager for the Property. Mr. Rosasco had primary responsibility for managing and overseeing the Property from the time it was acquired by Seller until his retirement from Morgan in June, 1997. Mr. Cinnamond is a Vice President of Morgan who succeeded to the position formerly held by Mr. Rosasco. Neither of them reported or reports to any other person at Morgan with respect to operations of the Property. Seller's knowledge shall not be construed to refer to the knowledge of any other officer, agent or employee of Seller, Morgan or any affiliate thereof or to impose or have imposed upon the Designated Employee any duty to investigate the matters to which such knowledge, or the absence thereof, pertains, including, but not limited to, the contents of the files, documents and materials made available to or disclosed to Buyer or the contents of files maintained by the Designated Employee. There shall be no personal liability on the part of the Designated Employee arising out of any representations or warranties made herein. Furthermore, at Closing, Seller shall quitclaim and assign to Buyer, to the extent same are assignable, any rights and choses in action which Seller may have against Gale & Wentworth, Inc. ("Assignment of Rights") arising out of Gale & Wentworth's failure to disclose to Seller happenings, conditions, facts or events on or about the Property which, had the disclosures been made to Seller or the Designated Employee, would have caused Seller to make representations and warranties different from those made herein.

8.3.3 Seller's Representations Deemed Modified. To the extent that Buyer knows or by virtue of information contained in the materials delivered to

Buyer by Seller, or otherwise, is deemed to know prior to the expiration of the Due Diligence Period that Seller's representations and warranties are inaccurate, untrue or incorrect in any way, such representations and warranties shall be deemed modified to reflect Buyer's knowledge or deemed knowledge, as the case may be. For purposes of this Agreement, Buyer shall be "deemed to know" that a representation or warranty was untrue, inaccurate or incorrect to the extent that David Parisier or John R. Cali have or had actual knowledge of the untruth, inaccuracy or incorrectness of such representation(s) and/or warranty(s) contained in this Agreement or in the documents delivered by Seller, any

estoppel certificate executed by any tenant of the Property and delivered to Buyer, or any studies, tests, reports, or analyses prepared by or for Buyer or any of its employees, agents, representatives or attorneys engaged in effecting the purchase contemplated by this Agreement (all of the foregoing being herein collectively called the "Buyer's Representatives") or otherwise obtained by Buyer or Buyer's Representatives contains information which is materially inconsistent with any such representation or warranty.

8.3.4 Notice of Breach; Seller's Right to Cure. If after the Effective Date, but prior to the Closing, Buyer or any Buyer's Representative obtains actual knowledge that any of the representations or warranties made herein by Seller are untrue, inaccurate or incorrect in any material respect, Buyer shall give Seller written notice thereof within five (5) business days of obtaining such knowledge (but, in any event, prior to the Closing). If at or prior to the Closing, Seller obtains knowledge that any of the representations or warranties made herein by Seller are untrue, inaccurate or incorrect in any material respect, Seller shall give Buyer written notice thereof within five (5) business days of obtaining such knowledge (but, in any event, prior to the Closing). In either such event, Seller shall have the right, but not the obligation, to cure such misrepresentation or breach and shall be entitled to a reasonable adjournment of the Closing, not to exceed ninety (90) days) for the purpose of such cure. If Seller is unable or unwilling to so cure any misrepresentation or breach, then Buyer, as its sole remedy for any and all such materially untrue, inaccurate or incorrect material representations or warranties, shall elect either (a) to waive such misrepresentations or breaches of warranties and consummate the Transaction without any reduction of or credit against the Purchase Price, or (b) to terminate this Agreement by written notice given to Seller on the Closing Date, in which event this Agreement shall be terminated, the Deposit shall be returned to Buyer and, thereafter, neither party shall have any further rights or obligations hereunder except as provided in any section hereof that by its terms expressly provides that it survives any

termination of this Agreement. If any such representation or warranty is untrue, inaccurate or incorrect but is not untrue, inaccurate or incorrect in any material respect, Buyer shall be deemed to waive such misrepresentation or breach of warranty, and Buyer shall be required to consummate the Transaction without any reuction of or credit against the Purchase Price, or any right to receive reimbursement from Seller on account of the misrepresentation or breached warranty, as the case may be. The untruth, inaccuracy or incorrectness of a representation or warranty shall be deemed material only if Buyer's aggregate damages resulting from the untruth, inaccuracy or incorrectness of any of the representations or warranties are reasonably estimated by Buyer to exceed $250,000.00.

8.3.5 Survival; Limitation on Seller's Liability. The representations and warranties made by Seller in Section 8.2 shall survive the Closing and not be merged therein for a period of one hundred twenty (120) days and Seller shall only be liable to Buyer hereunder for a breach of a representation and warranty made herein or in any of the documents executed by Seller at the Closing with respect to which a claim is made by Buyer against Seller on or before the one hundred twentieth (120th) day after the date of the Closing. Anything in this Agreement to the contrary notwithstanding, the maximum aggregate liability of Seller for Seller's breaches of representations and warranties herein or in any documents executed by Seller at Closing shall be limited to the lesser of (i) the amount awarded for actual damages (not consequential or treble) directly attributable to a material breach of a representation or warranty by Seller or (ii) the Maximum Amount (as defined in Section 14.16 hereof).

Notwithstanding the foregoing, however, if the Closing occurs, Buyer hereby expressly waives, relinquishes and releases any right or remedy available to it at law, in equity or under this Agreement to make a claim against Seller for damages that Buyer may incur, or to rescind this Agreement and the Transaction, as the result of any of Seller's representations or warranties being untrue, inaccurate or incorrect if (a) Buyer knew or is deemed to know that such representation or

warranty was untrue, in-accurate or incorrect at the time of the Closing, or (b) Buyer's damages as a result of such representations or warranties being untrue, inaccurate or incorrect are reasonably estimated to aggregate less than $250,000.00 (inclusive of damages for pre-Closing beaches of representations or warranties).

ARTICLE 9 - COVENANTS

9.1 Buyer's Covenants. Buyer hereby covenants as follows:

9.1.1 Confidentiality. Buyer acknowledges that any information furnished to Buyer with respect to the Property is and has been so furnished on the condition that Buyer maintain the confidentiality thereof. Accordingly, Buyer shall hold, and shall cause its directors, officers and other personnel and representatives to hold, in strict confidence, and not disclose to any other person without the prior written consent of Seller until the Closing shall have been consummated, any of the information in respect of the Property delivered to or for the benefit of Buyer whether by agents, consultants, employees or representatives of Buyer or by Seller or any of its agents, representatives or employees, including, but not limited to, any information obtained by Buyer or any of Buyer's Representatives in connection with any studies, inspections, tests or analyses conducted by Buyer as part of its Due Diligence. In the event the Closing does not occur and this Agreement is terminated, Buyer shall promptly return to Seller all copies of documents containing any of such information without retaining any copy thereof or extract therefrom. Notwithstanding anything to the contrary hereinabove set forth, Buyer may disclose such information (i) on a need-to-know basis to its employees or members of professional firms serving it, and (ii) as any governmental agency may require in order to comply with applicable laws or regulations. The provisions of this Subsection 9.1.1 shall survive the Closing (and not be merged therein) or earlier termination of this Agreement.

9.1.2 Approvals not a Condition to Buyer's Performance. Buyer acknowledges and agrees that its obligation to perform under this Agreement is not contingent upon Buyer's ability to obtain any (a) governmental or quasi-governmental approval of changes or modifications in use or zoning, or (b) modification of any existing land use restriction, or (c) consents to assignments of any service contracts, management agreements or other agreements which Buyer requests, or (d) endorsements to the Title Policy.

9.1.3 Buyer's Indemnity; Delivery of Reports. Buyer hereby agrees to indemnify, defend, and hold Seller and its officers, directors, employees, agents, attorneys, counsel, broker, investment manager, or any other party related in any way to any of the foregoing (collectively, the "Seller Parties"), each of the other Seller Parties and the Property free and harmless from and against any and all costs, loss, damages and expenses, of any kind or nature whatsoever (including attorneys fees and costs), arising out of or resulting from the entry and/or the conduct of activities

upon the Property by Buyer, its agents, contractors and/or subcontractors in connection with the inspections, examinations, tests and investigations of the Property conducted at any time prior to the Closing, which indemnity shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement. Buyer shall deliver promptly to Seller copies of all third party reports commissioned by Buyer evidencing the results of tests, studies or inspections of the Property.

9.1.4 Limit on Government Contacts. Notwithstanding any provision in this Agreement to the contrary, except in connection with the preparation of a so-called "Phase I" environmental report with respect to the Property, Buyer shall not contact any governmental official or representative regarding Hazardous Materials on or the environmental condition of the Property without Seller's prior written consent thereto, which consent shall not be unreasonably withheld. In addition, if Seller's consent is obtained by Buyer, Seller shall be entitled to

receive at least five (5) days prior written notice of the intended contact and to have a representative present when Buyer has any such contact with any governmental official or representative.

9.2 Seller's Covenants. Seller hereby covenants as follows:

9.2.1 Service Contracts. Without Buyer's prior consent, which consent shall not be unreasonably withheld, between the date hereof and the Closing Date Seller shall not extend, renew, replace or modify any Contract unless such contract (as so extended, renewed, replaced or modified) can be terminated by the owner of the Property without penalty on not more than thirty (30) days' notice.

9.2.2 Maintenance of Property. Except to the extent Seller is relieved of such Obligations by Article 11 hereof, between the date hereof and the Closing Date Seller shall maintain and keep the Property in a manner consistent with Seller's past practices with respect to the Property; provided, however, that Buyer hereby agrees that it shall accept the Property subject to, and Seller shall have no obligation to cure, (i) all violations of law or municipal ordinances, orders or requirements and (ii) all physical conditions which would give rise to violations existing, which, with respect to both clauses (i) and (ii), exist on the last day of the Due Diligence Period or which arise between the last day of the Due Diligence Period and the Closing Date. Between the date hereof and the Closing Date, Seller will advise Buyer of any written notice Seller receives after the date hereof from any governmental authority relating to the violation

of any law or ordinance regulating the condition or use of the Property.

9.2.3 Access to Property. Between the date hereof and the expiration of the Due Diligence Period Seller shall allow Buyer or Buyer's representatives access to the Property upon reasonable prior notice at reasonable times provided (a) such access does not interfere with the operation of the Property or the rights of tenants; (b) Buyer shall not contact any tenant without Seller's prior written consent; (c) after the expiration of the Due Diligence Period Buyer shall not be permitted to perform any further testing or other physical evaluation of the Property prior to Closing; (d) Seller or its designated representative shall have the right to pre-approve and be present during any physical testing of the Property; and (e) Buyer shall return the Property to the condition existing prior to such tests and inspections. Prior to such time as Buyer or any of Buyer's Representatives enter the Property, Buyer shall (i) obtain policies of general liability insurance which name Seller as an additional insured and which are with such insurance companies, provide such coverages and carry such limits as Seller shall reasonably require and (ii) provide Seller with certificates of insurance evidencing that Buyer has obtained the aforementioned policies of insurance.

9.2.4 Other Covenants. At any time after the Closing for up to one year thereafter, upon request by Buyer, Seller shall assist (but at no cost to Seller) Buyer in its preparation of audited financial statements, statements of income and expense and such other related financial documentation as Buyer may reasonably request, covering the period of Seller's ownership of the Property.

9.2.5 Termination of Management Agreement. Seller agrees that it will terminate the Management and Leasing Agreement, dated as of May 1, 1995, between it and Gale & Wentworth, Inc., and such termination shall be effective as of the Closing.

9.3 Mutual Covenants.

9.3.1 Publicity. Seller and Buyer each hereby covenant that (a) prior to the Closing neither Seller nor Buyer shall issue any press release or public statement (a "Release") with respect to the Transaction without the prior consent of the other, except to the extent required by law. If either Seller or Buyer is required by law to issue a Release, such party shall, at least two (2) business days prior to the issuance of the

same, deliver a copy of the proposed Release to the other party for its review. Notwithstanding the foregoing, Buyer acknowledges that Seller and Seller's sole shareholder, the Virginia Retirement System, are bound by the provisions of the Virginia Freedom of Information Act and may, therefore, be obligated to disclose the contents of this Agreement.

9.3.2 Broker. Seller and Buyer expressly acknowledge that Eastdil Realty Company, L.L.C. ("Broker") has acted as the exclusive broker with respect to the Transaction and with respect to this Agreement, and that Seller shall pay any brokerage commission due to Broker in accordance with the separate agreement between Seller and Broker. Seller and Buyer each represents and warrants to the other that it has not dealt with any other broker in the Transaction and each agrees to hold harmless the other and indemnify the other from and against any and all damages, costs or expenses (including, but not limited to reasonable attorneys' fees and disbursements) suffered by the indemnified party as a result of acts of the indemnifying party that would constitute a breach of its representation and warranty in this section.

9.3.3 Tax Refunds and Credits. All real estate and personal property tax refunds and credits with respect to the Property shall be apportioned between Buyer and Seller as follows:

(a) with respect to any refunds or credits attributable to real estate and personal property taxes due and payable in the calendar year in which the Closing occurs (regardless of the year for which such taxes are assessed), such refunds and credits shall be apportioned between Buyer and Seller in proportion to the number of days in such calendar year that each party owned the Property (with title to the Property being deemed to have passed as of 12:01 a.m. on the Closing Date);

(b) with respect to any refunds or credits attributable to real estate and personal property taxes due and payable during any period prior to

the calendar year in which the Closing occurs (regardless of the year for which such taxes are assessed), Seller shall be entitled to the entire refunds and credits;

(c) with respect to any refunds or credits attributable to real estate and personal property taxes due and payable during any period after the calendar year in which the Closing occurs (regardless of the year for which such taxes are assessed), Buyer shall be entitled to the entire refunds and credits; and

(d) with respect to all of the above debits and credits, as well as the prorations made as of Closing, the parties agree to conduct a retrospective reconciliation of same by the end of the fourth month following Closing, to take into account the differences, if any, between estimates and what in fact turned out to be the precise dollar amounts of same and to settle with one another accordingly.

9.3.4 Survival. The provisions of this Section 9.3 shall survive the Closing (and not be merged therein) or earlier termination of this Agreement.

ARTICLE 10 - FAILURE OF CONDITIONS

10.1 Seller's Obligations and Remedies. If, on or before the Closing Date, (i) Buyer is in default of any of its obligations hereunder, or (ii) any of Buyer's material representations or warranties are untrue in any material respect, or (iii) the Closing otherwise fails to occur by reason of Buyer's failure or refusal to perform its obligations hereunder in a prompt and timely manner, then Seller's sole remedy shall be to terminate this Agreement by written notice to Buyer and to retain the Deposit as liquidated damages, and may request the Escrow Agent, pursuant to a written notice, executed solely by Seller, without the joinder, consent or approval of Buyer, to deliver the Deposit, plus all accrued interest thereon, to Seller. Seller and Buyer acknowledge and agree that delivery of the Deposit, including all accrued interest thereon, shall be deemed liquidated damages for Buyer's breach of this Agreement, it being further agreed that the actual damages to Seller in the event of

such breach or other event are impractical to ascertain and the amount of the Deposit, plus accrued interest thereon, is a reasonable estimate thereof. There-after, neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it survives the termination of this Agreement.

10.2 Buyer's Obligations and Remedies. If, prior to the Closing, (i) Seller is in default

of any of its material obligations hereunder and, after having received written notice of such default from Buyer, Seller has nevertheless failed to cure such default within a reasonable period of time, or (ii) any of Seller's material representations or warranties are untrue in any material respect and, after having received written notice of such misrepresentation from Buyer, Seller has nevertheless failed to cure same within a reasonable period of time, or (iii) the Closing otherwise fails to occur by reason of Seller's willful failure or refusal to perform its obligations hereunder in a prompt and timely manner ("Seller's Closing Default"), Buyer shall have the right, to elect, as its sole and exclusive remedy, to (a) terminate this Agreement by written notice to Seller, promptly after which the Deposit shall be returned to Buyer and Buyer's actual Due Diligence and other transactional expenses, such as, by way of example, title insurance premiums, reasonable legal fees, etc. up to a maximum of $250,000.00 in the aggregate and shall be reimbursed by Seller, or (b) waive the condition(s) and proceed to close the Transaction, or (c) if Seller has wrongfully declined to close, to seek specific enforcement of this Agreement. Except as specifically set forth herein, Buyer shall have no right to sue for or seek, whether at law, in equity or otherwise, any monetary award or judgment and/or any consequential, punitive, treble, actual, out-of-pocket, incidental or other damages against Seller and its officer, directors, employees, investment manager or agents, or against employees, officers, members, or Trustees of the Seller's or its corporate member or the shareholder of such corporate member, or any of their respective successors and assigns all of which are hereby knowingly, voluntarily and intentionally waived, released and discharged by Buyer.

ARTICLE 11- CONDEMNATION/CASUALTY

11.1 Condemnation.

11.1.1 Right to Terminate. If, prior to the Closing Date, all or any significant portion (as hereinafter defined) of the Property is taken by eminent domain (or is the subject of a pending taking which has not yet been consummated), Seller shall notify Buyer in writing of such fact promptly after obtaining knowledge thereof, Buyer shall have the right to terminate this Agreement by giving written notice to the other no later than ten (10) days after the giving of Seller's notice, and the Closing Date shall be extended, if necessary, to provide sufficient time for Buyer or Seller to make such election. The failure by Buyer to so elect in writing to terminate this Agreement within such ten (10) day period shall be deemed an election not to terminate this Agreement. For purposes hereof, a "significant portion" of the Property shall mean such a portion as shall have a value, as reasonably determined by Seller, in excess of One Million

Dollars ($1,000,000.00). If either party elects to terminate this Agreement as aforesaid, the provisions of Section 11.4 shall apply.

11.1.2 Assignment of Proceeds. If (a) Buyer elects not to terminate this Agreement as aforesaid if all or any significant portion of the Property is taken, or if (b) a portion of the Property not constituting a significant portion of the Property is taken or becomes subject to a pending taking, by eminent domain, there shall be no abatement of the Purchase Price; provided, however, that, at the Closing, Seller shall pay to Buyer the amount of any award for or other proceeds on account of such taking which have been actually paid to Seller prior to the Closing Date as a result of such taking (less all reasonable costs and expenses, including attorneys' fees and costs, incurred by Seller as of the Closing Date in obtaining payment of such award or proceeds) and, to the extent such award or proceeds have not been paid, Seller shall assign to

Buyer at the Closing (without recourse to Seller) the rights of Seller to, and Buyer shall be entitled to receive and retain, all awards for the taking of the Property or such portion thereof.

11.2 Destruction or Damage. In the event any of the Property is damaged or destroyed prior to the Closing Date, Seller shall notify Buyer in writing of such fact promptly after obtaining knowledge thereof. If any such damage or destruction (a) is an insured casualty and (b) would cost less than Five Million Dollars ($5,000,000.00) to repair or restore, then this Agreement shall remain in full force and effect and Buyer shall acquire the Property upon the terms and conditions set forth herein. In such event, Buyer shall receive a credit against the Purchase Price equal to the deductible amount applicable under Seller's casualty policy (less all costs and expenses, including attorneys' fees and costs, incurred by Seller as of the Closing Date in connection with the negotiation and/or settlement of the casualty claim with the insurer (the "Realization Costs")), and Seller shall assign to Buyer all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction. In the event the Property is damaged or destroyed prior to the Closing Date and the cost of repair would equal or exceed Five Million Dollars ($5,000,000.00) or the casualty is an uninsured casualty, then, notwithstanding anything to the contrary set forth above in this section, Buyer shall have the right, at its respective election, to terminate this Agreement. Buyer shall have ten (10) days after Seller notifies Buyer that a casualty has occurred to make such election by delivery to the other of a written election notice (the "Election Notice") and the Closing Date shall be extended, if necessary, to provide sufficient time for Buyer to make such election. The failure by Buyer to deliver the Election Notice within such ten (10) day period shall be deemed an election not to terminate this Agreement. In the event neither party

elects to terminate this Agreement as set forth above, this Agreement shall remain in full force and effect, Seller shall assign to Buyer all of Seller's right, title and interest in and to any and all proceeds of insurance on account of such damage or destruction, if any, and, if the casualty was an insured casualty, Buyer shall receive a credit against the Purchase Price equal to the deductible amount (less the Realization Costs) under Seller's casualty insurance policy.

11.3 Insurance. Seller shall maintain the property insurance coverage currently in effect for the Property until Closing.

11.4 Effect of Termination. If this Agreement is terminated pursuant to Section 11.1 or Section 11.2, Seller shall promptly direct that the Deposit be refunded to Buyer. Upon such refund, this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it shall survive the termination of this Agreement.

11.5 Waiver. The provisions of this Article 11 supersede the provisions of any applicable statutory or decisional law with respect to the subject matter of this Article 11.

ARTICLE 12 - ESCROW

The Deposit and any other sums which the parties agree shall be held in escrow (herein collectively called the "Escrow Deposits"), together with all interest earned thereon, shall be held by the Escrow Agent, in trust, and disposed of only in accordance with the following provisions:

(a) The Escrow Agent shall invest the Escrow Deposits in government insured interest-bearing instruments satisfactory to both Buyer and Seller, shall not co-mingle the Escrow Deposits with any funds of the Escrow Agent or others, and shall promptly provide Buyer and Seller with confirmation of the investments made. The parties acknowledge that only $100,000 will be federally insured.

(b) If the Closing occurs, the Escrow Agent shall deliver the Escrow Deposits to, or upon the instructions of, Seller on the Closing Date.

(c) If for any reason the Closing does not occur, the Escrow Agent shall deliver the Escrow Deposits and all interest earned thereon to Seller or Buyer only upon receipt of a written demand therefor from such party, subject to the following provisions of this Subsection 12.1(c). If for any reason the Closing does not occur and either party makes a written demand upon the Escrow Agent for payment of

the Escrow Deposits and the interest earned thereon, the Escrow Agent shall give

written notice to the other party of such demand. If the Escrow Agent does not receive a written objection from the other party to the proposed payment within ten (10) days after the giving of such notice, the Escrow Agent is hereby authorized to make such payment. If the Escrow Agent does receive such written objection within such period, the Escrow Agent shall continue to hold such amount until otherwise directed by written instructions signed by Seller and Buyer or a final judgment of a court.

(d) The parties acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that the Escrow Agent shall not be deemed to be the agent of either of the parties, and that the Escrow Agent shall not be liable to either of the parties for any action or omission on its part taken or made in good faith, and not in disregard of this Agreement, but shall be liable for its negligent acts and for any loss, cost or expense incurred by Seller or Buyer resulting from the Escrow Agent's mistake of law respecting the Escrow Agent's scope or nature of its duties. Buyer shall indemnify and hold the Escrow Agent harmless from and against and Seller shall reimburse Escrow Agent for all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of the Escrow Agent's duties hereunder, except with respect to actions or omissions taken or made by the Escrow Agent in bad faith, in disregard of this Agreement or involving negligence on the part of the Escrow Agent.

(e) Buyer shall be paid the interest earned on the Deposit and shall pay any income taxes on any interest earned on the Deposit. Buyer represents and warrants to the Escrow Agent that its taxpayer identification number is set forth next to its signature below.

(f) The Escrow Agent has executed this Agreement in the place indicated on the signature page hereof in order to confirm that the Escrow Agent has received and shall hold the Escrow Deposits and the interest earned thereon, in escrow, and shall disburse the Escrow Deposits, and the interest earned thereon, pursuant to the provisions of this Article 12.

(g) The escrow fee, if any, charged by the Title Company in its capacity as Escrow Agent shall be shared equally by Seller and Buyer.

ARTICLE 13 - LEASING MATTERS

13.1 New Leases. From and after the Effective Date, Seller shall not, without Buyer's prior written consent in each instance, which consent shall not be unreasonably withheld or delayed and shall be given or denied, with the reasons for such denial

specified in reasonable detail, within three (3) business days after receipt by Buyer of the information referred to in the next sentence, enter into a new lease for space in the Property or renew or extend any Lease (except pursuant to the exercise by a tenant of a renewal, extension or expansion option contained in such tenant's Lease). Seller shall furnish Buyer with all information regarding any proposed new leases, renewals and extensions reasonably necessary to enable Buyer to make informed decisions with respect to the advisability of the proposed action. If Buyer fails to object in writing to any such proposed new lease, renewal or extension, as the case may be, within three (3) business days after receipt of the aforementioned information, Buyer shall be deemed to have approved the proposed new lease, renewal or extension, as the case may be. If Buyer rejects the proposed action, Seller nevertheless retains full right, power and authority to execute such documents as are necessary to effect such action, and Seller shall promptly advise Buyer of the same. The foregoing notwithstanding, in the event Buyer has rejected the proposed action but Seller nonetheless proceeds to effect it, Buyer shall have the right, within three (3) business days after receipt of Seller's notice that Seller has taken such action, to elect to terminate this Agreement by the delivery to Seller of a written notice of termination, in which case the Deposit shall be paid to Buyer and, thereafter, the parties shall have no further rights or obligations hereunder other than any arising under any section herein which expressly provides that it shall survive the termination of this Agreement. If Buyer fails to notify Seller within such time period, Buyer shall be deemed to have fully waived any rights to terinate this Agreement pursuant to this Section 13.1.

Seller shall deliver to Buyer a true and complete copy of each such new lease, renewal and extension agreement, if any, Promptly after the execution and delivery thereof.

13.2 Lease Expenses. At Closing, Buyer shall reimburse Seller for any and all fees paid by Seller prior to Closing or costs and expenses incurred by Seller prior to Closing (such fees, costs and expenses being herein collectively called the "Lease Expenses"), arising out of or in connection with:

(a) any extensions, renewals or expansions under the Leases exerciseable and exercised by any tenant between the Effective Date and the Closing Date; and

(b) any lease for space at the Property entered into between the Effective Date and the Closing Date, or any extension, renewal or expansion of a Lease where such Lease does not provide for its extension, renewal or expansion, entered into on or after the Effective Date which have been entered into in accordance with Section 13.1 (a "New Lease"). Lease Expenses shall include, without limitation, (i) brokerage commissions and fees to effect

any such leasing transaction, (ii) expenses incurred for space planning and design, repairs, improvements, equipment, painting, decorating, partitioning and other items to satisfy the tenant's requirements with regard to such leasing transaction, (iii) legal fees for services in connection with the preparation of documents and other services rendered in connection with the effectuation of the leasing transaction, (iv) if there are any rent concessions covering any period that the tenant has the right to be in possession of the demised space, the rents that would have accrued during the period of such concession prior to the Closing Date as if such concession were amortized over (A) with respect to any extension or renewal, the term of such extension or renewal, (B) with respect to any expansion, that portion of the term remaining under the subject Lease after the date of any expansion, or (C) with respect to any New Lease, the entire initial term of any New Lease, and (v) expenses incurred for the purpose of satisfying or terminating the obligations of a tenant under a New Lease to the landlord under another lease (whether or not such other lease covers space in the Property). At the Closing, Buyer shall assume Seller's obligations to pay, when due (whether on a stated due date or accelerated) any Lease Expenses unpaid as of the Closing, and Buyer hereby agrees to indemnify and hold Seller harmless from and against any and all claims for such Lease Expenses which remain unpaid for any reason at the time of Closing, which obligations of Buyer shall survive the Closing and shall no be merged therein. Each party shall make available to the other all records, bills, vouchers and other data in such party's control verifying Lease Expenses and the payment thereof.

13.3 Other Lease Activity. Except as provided in this Section 13.3, without the prior consent of Buyer, which shall not be unreasonably withheld (a) no Lease shall be modified or amended except as provided in Section 13.1 with respect to extensions, renewals or expansions of Leases and the execution of New Leases, (b) Seller shall not consent to any assignment or sublease in connection with any Lease or New Lease and (c) Seller shall not remove any tenant under any Lease or New Lease, whether by summary proceedings or otherwise, except by reason of a material default of the tenant under the Lease or New Lease. In furtherance of the fore-going, Seller shall deliver to Buyer a written notice of each proposed action of the type described in clauses (a) through (c) above which Seller has been asked or proposes to take, stating, if applicable, whether Buyer is willing to consent to such action and setting forth the relevant information therefor. Buyer shall notify Seller in writing whether or not it approves such action within three (3) business days after delivery to Buyer of Seller's notice containing the aforementioned information. If Buyer notifies Seller that it disapproves such action, Buyer's notice shall state with specificity the reasons for such disapproval. If Buyer shall not

give written notice of its disapproval of such action within such three (3) business day period, Buyer shall be deemed to have approved such action. If any Lease requires that the landlord's consent be given under the applicable circumstances (or not be

unreasonably withheld), then Buyer shall be deemed ipso facto to have approved such action. Subject to its reimbursement rights pursuant to Section 13.2, Seller shall perform all of the obligations of the landlord under the Leases and New Leases which under the terms of such Leases and New Leases are required to be performed by the landlord prior to the Closing Date.

13.4 Lease Enforcement. Subject to the provisions of Section 13.3 above, prior to the Closing Date, Seller shall have the right, but not the obligation (except to the extent that Seller's failure to act shall constitute a waiver of such rights or remedies), to enforce the rights and remedies of the landlord under any Lease or New Lease, by summary proceedings or otherwise, and to apply all or any portion of any security deposits then held by Seller toward any loss or damage incurred by Seller by reason of any defaults by tenants.

13.5 Lease Termination Prior to Closing. The termination of any Lease or New Lease or the removal of any tenant by reason of a default by such tenant (by summary proceedings or otherwise) prior to the Closing shall not affect the obligations of Buyer under this Agreement in any manner or entitle Buyer to a reduction in, or credit or allowance against, the Purchase Price or give rise to any other claim on the part of Buyer, unless such termination is of a Major Tenant, in which event the Buyer shall have the election (if exercised in writing within three (3) business days after written notice of any such termination is provided to Buyer by Seller) to terminate this Agreement and receive the Deposit.

ARTICLE 14 - MISCELLANEOUS

14.1 Buyer's Assignment. Buyer shall not assign this Agreement or its rights hereunder to any individual or entity without the prior written consent of Seller, which consent Seller may grant or withhold in its sole discretion, and any such assignment shall be null and void. To the extent that Buyer assigns this Agreement, Buyer shall not be released of any of its obligations hereunder and Buyer shall continue to remain fully liable hereunder. Buyer shall be permitted, however, to assign this Agreement to Mack-Cali Realty, L.P., which is organized as a limited partnership under the laws of the State of Delaware or any entity under common control of the Buyer. Nevertheless, under no circumstances shall Buyer have the right to assign this Agreement to any entity owned or controlled by an employee benefit plan if Seller's sale of the Property to such entity would, in the reasonable opinion of Seller's ERISA advisor, create or otherwise cause a "prohibited transaction" under the Employee Retirement Income Security Act of

1974, as amended ("ERISA"). In the event Buyer assigns this Agreement to any entity with the actual intent to create a "prohibited transaction" under ERISA so as to necessitate the termination of this Agreement, then Seller shall have the right to pursue the rights and remedies set forth in this Agreement. This Agreement and all rights hereunder shall inure to and be binding upon the respective heirs, executors, successors and permitted assigns of Seller and Buyer. Buyer shall not have the right to assign this Agreement in part.

14.2 Designation Agreement. Section 6045(e) of the United States Internal Revenue Code and the regulations promulgated thereunder (herein collectively called the "Reporting Requirements") require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Transaction. "Escrow Agent" is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements). Accordingly:

(a) Escrow Agent is hereby designated as the "Reporting Person" (as defined in the Reporting Requirements) for the Transaction. Agent shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

(b) Seller and Buyer shall furnish to Escrow Agent, in a timely manner, any information requested by Escrow Agent and necessary for Escrow Agent to perform its duties as Reporting Person for the Transaction.

(c) Escrow Agent hereby requests Seller to furnish to it Seller's correct taxpayer identification number. Seller acknowledges

that any failure by Seller to provide Escrow Agent with Seller's correct taxpayer identification number may subject Seller to civil or criminal penalties imposed by law. Accordingly, Seller hereby certifies to Escrow Agent, under penalties of perjury, that Seller's correct taxpayer identification number is 52-1926380.

(d) Each of the parties hereto shall retain this Agreement for a period of four(4) years following the calendar year during which Closing occurs.

14.3 Survival/Merger. Except for the provisions of this Agreement which are explicitly stated to survive the Closing or those which by their terms cannot be fulfilled until after Closing, (a) none of the terms of this Agreement shall survive the Closing, and (b) the delivery of the Deed and any other documents and

instruments by Seller and the acceptance thereof by Buyer shall effect a merger, and be deemed the full performance and discharge of even obligation on the part of Buyer and Seller to be performed hereunder.

14.4 Integration; Waiver. This Agreement, together with the Schedules and Exhibits hereto, embodies and constitutes the entire understanding between the parties with respect to the Transaction and any and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver by either party hereto of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

14.5 Governing Law. This Agreement shall be construed and interpreted under the laws of the Commonwealth of Virginia except that the obligations set forth in Articles 3, regarding Title Matters, and Article 6, regarding Closing, of this Agreement shall be construed and interpreted under the laws of the state of New Jersey.

14.6 Captions Not Binding; Schedules and Exhibits. The captions in this Agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof. All Schedules and Exhibits attached hereto shall be incorporated by reference as if set out herein in full.

14.7 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

14.8 Severability. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

14.9 Notices. Any notice, request, demand, consent, approval and other communications under this Agreement shall be in writing, and shall be deemed duly given or made at the time and on the date when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally

recognized overnight delivery service) or three (3) business days after being mailed by prepaid registered or certified mail, return receipt requested, to the address for each party set forth below. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth below.

IF TO BUYER:

Mack-Cali Realty Acquisition Corp.
11 Commerce Drive
Cranford, NJ 07016

Attention: Thomas A. Rizk, CEO and
Roger W. Thomas, Exec. V.P.
Fax: (908) 272-6755

COPY TO:

Pryor, Cashman Sherman & Flynn
410 Park Avenue
New York, NY 10022
Attention: Andrew S. Levine, Esquire
Fax: (212) 326-0806

IF TO SELLER:

Sylvan Way L.L.C.
c/o J. P. Morgan Investment Management Inc.
522 Fifth Avenue
New York, NY 10036
Attention: William N. Cinnamond, Vice President
Fax:(212) 837-2602

COPY TO:

Hirschler, Fleischer, Weinberg, Cox
& Allen, P.C.
The Federal Reserve Bank Building
701 East Byrd Street
Richmond, Virginia 23219
Attention: L. Charles Long, Jr.
Telephone:(804) 771-9524
Fax:(804) 644-0957

14.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

14.11 No Recordation. Seller and Buyer each agrees that neither this Agreement nor any memorandum or notice hereof shall be recorded, unless required by law, and Buyer agrees (a) not to file any notice of pendency or other instrument (other than a judgment) against the Property or any portion thereof in connection herewith unless Seller has willfully failed or refused to close hereunder and (b) to indemnify Seller against all costs, expenses and damages, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Seller by reason of any unpermitted filing by Buyer of such notice of pendency or other instrument.

14.12 Additional Agreements; Further Assurances. Subject to the terms and conditions herein provided, each of the parties hereto shall execute and deliver such documents as the other party shall reasonably request in order to consummate and make effective the Transaction; provided, however, that the execution and delivery of such documents by such party shall not result in any additional liability or cost to such party.

14.13 Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendment, Schedule or Exhibit hereto.

14.14 ERISA. To satisfy compliance with ERISA, Buyer represents and warrants to Seller that:

(a) Neither Buyer nor any of its affiliates (within the meaning of Part V(c) of Prohibited Transaction Exemption 84-14 granted by the U.S. Department of Labor ("PTE 84-14") has, or during the immediately preceding year has exercised, the authority to appoint or terminate Seller as investment manager of any assets of the employee benefit plans whose assets are held by Seller or to negotiate the terms of any management agreement with Seller on behalf of any such plan;

(b) The Transaction is not specifically excluded by Part I(b) of PTE 84-14;

(c) Buyer is not a related party of Seller (as defined in Part V(h) of PTE 84)-14); and

(d) The terms of the Transaction have been negotiated and determined at arm's length, as such terms would be negotiated and determined by unrelated parties.

Buyer hereby agrees to execute such documents or provide such information as Seller may require in connection with the Transaction or to otherwise assure Seller that: (i) this is not a prohibited Transaction under ERISA, (ii) that the Transaction is otherwise in full compliance with ERISA and (iii) that Seller is not in violation of ERISA by compliance with this Agreement and by closing the Transaction. Seller shall not be obligated to consummate the Transaction unless and until the Transaction complies with ERISA and Seller is satisfied that the Transaction complies in all respects with ERISA. The obligations of Buyer under this section shall survive the Closing and shall not be merged therein.

14.15 Business Day. As used herein, the term "business day" shall mean any day other than a Saturday, Sunday, or any Federal or Commonwealth of Virginia or State of New Jersey holiday.

14.16 Seller's Maximum Aggregate Liability. Notwithstanding any provision to the contrary contained in this Agreement or any documents executed by Seller pursuant hereto or in connection herewith, the maximum aggregate liability of Seller, and the maximum aggregate amount which may be awarded to and collected by Buyer, under this Agreement (including, without limitation, the breach of any covenants, representations and warranties contained herein) and any and all documents executed pursuant hereto or in connection herewith (including, without limitation, any Seller's estoppel letter provided in accordance with the terms of Section 6.3(e) hereof), for which a claim is timely made by Buyer shall not exceed One Million Dollars ($1,000,000.00) (the "Maximum Amount"). The provisions of this section shall survive the Closing and shall not be merged therein. The provisions of this paragraph shall not, however, relate to Buyer's remedies in the event of Seller's Closing Default and Closing does not occur; such remedies are prescribed in paragraph 10.2, which prescribes Buyer's sole remedies in such event.

14.17 Facsimile Signatures. The parties hereto agree that facsimile signatures by any party shall be fully binding upon and enforceable against such party provided a hard copy of the originals are sent the same day via a reputable, national overnight courier service.

14.18 Seller Approval. The transactions described in and contemplated by this

Agreement are subject to the approval of the Board of Directors of System Realty Nineteen, Inc., one of the Members of Sylvan Way LLC. Seller agrees to submit these transactions for such approval promptly after execution of the Agreement. If Seller fails to secure such approval on or before 5:00 p.m. then prevailing Eastern time on the fifth (5th) business day after the Effective Date, then this Agreement shall automatically terminate and the Deposit will be returned by the Escrow Agent to Buyer; provided, however, Buyer may extend such approval period as it deems necessary.

14.19 Time of Essence. Time is of the essence to both Seller and Buyer in the performance of this Agreement by the other party, and they have agreed that strict compliance by both of them is required as to any date and/or time set out herein. If the final day of any period of time set out in any provision of this Agreement falls upon a Saturday, Sunday or a holiday observed by federally insured banks in the Commonwealth of Virginia or by the United States Postal Service, then and in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or holiday. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included unless such last day is a Saturday, Sunday or holiday in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or holiday.

WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the day and year first above written.

SELLER: SYLVAN WAY L.L.C., a Virginia limited liability company, by its Managers

Execution Date: February __, 1998

SYSTEM REALTY NINETEEN,
INC., a Virginia corporation

By:_____
Name: _____
Title: _____

and

VIRGINIA RETIREMENT
SYSTEM, a body corporate of the
Commonwealth of Virginia

By:_____
Name: _____
Title: _____

BUYER:
Execution Date: February __, 1998

Mack-Cali Realty Acquisition Corp.
a Delaware corporation

By:_____
Name: Roger W. Thomas
Title: Executive Vice President

BUYER'S FEDERAL TAX IDENTIFICATION NUMBER: 22-3305147

EXECUTION BY ESCROW AGENT:

The undersigned has executed this Agreement solely to confirm its agreement to (i) hold the Escrow Deposits in escrow in accordance with the provisions hereof and (ii) comply with the provisions of Article 12 and Section 14.2.

FIRST AMERICAN TITLE
INSURANCE CO. OF NEW YORK
Escrow Agent

Execution Date: February ___, 1998

By:_____
Name: _____
Title: _____

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of this 18 day of February, 1998, by and between (i) PRUBETA-3, a New Jersey general partnership ("Seller"), and (ii) Mack-Cali Realty Acquisition Corp., a New Jersey corporation ("Buyer").

W I T N E S S E T H:

In consideration of the mutual covenants and agreements set forth herein the parties hereto do hereby agree as follows:

ARTICLE 1. - SALE OF PROPERTY

Seller agrees to sell, transfer and assign and Buyer agrees to purchase, accept and assume, subject to the terms and conditions stated herein, all of Seller's right, title and interest in and to the following (herein collectively called the "Property"):

a. Real Property. Those certain parcels of real estate located in Parsippany, New Jersey, and Hanover, New Jersey, and legally described in Exhibit A attached hereto and incorporated herein by this reference, together with all buildings, improvements and fixtures located thereon and all rights, privileges and appurtenances pertaining thereto including all of Seller's right, title and interest in and to all rights-of-way, open or proposed streets, alleys, easements, strips or gores of land adjacent thereto (herein collectively called the "Real Property"); and

b. Personal Property. All tangible personal property described in Exhibit A to the Bill of Sale attached hereto as Exhibit F relating to the Real Property (herein collectively called the "Personal Property"), which intentionally excludes (i) all appraisals, budgets, Seller's strategic plans for the Property, internal analyses, marketing information, computer software, submissions relating to Seller's obtaining of corporate authorization, attorney and accountant work product, or other similar items or information in the possession or control of Seller or Seller's property manager which Seller deems proprietary, (ii) all artwork located on the Real Property and owned by Seller or by Prudential, and (iii) computers, furniture and other equipment and items of personal property located in the Property's management office, except for certain limited items of office furniture and equipment which Seller shall leave at the

management office on the Closing Date; and

c. Other Property Rights. (a) Seller's interest as landlord in all leases encumbering the Real Property on the Closing Date (as defined in Section 6.1), and Seller's interest under the documents described under the heading "PruBeta-3 Sublease at Short Hills" in Exhibit M hereto; and (b) if and to the extent assignable by Seller, (i) except to the extent terminated by Seller effective on or prior to the Closing Date as provided herein, all service, supply, maintenance, utility and commission agreements, all equipment leases, and all contracts, subcontracts and agreements relating to the construction of any unfinished tenant improvements described in Exhibit B attached hereto and incorporated herein by this reference, and (ii) all licenses, permits, zoning approvals, development rights and entitlements, and other written authorizations necessary for or utilized in connection with the use, operation or ownership of the Real Property or Personal Property and in Seller's possession or control (the rights and interests of Seller described in clauses (a) through (b) hereinabove being herein collectively called the "Other Property Rights").

ARTICLE 2. - PURCHASE PRICE

The total purchase price to be paid by Buyer for the purchase of the Property is the sum of ONE HUNDRED FIFTY-SEVEN MILLION THIRTY-TWO THOUSAND AND NO/100 DOLLARS ($157,032,000.00) in immediately available funds (the "Purchase Price"). The Purchase Price shall be paid in the following manner:

a. Deposit Money. Upon the full and final execution of this

Agreement and as a condition precedent to the effectiveness of this Agreement, Buyer shall deposit the sum of Three Million Two Hundred Forty Thousand and no/100 Dollars ($3,240,000.00) in immediately available funds as a deposit (the "Deposit") with First American Title Insurance Company whose mailing address is 30 North LaSalle Street, Suite 310, Chicago, Illinois 60602, Attention: Mary Lou Kennedy, as escrow agent ("Escrow Agent"). The Deposit shall be non-refundable except as provided in this Agreement. The Deposit shall be held and delivered by Escrow Agent in accordance with the provisions of the escrow agreement of even date herewith among Buyer, Seller and Escrow Agent. Any interest earned on the Deposit shall be added to and considered a part of the Deposit. Except as expressly otherwise set forth herein, the Deposit shall be applied against the Purchase Price on the Closing Date.

b. Cash at Closing. On the Closing Date, Buyer shall pay to Seller an amount equal to the difference between (a) the Purchase Price, and (b) the amount of the Deposit as of the Closing Date (the "Balance"), subject to the prorations and adjustments set forth in Article 5 or as otherwise provided under this Agreement, plus any other amounts required to be paid by Buyer at Closing, in immediately available funds by wire transfer as more particularly set forth in Section 6.2.

c. Allocation of Purchase Price. Seller and Buyer hereby agree that the Purchase Price shall be allocated One Hundred Thirty Million Five Hundred Thirty-Two Thousand and no/100 Dollars ($130,532,000.00) (the "Developed Property Purchase Price") to the four (4) improved portions of the Property, that is (i) 2 Hilton Court, (ii) 7 Campus Drive, (iii) 8 Campus Drive/7 Sylvan Way, and (iv) 2 Dryden Way, also known as 11 Dryden Way (collectively, the "Developed Property"), and Twenty-Six Million Five Hundred Thousand Dollars ($26,500,000) (the "Vacant Property Purchase Price") to the ten (10) portions of the Property which are vacant parcels of land, that is (a) 1400 Route 10, Block 3401, Lots 1 and 2, (b) Sylvan Way, Block 202, Lot 6.01, (c) Sylvan Way, Block 202, Lot 7.01, (d) Sylvan Way, Block 202, Lot 8.01, (d) Ridgedale Avenue, Block 3301, Lot 1, (f) Dryden Way, Block 202, Lot 6.04, (g) Route 287, Block 3201, Lot 1, and (h) Eastmans Road, Block 3002, Lot 6, and (i) Block 202, Lot 10, and Block 3201, Lot 2 (collectively, the "Vacant Property").

ARTICLE 3. - TITLE MATTERS

a. Title to Real Property. Seller has previously delivered to Buyer (a) First American Title Insurance Company's (such company, or such other title insurance company selected by Buyer which has the ability to perform the obligations of Title Company hereunder without delay, the "Title Company") commitments to issue Owner's Policies of Title Insurance with respect to the Property (collectively, the "Title Report") identified as Title Insurance Commitment File Nos. (i) 97-44590), (ii) 97-44591, (iii) 97- 44592, (iv) 97-44594, (v) 97-44625, (vi) 97-44597, (vi) 97- 44626, (viii) 97-44593, (ix) 97-44595, (x) 97-44596, (xi) 97- 44934, (xii) 97-4624, and (xiii) 98-46054 (regarding Block 202, Lot 10, and Block 3201, Lot 2), (b) copies of all recorded documents referred to on Schedule B of the Title Report as exceptions to coverage (the "Title Documents"), and (c) the

certified boundary surveys of the Property prepared by De Muro Associates which accompany the Title Report (collectively, the "Survey"). Buyer hereby confirms its approval of the Title Report and Survey. Except as provided in Section 3.2, Seller shall convey and Buyer shall accept title to the Property, subject to (i) applicable zoning and building ordinances and land use regulations, (ii) such exceptions to title as are listed on Schedule B of the Title Report, including the Title Company's standard printed exceptions, (iii) such state

of facts as disclosed in the Survey, (iv) such state of facts as would be disclosed by a physical inspection of the Property, (v) the lien of taxes not yet due and payable, (vi) any exceptions caused by Buyer, its agents, representatives or employees, (vii) such other exceptions as the Title Company may raise for judgments against Prudential, which the Title Company shall commit to insure over, without any additional cost to Buyer, whether such insurance is made available in consideration of payment, bonding, indemnity of Seller or otherwise, and (viii) the rights of only those tenants and other occupants of the Developed Property who occupy space therein pursuant to the Leases (as defined in Subsection 6.3(c)) (the foregoing exceptions described in clauses (i) through (viii) being herein collectively called the "Permitted Exceptions").

b. Title Defects.

i. Certain Exceptions to Title. Buyer shall have the right to object in writing to any title matters that are not Permitted Exceptions which may appear on supplemental title reports or updates to the Title Report issued at the request of Buyer after the date hereof (herein collectively called the "Other Liens") within five (5) days after the receipt thereof by Buyer. Unless Buyer shall timely object to such Other Liens, all such Other Liens which are set forth in any such supplemental reports or updates shall be deemed to constitute additional Permitted Exceptions. Any mortgage liens and other consensual liens granted by Seller and listed in the Title Report, and any exceptions which are timely objected to by Buyer shall be herein collectively called the "Title Objections." Seller may elect (but shall not be obligated) to remove, or cause to be removed at its expense, any Title Objections, and shall be entitled to a reasonable adjournment of the Closing (not to exceed ninety (90) days) for the purpose of such removal. Seller shall notify Buyer in writing within five (5) days after receipt of Buyer's notice of Title Objections whether Seller elects to remove the same. Notwithstanding the foregoing, Seller shall be obligated to remove any Title Objections which result from

mortgage liens granted by Seller and any other title exceptions intentionally caused by Seller. If Seller is unable to remove or endorse over any Title Objections prior to the Closing, or if Seller elects not to remove one or more Title Objections, Buyer may elect to either (a) terminate this Agreement, in which event the Deposit shall be paid to Buyer, and thereafter, the parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement, or (b) waive such Title Objections, in which event such Title Objections shall be deemed "Permitted Exceptions" and the Closing shall occur as herein provided without any reduction of or credit against the Purchase Price.

ii. Discharge of Title Objections. If on the Closing Date there are any Title Objections which Seller has elected to pay and discharge, Seller may use any portion of the Balance to satisfy the same, provided Seller shall deliver to Buyer at the Closing instruments in recordable form and sufficient to satisfy such Title Objections of record, together with the cost of recording or filing such instruments, or with respect to judgment liens only, provided that Seller shall cause the Title Company to insure over the same, without any additional cost to Buyer, whether such insurance is made available in consideration of payment, bonding, indemnity of Seller or otherwise.

c. Title Insurance; Survey. At Closing, the Title Company shall issue to Buyer, at Buyer's sole cost and expense, one or more ALTA Owner's Form of title insurance policies in the form of the Title Report (collectively, the "Owner's Title Policy"), in the amount of the Purchase Price, insuring that fee simple title to the Real Property is vested in Buyer subject only to the Permitted Exceptions. Buyer shall be entitled to request that the Title Company provide, at Buyer's sole cost and expense, such endorsements (or amendments) to the Owner's

Title Policy as Buyer may reasonably require, provided that (a) such endorsements (or amendments) shall be at no cost or additional liability to Seller, (b) Buyer's obligations under this Agreement shall not be conditioned upon Buyer's ability to obtain such endorsements and, if Buyer is unable to obtain such endorsements, Buyer shall nevertheless be obligated to proceed to close the transaction contemplated by this Agreement (the "Transaction") without reduction of or set off against the Purchase Price, and (c) the Closing shall not be delayed as a result of Buyer's request. Seller shall pay all costs incurred in connection with the preparation of the initial Survey delivered by Seller, and Buyer shall be required to pay all costs incurred in connection with any update or modification thereof requested by Buyer.

ARTICLE 4. - BUYER'S DUE DILIGENCE/CONDITION OF THE PROPERTY

a. Due Diligence Periods. Buyer acknowledges that commencing prior to the execution of this Agreement and continuing for a period which will expire on February 28, 1998 (the "Due Diligence Period"), Buyer has conducted, and shall continue to conduct, its examinations, inspections, testing, studies and/or investigations (herein collectively called the "Due Diligence") of the Property and information regarding the Property. Seller has made, and shall continue to make, the Property files (other than confidential and privileged materials) relating to the Property available to Buyer for Buyer's review during the Due Diligence Period. In addition, Seller applied to the Industrial Site Evaluation Element of the New Jersey Department of Environmental Protection, pursuant to the New Jersey Industrial Site Recovery Act, for a Letter of Non-Applicability, and delivered or shall deliver the Department's response thereto to Buyer for Buyer's review. Notwithstanding anything to the contrary contained in this Agreement, if Buyer in its sole discretion is not satisfied with the results of its Due Diligence with respect to the Property, Buyer may elect not to Purchase the Property by written notice to Seller given in accordance with the provisions of Section 14.9 hereof before 5:00 p.m. (Eastern Time) on the last day of the Due Diligence Period, and, in the event of such election not to purchase the Property, Buyer shall be entitled to the return of the Deposit. In the event Buyer fails to elect not to purchase the Property on or before the last day of the Due Diligence Period, Buyer shall be deemed to have waived its right to elect not to purchase the Property. Buyer and Seller each acknowledge and agree that (a) Buyer shall be permitted to conduct further inspections and examinations regarding the Property after the expiration of the Due Diligence Period, but Buyer shall have no additional time to terminate this Agreement as a result thereof. At Closing and as a material inducement for Seller to consummate the Transaction, Buyer will deliver a certification in the form of Exhibit D attached hereto and incorporated herein by this reference.

b. Buyer's Acknowledgements. Buyer hereby irrevocably acknowledges the following matters as of the date hereof, and agrees that, subject to the provisions of Section 4.1, Buyer shall not terminate this Agreement or directly or indirectly request or demand (i) any reduction in the Purchase Price, (ii) any representations or warranties of Seller other than as expressly set forth herein, (iii) any modification of the documents to be

delivered to Buyer pursuant to this Agreement, or (iv) any other concessions or agreements from Seller, any tenant or any other party as a result of or in connection with any such matters:

i. Location and Market Conditions. Buyer has reviewed and approved the location of the Property and market conditions, including, without limitation, market lease rates, market operating expenses, market property taxes, market future revenue and expense growth rates, market capitalization rates, and market discount rates.

ii. Vacant Property. Except as expressly provided in Section 7.2(d), Buyer has reviewed and approved all matters in any way relating to the Vacant Property, including,

without limitation, zoning, entitlements, approvals, licenses, permits, access, easements, permits, impact fees, traffic issues, environmental matters, flood plain issues, and wetlands issues (collectively, the "Land Development Requirements"), including, without limitation, (i) State of New Jersey Agreement #2585, dated November 14, 1978, including all exhibits, amendments and addenda thereto, (ii) Developer's Agreement between Seller and The Township of Parsippany-Troy Hills, dated September 1, 1992, including all exhibits, amendments and addenda thereto, and (iii) Agreement between Seller and The Township of Hanover, dated [blank], 1994, including all exhibits, amendments and addenda thereto. Buyer shall assume at Closing all of Seller's and Prudential's obligations under the documents and instruments evidencing the Land Development Requirements, and at Closing Buyer shall replace all guaranties, bonds, letters of credit, and cash deposits provided by or on behalf of Seller or Prudential with respect to the Vacant Property, with substitute security in accordance with the requirements of the applicable authority (or if the applicable authority does not allow such a substitution, at Closing Buyer shall execute and deliver an indemnity agreement, in form and substance reasonably satisfactory to Seller, pursuant to which Buyer indemnifies Seller or Prudential, as the case may be, for any and all costs, loss, damages and expenses, of any kind or nature whatsoever, including reasonable attorneys' fees and costs, arising out of or resulting from Buyer's failure to satisfy the Land Development Requirements).

iii. Lintel Condition. Buyer has reviewed and approved the condition of the lintels at 7 Campus Drive (the "Lintel Issue"), and shall accept all risk and responsibility of making any repairs

or replacements on account thereof after Closing as may be required by the tenants or otherwise.

c. Rejected Contracts. Prior to the expiration of the Due Diligence Period, Buyer shall notify Seller in writing of those Existing Contracts that Buyer elects not to assume ("Rejected Contracts"). To the extent such Rejected Contracts are terminable without cost under the terms thereof, Seller shall terminate all Rejected Contracts, effective as of the Closing Date, or if a termination notice period is required and is not waived by the contractor, then effective on such later date as may be required under the terms of such Existing Contract.

ARTICLE 5. - ADJUSTMENTS AND PRORATIONS

The following adjustments and prorations shall be made at Closing:

a. Lease Rentals and Expenses.

i. Rents. All collected rents and other payments from tenants under the leases shall be prorated between Seller and Buyer as of the day prior to the Closing Date. Seller shall be entitled to all rents (including any percentage rent, additional rent and any accrued tax and operating expense reimbursements and escalations), charges, and other revenue of any kind attributable to any period under the Leases prior to but not including the Closing Date. Buyer shall be entitled to all rents (including any percentage rent, additional rent and any accrued tax and operating expense reimbursements and escalations), charges and other revenue of any kind attributable to any period under the Leases on and after the Closing Date. Rents and expense escalations or other reimbursements due landlord under the Leases not collected as of the Closing Date shall not be prorated at the time of Closing, but Buyer shall make a good faith effort to collect the same on Seller's behalf and to tender the same to Seller upon receipt (which obligation of Buyer shall survive the Closing and not be merged therein); provided, however, that all rents, escalations and other reimbursements due landlord under the Leases collected by Buyer on or after the Closing Date shall first be applied to all amounts due under the

Leases at the time of collection for post- Closing periods (i.e., current rents and sums due Buyer as the current owner and landlord) with the balance (if any) payable to Seller, but only to the extent of amounts delinquent and actually

due Seller. Buyer shall not have an exclusive right to collect the sums due Seller under the Leases and Seller hereby retains its rights to pursue any tenant under the Leases for sums due Seller for periods attributable to Seller's ownership of the Property ; provided, however, that Seller shall not be permitted to commence or pursue any legal proceedings against any tenant seeking eviction of such tenant or the termination of the underlying lease. Seller's rights under the immediately preceding sentence shall survive the Closing and not be merged therein. Buyer shall receive a credit against the Purchase Price for pre-paid rentals held by Seller covering the period post-Closing.

ii. Lease Expenses. At Closing, Buyer shall reimburse Seller for the Lease Expenses (as defined in Section 13.2) to the extent required by the terms of Section 13.2.

b. Real Estate and Personal Property Taxes. Real estate and personal property taxes shall be prorated on a cash basis for the calendar year in which the Closing occurs, regardless of the year for which such taxes are assessed. Such proration shall be calculated based upon the actual number of days in such calendar year, with Seller being responsible for that portion of such calendar year occurring prior to midnight of the day prior to the Closing Date and Buyer being responsible for that portion of such calendar year occurring after midnight of the day prior to the Closing Date. If the real estate and/or personal property tax rate and assessments have not been set for the calendar year in which the Closing occurs, then the proration of such taxes shall be based upon the rate and assessments for the preceding calendar year, and such proration shall be adjusted between Seller and Buyer upon presentation of written evidence that the actual taxes paid for the calendar year in which the Closing occurs differ from the amounts used at Closing and in accordance with the provisions of Section 5.8. Seller shall pay all installments of special assessments due and payable prior to the Closing Date and Buyer shall pay all installments of special assessments due and payable on and after the Closing Date; provided, however, that Seller shall not be responsible for any installments of special assessments which have not been confirmed or which relate to projects that have not been completed on the date hereof. In the event the Property has been assessed for property tax purposes at such rates as would result in reassessment (i.e., "escape assessment" or "roll-back taxes") based upon the change in land usage or ownership of the Property, Buyer hereby agrees to pay all such taxes and to indemnify and save Seller harmless from and

against all claims and liability for such taxes. Such indemnity shall survive the Closing and not be merged therein.

c. Other Property Operating Expenses. Operating expenses for the Property shall be prorated as of midnight of the day prior to the Closing Date. Seller shall pay all utility charges and other operating expenses attributable to the Property prior to, but not including the Closing Date (except for those utility charges and operating expenses payable by tenants in accordance with the Leases) and Buyer shall pay all utility charges and other operating expenses attributable to the Property on or after the Closing Date. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading and post-closing adjustments between Buyer and Seller shall be made within twenty (20) days of the date that

actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and not be merged therein. Seller shall not assign to Buyer any deposits which Seller has with any of the utility services or companies servicing the Property. Buyer shall arrange with such services and companies to have accounts opened in Buyer's name beginning at 12:01 a.m. on the Closing Date.

d. Closing Costs. Buyer shall pay all premiums and charges of the Title Company for the Owner's Title Policy (including endorsements) to be issued pursuant to the Title Report, the cost of any updates or modifications to the Survey obtained by Buyer, one-half (1/2) of all escrow or closing charges, all costs of Buyer's Due Diligence and any other costs customarily paid by the buyer pursuant to local practice. Seller shall pay all recording and filing charges in connection with the instruments by which Seller conveys the Property, all transfer taxes applicable to the transfer of the Property to Buyer, including the New Jersey Realty Transfer Tax, one-half (1/2) of all escrow or closing charges and, except as otherwise provided herein, any other costs customarily paid by the seller pursuant to local practice. Except as otherwise agreed by the parties, each party shall pay its own attorneys. The obligations of the parties to pay applicable escrow or closing charges shall survive the termination of this Agreement.

e. Cash Security Deposits. At Closing, Seller shall give Buyer a credit against the Balance in the aggregate amount of the

unapplied cash security deposits then held by Seller under the Leases and any interest thereon less, any administrative or similar charges to which Seller may be entitled under applicable law.

f. Apportionment Credit. In the event the apportionments to be made at the Closing result in a credit balance (i) to Buyer, such sum shall be paid at the Closing by giving Buyer a credit against the Balance in the amount of such credit balance, or (ii) to Seller, Buyer shall pay the amount thereof to Seller at the Closing by wire transfer of immediately available funds to the account or accounts to be designated by Seller for the payment of the Balance.

g. Closing Statement. Seller shall cause its accounting staff ("Seller's Accountants"), in cooperation with Buyer's accounting staff ("Buyer's Accountants"), to make such examinations and audits of the Property, and of the books and records pertaining to the Property, as may be necessary to make the adjustments and prorations required under this Article 5, or under any other provisions of this Agreement. All such adjustments and prorations shall be made in accordance with the provisions of this Agreement and otherwise on a cash basis in accordance with sound accounting practices. Based upon the results thereof, Seller's Accountants and Buyer's Accountants will prepare and deliver to Buyer and Seller no later than two (2) business days prior to the Closing a closing statement (the "Closing Statement"), which shall contain the parties' best estimate of the amounts of the items requiring the prorations and adjustments in accordance with this Agreement. The amounts set forth on the Closing Statement shall be the basis upon which the prorations and adjustments provided for herein shall be made at the Closing. The Closing Statement shall be binding and conclusive on all parties hereto to the extent of the items covered by the Closing Statement, except where this Agreement expressly provides for further adjustment of such amounts after Closing, and except as otherwise provided in Section 5.8 below.

h. Delayed Adjustment. If at any time following the Closing Date, the amount of an item listed in any section of this Article 5 shall prove to be incorrect (whether as a result in an error in calculation or a lack of complete and accurate information as of the Closing), the party

in whose favor the error was made shall promptly pay to the other party the sum necessary to correct such error upon receipt of proof of such error, provided that such proof is delivered to the party from whom payment is requested

on or before one (1) year after Closing. The provisions of this Section 5.8 shall survive the Closing and not be merged therein.

ARTICLE 6. - CLOSING

Buyer and Seller hereby agree that the Transaction shall be consummated as follows:

a. Closing Date. Subject to Seller's right to extend the Closing as provided in this Agreement, the Transaction shall close ("Closing") on March 16, 1998 (the "Closing Date"). Closing shall be by a so-called "New York style" closing. The Closing shall take place at 10:00 a.m. Eastern Time in the offices of Seller's or Buyer's attorneys in New York City, and Buyer and Seller shall conduct a "pre-closing" on the last business day prior to the Closing Date with title transfer and payment of the Purchase Price to be completed on the Closing Date as set forth in Section 6.2. Time is of the essence with respect to the Closing Date.

b. Title Transfer and Payment of Purchase Price. Provided all conditions precedent to Seller's obligations hereunder have been satisfied, Seller agrees to convey title to the Real Property to Buyer by a deed from Seller, upon confirmation of receipt of the Purchase Price by the Escrow Agent as set forth below. Provided all conditions precedent to Buyer's obligations hereunder have been satisfied, Buyer agrees to deliver the payment specified in Section 2.2 by timely delivering the same to the Escrow Agent no later than 1:00 p.m. Eastern Time on the Closing Date.

c. Seller's Closing Deliveries. At the Closing, Seller shall deliver or cause to be delivered to the Escrow Agent the following:

(1) Deed. A deed in the form of Exhibit E attached hereto and incorporated herein by this reference, conveying to Buyer all of Seller's right, title and interest in and to the Real Property owned by Seller, subject only to the applicable Permitted Exceptions (the "Seller Deed"), and a deed in the form of Exhibit E hereto from The Prudential Insurance Company of America ("Prudential"), conveying to Buyer all of Prudential's right, title and interest in and to the Real Property owned by Prudential, subject only to the applicable Permitted Exceptions (the "Prudential Deed", and collectively, together with the Seller Deed, the "Deed"). By its signature below Prudential agrees,

subject to all of the terms and conditions set forth in this Agreement, to execute and deliver the Prudential Deed to Buyer at Closing.

(2) Bill of Sale. A bill of sale from Seller, in the form of Exhibit F attached hereto and incorporated herein by this reference conveying all of Seller's right, title and interest in and to the Personal Property.

(3) Assignment of Tenant Leases. An assignment and assumption of tenant leases from Seller, in the form of Exhibit G attached hereto and incorporated herein by this reference ("Assignment of Leases") transferring all of Seller's interest in the tenant space leases encumbering the Property on the Closing Date and any amendments, guarantees and other material documents relating thereto (herein collectively called the "Leases"),

together with all assignable non-cash security deposits deposited by the tenants thereunder and not applied by Seller in accordance with the terms of the Leases.

(4) Assignment of Equipment Leases, Commission Agreements and Service Contracts. An assignment and assumption of equipment leases, commission agreements, service contracts, warranties and guaranties and the Other Property Rights (to the extent the same are not transferred by the Deed, Bill of Sale or Assignment of Leases) from Seller, in the form of Exhibit H attached hereto and incorporated herein by this reference ("Assignment of Contracts"), transferring, to the extent assignable, without liability or expense to Seller, all of Seller's interest in the equipment leases and any lease commission agreements in effect at the Property on the Closing Date, all uncanceled service contracts encumbering the Property on the Closing Date, all warranties and guaranties which remain in effect on the Closing Date and any Other Property Rights not otherwise transferred to Buyer, excluding all Rejected Contracts which are terminated effective on or before the Closing Date (all of the foregoing being herein collectively called the "Contracts"). Seller shall not assign any existing management agreement or any contracts or policies of insurance for the Property.

(5) Estoppel Letters. In sufficient time for Buyer's review prior to Closing, executed estoppel letters from tenants

collectively occupying no less than seventy percent (70%) of the area leased under the Leases, including from each tenant which occupies 50,000 square feet or more of space in the Developed Property (such 50,000 square foot or more tenants, the "Major Tenants"). All of such estoppel letters shall be dated no earlier than January 1, 1998 and shall be substantially in the form which such tenant is required to provide pursuant to the terms of such tenant's Lease or, if no form is specified in any of the Leases, substantially in the form of Exhibit I-1 attached hereto and incorporated herein by this reference. Notwithstanding the foregoing, if any Major Tenants fail to deliver estoppel letters which contain all of the certifications set forth on Exhibit C attached hereto and made a part hereof (the "Required Certifications"), and Seller elects to deliver a landlord estoppel letter as provided below with respect to such a Major Tenant, then, even if such missing certifications are not required under the terms of such Major Tenants's Lease, the landlord estoppel letter for that Major Tenant shall include all of the certifications set forth on Exhibit C hereto which such Major Tenant failed to include in its tenant estoppel certificate. Buyer shall have the right to reject a tenant estoppel letter if the tenant certifies that there is a material default under the lease or raises a material matter which is inconsistent with its Lease or the applicable information set forth on Exhibit M attached hereto. Notwithstanding anything to the contrary set forth herein, in no event shall a tenant estoppel letter be rejected, or necessitate a landlord estoppel letter, on the basis of (i) the tenant inserting a "best knowledge" limitation therein, or (ii) the tenant complaining about, asserting a default on account of, or in any way raising, matters relating to the Lintel Issue. In the event Seller cannot for any reason obtain a tenant estoppel letter which satisfies the foregoing requirements from a tenant from whom an estoppel letter is required, Seller, at its option, may deliver to Buyer a landlord estoppel letter from Seller, in the form of Exhibit I-2 attached hereto and incorporated herein by this reference, and, if

applicable with respect to a Major Tenant, including such of the Required Certifications as may be required pursuant to the foregoing provisions of this Section 6.3(e). The liability of Seller under each landlord estoppel letter shall expire and be of no further force or effect on the one hundred eightieth (180th) day

following the Closing Date; provided, however, that if Seller shall obtain an estoppel letter, which satisfies the foregoing requirements, from any such tenant after delivery of such landlord estoppel letter with respect to such tenant, such landlord estoppel letter shall, as of the date of such tenant's estoppel letter, be without further force or effect.

(6) Notice to Tenants. A single form letter from Seller, in the form of Exhibit J attached hereto and incorporated herein by this reference to each tenant under the Leases, duplicate copies of which would be sent (i) notifying it of the sale of the Property to Buyer, (ii) advising it that all future payments of rent and other payments due under the Leases are to be made to Buyer at an address designated by Buyer, and (iii) instructing it to obtain new certificates of insurance naming Buyer as landlord.

(7) Non-Foreign Status Affidavit. A non-foreign status affidavit in the form of Exhibit K attached hereto and incorporated herein by this reference, as required by Section 1445 of the Internal Revenue Code, from Seller.

(8) Evidence of Authority. A certificate of an Assistant Secretary of Prudential, and a certificate of an authorized officer of Equity Parsippany Venture ("EPV"), which are the sole partners in Seller, with respect to the authority to act on behalf of such entity of the individual executing on behalf of such entity all documents to be executed by it pursuant to this Agreement, and any other evidence of authority, or partnership or corporate consents required by the Title Company.

(9) Seller's Certificates. The certificate of Seller certifying to the truth and accuracy in all material respects as of the Closing Date of the matters set forth in Section 8.2.

(10) Property Documents. (i) To the extent in the possession of Seller or the current manager of the Property, (A) the original (or, if unavailable, a copy) of the existing certificate or certificates of occupancy for the Property, and (B) all original (or, if unavailable, copies of) certificates, licenses, permits, authorizations and approvals issued for or with respect to the Property by governmental and quasi-governmental authorities having

jurisdiction; and (ii) all non-proprietary books and records located at the Property or at the office of Seller's building manager relating to the Property and the ownership and operation thereof (the items described in clauses (i) and (ii) being herein collectively called the "Property Documents"); it being expressly agreed that Seller shall have the right to retain copies of the Property Documents.

(11) Other Documents. Such other documents as may be reasonably required by the Title Company (including a seller's affidavit of title in the form previously agreed upon between Seller and First American Title Insurance Company) or as may be agreed upon by Seller and Buyer to consummate

the Transaction, which shall be sufficient to remove (i) Schedule B-Section I Requirements (b), (d), (g), (h), and (i), and (ii) Schedule (B)-Section II, Exceptions (1), (2), (3), (4) and (6).

(12) Letters of Credit as Tenant Security Deposits. With respect to any security deposits which are letters of credit, Seller shall (i) deliver to Buyer at the Closing such letters of credit, (ii) execute and deliver such other instruments as the issuers of such letters of credit shall reasonably require, and (iii) cooperate with Buyer to change the named beneficiary under such letters of credit to Buyer so long as Seller does not incur any additional liability or expense in connection therewith.

(13) Keys and Original Documents. Keys to all locks on the Real Property (in Seller's or Seller's building manager's possession) and originals or, if originals are not available, copies, of the Leases and Contracts (unless canceled as set forth herein) encumbering the Property on the Closing Date.

(14) Transfer Taxes. If applicable, duly completed and signed real estate transfer tax returns.

(15) Assignment of Casualty and/or Condemnation Awards. If applicable pursuant to Article 11 or Article 12 below, assignments to Buyer of condemnation awards or casualty insurance proceeds.

(16) Closing Statement. The Closing Statement.

d. Buyer Closing Deliveries. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

(1) Balance. The Balance, as adjusted for apportionments and other adjustments required under this Agreement, plus any other amounts required to be paid by Buyer at Closing.

(2) Assignment of Leases. The Assignment of Leases executed and acknowledged by Buyer.

(3) Assignment of Equipment Leases, Commission Agreements and Service Contracts. The Assignment of Contracts executed and acknowledged by Buyer.

(4) Buyer's Certificates. The certificate of Buyer required under Article 4 hereof and a certificate of Buyer certifying as to the truth and accuracy in all material respects as of the Closing Date of the matters set forth in Section 8.1.

(5) Evidence of Authority. Documentation to establish to Seller's reasonable satisfaction the due authorization of Buyer's acquisition of the Property and Buyer's delivery of the documents required to be delivered by Buyer pursuant to this Agreement (including, but not limited to, the organizational documents of Buyer, as they may have been amended from time to time, resolutions of Buyer and incumbency certificates of Buyer).

(6) Other Documents. Such other documents as may be reasonably required by the Title Company or may be agreed upon by Seller and Buyer to consummate the Transaction.

(7) Transfer Taxes. If applicable, duly completed and signed real estate transfer tax returns.

(8) Closing Statement. The Closing Statement.

e. Delivery of Deed. Effective upon delivery of the Deed, actual and exclusive possession (subject only to the Permitted Exceptions) and risk of loss to the Property shall pass from Seller to Buyer.

ARTICLE 7. - CONDITIONS TO CLOSING

a. Seller's Obligations. Seller's obligation to close the Transaction is conditioned on all of the following, any or all of which may be waived by Seller by an express written waiver, at its sole option:

(1) Corporate Approval. The unconditional approval of the Transaction by (i) the Executive Committee of Seller, (ii) both Prudential's corporate officers and its Law Department and, if necessary, by the Finance Committee of Prudential's Board of Directors, each in their sole discretion (it being acknowledged by Buyer that if the appropriate corporate officers do not so approve the Transaction, then no review will be made by the Finance Committee, and (iii) EPV's partners and legal counsel;

(2) Representations True. All representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent they expressly relate to an earlier date;

(3) Buyer's Deliveries Complete. Buyer shall have delivered the funds required hereunder and all of the documents to be executed by Buyer set forth in Section 6.4 and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Buyer at or prior to the Closing; and

(4) Resolution of Clean Water Act Issues. Buyer and Seller shall have entered into a mutually satisfactory written agreement in which they resolve all issues between them relating to Permit #14741, authorized under Section 404 of the Clean Water Act, and its impact upon development of the Vacant Property.

(5) Resolution of GAB Indemnification Issues. On or before the expiration of the Due Diligence Period, Buyer and Seller shall have entered into a mutually satisfactory written agreement in which they set forth the terms and conditions of Seller's indemnity of Buyer for matters arising from GAB Robins North America, Inc. v. PruBeta-3 et al., Docket No. MRS-L-187-98, and the partners in Seller shall have agreed upon a mutually

satisfactory allocation of their respective responsibilities therefor.

b. Buyer's Obligations. Buyer's obligation to close the Transaction is conditioned on all of the following, any or all of which may be expressly waived by Buyer in writing, at its sole option:

(1) Representations True. Subject to the provisions of Section 8.3, all representations and warranties made by Seller in this Agreement, as the same may be amended as provided in Section 8.3, shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent that they expressly relate to an earlier date;

(2) Title Conditions Satisfied. At the time of the Closing, title to the Property shall be as provided in Article 3 of this Agreement;

(3) Seller's Deliveries Complete. Seller shall have obtained the approvals described in Section 7.1(a), shall have delivered all of the documents and other items required pursuant to Section 6.3,

and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Seller at or prior to the Closing; and

(4) Resolution of Clean Water Act Issues. Buyer and Seller shall have entered into a mutually satisfactory written agreement in which they resolve all issues between them relating to Permit #14741, authorized under Section 404 of the Clean Water Act, and its impact upon development of the Vacant Property.

(5) Resolution of GAB Indemnification Issues. On or before the expiration of the Due Diligence Period, Buyer and Seller shall have entered into a mutually satisfactory written agreement in which they set forth the terms and conditions of Seller's indemnity of Buyer for matters arising from GAB Robins North America, Inc. v. PruBeta-3 et al., Docket No. MRS-L-187-98, and the partners in Seller shall have agreed upon a mutually satisfactory allocation of their respective responsibilities therefor.

c. Waiver of Failure of Conditions Precedent. At any time or times on or before the date specified for the satisfaction of any condition, Buyer or Seller may elect in writing to waive the benefit of any such condition set forth in Section 7.1 or Section 7.2, respectively. By closing the Transaction, Seller and Buyer shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in Section 7.1 and Section 7.2, respectively. In the event any of the conditions set forth in Sections 7.1 or 7.2 are neither waived nor fulfilled, Buyer or Seller (as appropriate) may terminate their obligations to perform at the Closing and otherwise under this Agreement in accordance with the provisions of Article 10.

ARTICLE 8. - REPRESENTATIONS AND WARRANTIES

a. Buyer's Representations. Buyer represents and warrants to, and covenants with, Seller as follows:

i. Buyer's Authorization. Buyer is duly organized, validly existing and in good standing under the laws of its State of organization and the State of New Jersey, and is authorized to consummate the Transaction and fulfill all of its obligations hereunder and under all documents contemplated hereunder to be executed by Buyer, and has all necessary power to execute and deliver this Agreement and all documents contemplated hereunder to be executed by Buyer, and to perform all of its obligations hereunder and thereunder. This Agreement and all documents contemplated hereunder to be executed by Buyer, have been duly authorized by all requisite partnership or corporate action on the part of Buyer and are the valid and legally binding obligation of Buyer, enforceable in accordance with their respective terms. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by Buyer, nor the performance of the obligations of Buyer hereunder or thereunder will result in the violation of any law or any provision of the articles of incorporation and by-laws of Buyer or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Buyer is bound.

b. Seller's Representations. Seller represents and warrants to Buyer as follows:

i. Seller's Authorization. The sole constituent partners of Seller are Prudential and EPV. Seller (a) is duly organized (or formed) and validly existing under the laws of the State of New Jersey, (b) subject to obtaining the approvals described in Subsection 7.1(a), is authorized to consummate the Transaction and fulfill

all of its obligations hereunder and under all documents contemplated hereunder to be executed by Seller, and (c) has all necessary power to execute and deliver this Agreement and all documents contemplated hereunder to be executed by Seller and to perform its obligations hereunder and thereunder. Subject to obtaining the approvals described in Subsection 7.1(a), this Agreement and all documents contemplated hereunder to be executed by Seller have been duly authorized by all requisite corporate action on the part of Seller and are the valid and legally binding obligation of Seller enforceable in accordance with their respective terms. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by Seller nor the performance of the obligations of Seller hereunder or thereunder will result in the violation of any law or any provision of the governing agreements of Seller or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Seller is bound.

ii. Seller's Representations Regarding the Property. To Seller's knowledge (as such term is hereinafter defined):

(1) Except as listed in Exhibit L attached hereto and incorporated herein by this reference, Seller has not received any written notice of pending litigation, actions, suits, labor disputes, or other legal proceedings against Seller or the Property which would, if determined adversely to Seller, adversely affect the Property.

(2) Seller has not entered into any service, supply, maintenance, labor or utility contracts affecting the Property which will be binding upon Buyer after the Closing other than the Contracts listed in Exhibit B attached hereto.

(3) Seller has not received any written notice of default under the terms of any of the Contracts except as listed in Exhibit L attached hereto.

(4) As of the date of this Agreement, the only tenants of the

Property are the tenants listed in Exhibit M attached hereto and incorporated herein by this reference. Exhibit M correctly sets forth a description of all of the Leases. The Property Documents made available to Buyer include true and correct copies of all the Leases.

(5) Except as listed in Exhibit L attached hereto, Seller has not received any written notice from any governmental authority of any pending or threatened annexation or condemnation proceedings, or any violation of any zoning, building, fire, or health code, statute, ordinance, rule or regulation applicable to the Property.

iii. No Other Agreements. Seller has not entered into any currently effective agreement to sell or dispose of all of its interest in and to the Property (except for this Agreement).

c. General Provisions.

i. Definition of "Seller's Knowledge". All references in this Agreement to "Seller's knowledge" or words of similar import shall refer only to the actual knowledge of John Gregorits of Prudential, Leigh Rae of Prudential and Stewart Loewenstein of EPV's partner, U S West Real Estate, Inc. (collectively, the "Designated Employees") and shall not be construed to refer to the knowledge of any other officer, agent or employee of Seller, its partners or any affiliate thereof or to impose or have imposed upon the Designated Employees any duty to investigate the matters to which such knowledge, or the absence thereof, pertains, including, but not limited to, the contents of the files, documents and materials

made available to or disclosed to Buyer or the contents of files maintained by the Designated Employees. There shall be no personal liability on the part of the Designated Employees arising out of any representations or warranties made herein.

ii. Seller's Representations Deemed Modified. To the extent that Buyer knows or is deemed to know prior to the expiration of the Due Diligence Period that Seller's representations and warranties are inaccurate, untrue or incorrect in any way, such representations and warranties shall be deemed modified to reflect Buyer's knowledge or deemed knowledge, as the case may be. For purposes of this Agreement, Buyer shall be "deemed to know" that a representation or warranty was untrue, inaccurate or

incorrect to the extent that this Agreement, the Documents, any estoppel certificate executed by any tenant of the Property and delivered to Buyer, or any studies, tests, reports, or analyses prepared by or for Buyer or Timothy Jones, Roger Thomas, John Kropke, or any of its attorneys (all of the foregoing being herein collectively called the "Buyer's Representatives") or otherwise obtained by Buyer or Buyer's Representatives contains information which is inconsistent with such representation or warranty.

iii. Notice of Breach; Seller's Right to Cure. If prior to the Closing, Buyer or any Buyer's Representative obtains actual knowledge that any of the representations or warranties made herein by Seller are untrue, inaccurate or incorrect in any material respect, Buyer shall give Seller written notice thereof within five (5) business days of obtaining such knowledge (but, in any event, prior to the Closing). If at or prior to the Closing, Seller obtains knowledge that any of the representations or warranties made herein by Seller are untrue, inaccurate or incorrect in any material respect, Seller shall give Buyer written notice thereof within five (5) business days of obtaining such knowledge (but, in any event, prior to the Closing). In either such event, Seller shall have the right to cure, and if the cost to cure is greater than One Hundred Thousand Dollars ($100,000) but less than Two Hundred Fifty Thousand Dollars ($250,000) Seller shall have the obligation to attempt to cure, such misrepresentation or breach and shall be entitled to a reasonable adjournment of the Closing (not to exceed ninety (90) days) for the purpose of such cure. If Seller is unable to so cure any misrepresentation or breach, then Buyer, as its sole remedy for any and all such materially untrue, inaccurate or incorrect material representations or warranties, shall elect either (a) to waive such misrepresentations or breaches of warranties and consummate the Transaction without any reduction of or credit against the Purchase Price, or (b) to terminate this Agreement by written notice given to Seller on the Closing Date, in which event this Agreement shall be terminated, the Deposit shall be returned to Buyer and, thereafter, neither party shall have any further rights or obligations hereunder except as provided in any section hereof that by its terms expressly provides that it survives any termination of this Agreement. If any such representation or warranty is untrue, inaccurate or incorrect but is not untrue, inaccurate or incorrect in any material respect, Buyer shall be deemed to waive such misrepresentation or breach of warranty, and Buyer shall be required to consummate the Transaction without any reduction of or credit

against the Purchase Price. The untruth, inaccuracy or incorrectness of a representation or warranty shall be deemed material only if Buyer's aggregate damages resulting from the untruth, inaccuracy or incorrectness of any of the representations or warranties are reasonably estimated by Buyer to exceed One Hundred Thousand Dollars ($100,000).

iv. Survival; Limitation on Seller's Liability. The representations and warranties made by Seller in Section 8.2 shall survive the Closing and not be merged therein for a period of one (1) year and Seller shall only be liable to Buyer hereunder for a breach of a representation and warranty made herein or in any of the documents executed by Seller at the Closing with respect to which a claim is made by Buyer against Seller on or before the one (1) year anniversary of the Closing Date. Anything in this Agreement to the contrary notwithstanding, the maximum aggregate liability of Seller for Seller's breaches of representations and warranties herein or in any documents executed by Seller at Closing (including, but not limited to, any Seller estoppel letters delivered pursuant to Section 6.3(e)) shall be limited as set forth in Section 14.16 hereof. Notwithstanding the foregoing, however, if the Closing occurs, Buyer hereby expressly waives, relinquishes and releases any right or remedy available to it at law, in equity or under this Agreement to make a claim against Seller for damages that Buyer may incur, or to rescind this Agreement and the Transaction, as the result of any of Seller's representations or warranties being untrue, inaccurate or incorrect if (a) Buyer knew or is deemed to know that such representation or warranty was untrue, inaccurate or incorrect at the time of the Closing, or (b) Buyer's damages as a result of such representations or warranties being untrue, inaccurate or incorrect are reasonably estimated to aggregate less than One Hundred Thousand Dollars ($100,000).

ARTICLE 9. - COVENANTS

a. Buyer's Covenants. Buyer hereby covenants as follows:

i. Confidentiality. Buyer acknowledges that any information furnished to Buyer with respect to the Property is and has been so furnished on the condition that Buyer maintain the confidentiality thereof. Accordingly, Buyer shall hold, and shall cause its directors, officers and other personnel and the other Buyer's Representatives to hold, in strict confidence, and not disclose to

any other person without the prior written consent of Seller until the Closing shall have been consummated, any of the information in respect of the Property delivered to or for the benefit of Buyer whether by agents, consultants, employees or representatives of Buyer or by Seller or any of its agents, representatives or employees, including, but not limited to, any information obtained by Buyer or any of Buyer's Representatives in connection with any studies, inspections, testings or analyses conducted by Buyer as part of its Due Diligence. In the event the Closing does not occur and this Agreement is terminated, Buyer shall promptly return to Seller all copies of documents containing any of such information without retaining any copy thereof or extract therefrom. Notwithstanding anything to the contrary hereinabove set forth, Buyer may disclose such information (i) on a need-to-know basis to any institutional lenders providing financing to it, (ii) on a need-to-know basis to its employees, officers, directors and shareholders, and to members of professional firms serving it, (iii) to comply with applicable securities or other laws, and (iv) as any governmental agency may require in order to comply with applicable laws or regulations. The provisions of this Subsection 9.1.1 shall survive the Closing (and not be merged therein) or earlier termination of this Agreement.

ii. Approvals not a Condition to Buyer's Performance. Buyer acknowledges and agrees that subject to Buyer's right to terminate this Agreement prior to the expiration of the Due Diligence Period on and subject to the terms and conditions set forth in this Agreement, its obligation to perform under this Agreement is not contingent upon Buyer's ability to obtain any (a) governmental or quasi-governmental approval of changes or modifications in use or zoning, or (b) modification of any existing land use restriction, or (c) consents to assignments of any service contracts, management agreements or other

agreements which Buyer requests, or (d) endorsements to the Title Policy.

iii. Buyer's Indemnity; Delivery of Reports. Buyer hereby agrees to indemnify, defend, and hold Seller, its counsel, Broker (as defined below), Broker's sales agents, and all partners, officers, directors, employees, agents and attorneys of Seller, its counsel, Broker, and Broker's sales agents, and any other party related in any way to any of the foregoing (all of which parties are herein collectively called the "Seller Parties"), and the Property free and harmless from and against any and all costs, loss, damages and expenses, of any kind or nature whatsoever (including attorneys

fees and costs), to the extent arising out of or resulting from the entry and/or the conduct of activities upon the Property by Buyer, its agents, contractors, subcontractors and/or other Buyer's Representatives in connection with the inspections, examinations, testings and investigations of the Property conducted at any time prior to the Closing, which indemnity shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement. If the Closing fails to take place, Buyer shall deliver promptly to Seller, without recourse, representation or warranty, copies of all third party reports commissioned by Buyer evidencing the results of tests, studies or inspections of the Property, provided that such documents shall be in Buyer's possession or subject to its control, and provided further that Buyer shall have the right to deliver such reports.

iv. Limit on Government Contacts. Notwithstanding any provision in this Agreement to the contrary, except in connection with the preparation of a so-called "Phase I" environmental report with respect to the Property, Buyer shall not contact any governmental official or representative regarding Hazardous Materials (as defined below) on or the environmental condition of the Property without Seller's prior written consent thereto, which consent shall not be unreasonably withheld. In addition, if Seller's consent is obtained by Buyer, Seller shall be entitled to receive at least five (5) days prior written notice of the intended contact and to have a representative present when Buyer has any such contact with any governmental official or representative. For purposes of this Agreement, the term "Hazardous Material" shall mean any substance, chemical, waste or material that is or becomes regulated by any federal, state or local governmental authority because of its toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness or reactivity, including, without limitation, asbestos or any substance containing more than 0.1 percent asbestos, the group of compounds known as polychlorinated biphenyls, flammable explosives, oil, petroleum or any refined petroleum product.

v. Assumption of CBA Obligations. In the event that Seller or Seller's managing agent employs any employees at the Property who are subject to any collective bargaining agreement (any such employees and collective bargaining agreements being listed on Exhibit N attached hereto and incorporated herein by this reference), Buyer shall, on or before the Closing Date, become, or retain a managing agent for the Property who is, a member of any required union or other association and shall assume, or

cause such managing agent to assume, all of the obligations of Seller or its managing agent in accordance with such collective bargaining agreements with respect to such employees or any replacements of such employees.

vi. Use of the Name Prudential Business Campus. Buyer shall have the nonexclusive, nontransferable right, license, and privilege (but not any obligation) to use the name "Prudential Business Campus" (the "Name") for the

Property for a period of twenty four (24) months commencing on the Closing Date. Buyer shall not use the Name directly or indirectly on or in connection with, or in relation to, any property other than the Property, and shall not otherwise use the name Prudential or any variant thereof, the "Prudential Rock" logo or any variant thereof, or any other trademark, logo, name, likeness, term, phrase or design which is likely to be confusingly similar to, or a colorable imitation of, a trademark or other trademark owned by Seller or Prudential in any manner whatsoever, including but not limited to any use as part of a company name, property name or trade name, as a service mark, in its advertising or on Buyer's stationery, business cards or the like, except as provided herein. No right or license is granted hereby by implication or otherwise under any mark, trademark, service mark or trade name of Seller or Prudential except as specifically provided herein. No right to assign, transfer or sublicense is granted or permitted hereunder; any direct or indirect attempt to assign, transfer or sublicense any of the rights granted hereunder in any way shall render null and void Buyer's right to use the Name.

b. Seller's Covenants. Seller hereby covenants as follows:

i. Service Contracts. Without Buyer's prior consent, which consent during the Due Diligence Period, shall not be unreasonably withheld, between the date hereof and the Closing Date Seller shall not extend, renew, replace or modify any Contract unless such contract (as so extended, renewed, replaced or modified) can be terminated by the owner of the Property without penalty on not more than thirty (30) days' notice.

ii. Maintenance of Property. Except to the extent Seller is relieved of such obligations by Article 12 hereof, between the date hereof and the Closing Date Seller shall maintain and keep the Property in a manner consistent with Seller's past practices with respect to the Property; provided, however, that Buyer hereby agrees that it shall accept the Property subject to, and Seller shall have no

obligation to cure, (i) all violations of law or municipal ordinances, orders or requirements and (ii) all physical conditions which would give rise to violations existing (collectively, Violations"), which, with respect to both clauses (i) and (ii), exist on the last day of the Due Diligence Period. With respect to Violations which arise after the Due Diligence Period and prior to the Closing Date, and

(a) if in Seller's reasonable opinion the cost to cure such Violation would be less than Two Hundred Fifty Thousand Dollars ($250,000), Buyer shall be required to close the Transaction on the Closing Date, and at Seller's election Seller shall either (x) cure the Violation prior to Closing, or (y) give Buyer a credit at Closing in the amount of Seller's reasonable estimate of the cost to cure the Violation, or

(b) if in Seller's reasonable opinion the cost to cure such Violation would be Two Hundred Fifty Thousand Dollars ($250,000) or more, at Seller's election Seller shall either (x) cure the Violation not later than ninety (90) days after the scheduled Closing Date, whereupon Buyer shall be required to close the Transaction within ten (10) days after Seller has effected a cure of the Violation, or (y) terminate this Agreement, in which event the Deposit shall be paid to Buyer and, thereafter, the parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement.

Between the date hereof and the Closing Date, Seller (a) will advise Buyer of any written notice Seller receives after the date hereof from any governmental authority relating to the violation of any law or ordinance regulating the condition or use of the Property, and (b) will promptly notify Buyer of any material change affecting the Property of which Seller has

knowledge.

iii. Access to Property. Between the date hereof and the Closing Date Seller shall allow Buyer or Buyer's Representatives access to the Property upon reasonable prior notice at reasonable times provided (a) such access does not interfere with the operation of the Property or the rights of tenants; (b) unless accompanied by a representative of Seller, Buyer shall not contact any tenant without Seller's prior written consent; (c) Seller or its designated representative shall have the right to pre-approve and be present during any physical testing of the Property; and (d) Buyer shall return the Property to the condition existing prior to such tests

and inspections. Prior to such time as Buyer or any of Buyer's Representatives enter the Property, Buyer shall obtain policies of general liability insurance which name Seller as an additional insured and which are with such insurance companies, provide such coverages and carry such limits as Seller shall reasonably require. Promptly after Seller's request therefor, Buyer shall provide Seller with certificates of insurance evidencing that Buyer has obtained the aforementioned policies of insurance.

iv. Information and Audit Cooperation. At Buyer's written request, at any time within ninety (90) days after the Closing, Seller agrees to provide or cause its property manager to provide, to Buyer's designated independent auditor, access to the books and records of the Property and all related information regarding the three-year period for which Buyer is required to have the Property audited under the regulations of the Securities and Exchange Commission, and a letter regarding the books and records of the Property in substantially the same form as Exhibit O attached hereto and made a part hereof, or such other form as Seller may submit subject to the approval of Buyer's independent auditor, which approval shall not be unreasonably withheld, in connection with the normal course of auditing the Property in accordance with generally accepted auditing standards. At Seller's election, the letter may be signed by Seller or on behalf of Seller by its property manager of the Property. Buyer agrees to indemnify and hold harmless Seller, its property manager, and the person signing such letter from any claim, damage, loss or liability to which Seller, the property manager or such person is at any time subjected by a person who is not a party to this Agreement as a result of its compliance with this paragraph, unless due to the intentional misrepresentation or fraud of such person. The obligations of Buyer and Seller under this Section 9.2.4 shall survive the Closing and not be merged therein.

c. Mutual Covenants.

i. Publicity. Seller and Buyer each hereby covenant that (a) prior to the Closing neither Seller nor Buyer shall issue any press release or public statement (a "Release") with respect to the Transaction without the prior consent of the other, except to the extent required by law (including any securities laws), and (b) after the Closing, any Release issued by either Seller or Buyer shall be subject to the review and approval of both parties (which approval shall not be unreasonably withheld). If either Seller or

Buyer is required by law to issue a Release, such party shall, at least two (2) business days prior to the issuance of the same, deliver a copy of the proposed Release to the other party for its review.

ii. Broker. Seller and Buyer expressly acknowledge that Eastdil Realty Company, L.L.C. ("Broker") has acted as the exclusive broker with respect to the Transaction and with respect to this Agreement, and that Seller shall

pay any brokerage commission due to Broker in accordance with the separate agreement between Seller and Broker. Seller and Buyer each represents and warrants to the other that it has not dealt with any other broker, finder or similar person or entity in connection with the Transaction and each agrees to hold harmless the other and indemnify the other from and against any and all damages, costs or expenses (including, but not limited to, reasonable attorneys' fees and disbursements) suffered by the indemnified party as a result of acts of the indemnifying party that would constitute a breach of its representation and warranty in this section.

iii. Tax Contests; Tax Refunds and Credits. Seller shall have the right to continue and control the progress of and to make all decisions with respect to any contest of the real estate taxes for the Property due and payable for the calendar year in which the Closing occurs and all prior calendar years. Buyer shall have the right to control the progress of and to make all decisions with respect to any contest of the real estate taxes for the Property due and payable for any calendar year subsequent to the calendar year in which the Closing occurs. All real estate and personal property tax refunds and credits received after Closing with respect to the Property shall be applied in the following order of priority: first, to pay the costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with obtaining such tax refund or credit; second, to pay any amounts due to any tenant of the Property as a result of such tax refund or credit to the extent required pursuant to the terms of the Leases; and third, to be apportioned between Buyer and Seller as follows:

(1) with respect to any refunds or credits attributable to real estate and personal property taxes due and payable in the fiscal year in which the Closing occurs (regardless of the year for which such taxes are assessed), such refunds and credits shall be apportioned between Buyer and Seller in proportion to the number of days in such fiscal year that

each party owned the Property (with title to the Property being deemed to have passed as of 12:01 a.m. on the Closing Date);

(2) with respect to any refunds or credits attributable to real estate and personal property taxes due and payable during any period prior to the fiscal year in which the Closing occurs (regardless of the year for which such taxes are assessed), Seller shall be entitled to the entire refunds and credits; and

(3) with respect to any refunds or credits attributable to real estate and personal property taxes due and payable during any period after the fiscal year in which the Closing occurs (regardless of the year for which such taxes are assessed), Buyer shall be entitled to the entire refunds and credits.

iv. Survival. The provisions of this Section 9.3 shall survive the Closing (and not be merged therein) or earlier termination of this Agreement.

ARTICLE 10. - FAILURE OF CONDITIONS

a. To Seller's Obligations. If, on or before the Closing Date, (i) Buyer is in default of any of its obligations hereunder, or (ii) any of Buyer's representations or warranties are untrue in any material respect, or (iii) the Closing otherwise fails to occur by reason of Buyer's failure or refusal to perform its obligations hereunder in a prompt and timely manner, then Seller may elect to (a) terminate this Agreement by written notice to Buyer, and Seller hereby expressly waives all other rights and remedies at law, in equity or otherwise including, without limitation, damages or specific

performance; or (b) waive the condition and proceed to close the Transaction. If this Agreement is so terminated, then Seller shall be entitled to the Deposit as liquidated damages, and thereafter neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it survives the termination of this Agreement.

b. To Buyer's Obligations. If, at the Closing, (i) Seller is in default of any of its obligations hereunder, or (ii) any of Seller's representations or warranties are untrue in any material respect,

or (iii) the Closing otherwise fails to occur by reason of Seller's failure or refusal to perform its obligations hereunder in a prompt and timely manner, Buyer shall have the right, to elect, as its sole and exclusive remedy, to (a) terminate this Agreement by written notice to Seller, promptly after which the Deposit shall be returned to Buyer, or (b) waive the condition and proceed to close the Transaction, or (c) seek specific performance of this Agreement by Seller.

ARTICLE 11. - CONDEMNATION

a. Condemnation.

i. Right to Terminate. If, prior to the Closing Date, all or any significant portion (as hereinafter defined) of the Property is taken by eminent domain (or is the subject of a pending taking which has not yet been consummated), Seller shall notify Buyer in writing of such fact promptly after obtaining knowledge thereof, and Buyer shall have the right to terminate this Agreement by giving written notice to Seller no later than ten (10) days after the giving of Seller's notice, and the Closing Date shall be extended, if necessary, to provide sufficient time for Buyer to make such election. The failure by Buyer to so elect in writing to terminate this Agreement within such ten (10) day period shall be deemed an election not to terminate this Agreement. For purposes hereof, a "significant portion" of the Property shall mean such a portion as shall have a value, as reasonably determined by Seller, and approved by Buyer, which approval shall not be unreasonably withheld, in excess of One Million Dollars ($1,000,000). If Buyer elects to terminate this Agreement as aforesaid, the provisions of Section 12.3 shall apply.

ii. Assignment of Proceeds. If (a) Buyer does not elect to terminate this Agreement as aforesaid if all or any significant portion of the Property is taken, or if (b) a portion of the Property not constituting a significant portion of the Property is taken or becomes subject to a pending taking, by eminent domain, there shall be no abatement of the Purchase Price; provided, however, that, at the Closing, Seller shall pay to Buyer the amount of any award for or other proceeds on account of such taking which have been actually paid to Seller prior to the Closing Date as a result of such taking (less all reasonable, out-of-pocket costs and expenses, including attorneys' fees and costs, incurred by Seller

as of the Closing Date in obtaining payment of such award or proceeds) and, to the extent such award or proceeds have not been paid, Seller shall assign to Buyer at the Closing (without recourse to Seller) the rights of Seller to, and Buyer shall be entitled to receive and retain, all awards for the taking of the Property or such portion thereof.

ARTICLE 12. - DESTRUCTION OR DAMAGE

a. Destruction or Damage. In the event any of the Property is damaged or destroyed prior to the Closing Date, Seller shall notify Buyer in writing of such fact promptly after obtaining knowledge thereof. If any such damage or destruction (a) is an insured casualty and (b)

would cost less than One Million Dollars ($1,000,000) to repair or restore, then this Agreement shall remain in full force and effect and Buyer shall acquire the Property upon the terms and conditions set forth herein. In such event, Buyer shall receive a credit against the Purchase Price equal to the deductible amount applicable under Seller's casualty policy (less all reasonable, out-of-pocket costs and expenses, including attorneys' fees and costs, incurred by Seller as of the Closing Date in connection with the negotiation and/or settlement of the casualty claim with the insurer (the "Realization Costs")), and Seller shall assign to Buyer all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction. In the event the Property is damaged or destroyed prior to the Closing Date and the cost of repair would equal or exceed One Million Dollars ($1,000,000), or the casualty is an uninsured casualty, then, notwithstanding anything to the contrary set forth above in this section, Buyer shall have the right, at its election, to terminate this Agreement. Buyer shall have thirty (30) days after Seller notifies Buyer that a casualty has occurred to make such election by delivery to Seller of a written election notice (the "Election Notice") and the Closing Date shall be extended, if necessary, to provide sufficient time for Buyer to make such election. The failure by Buyer to deliver the Election Notice within such thirty (30) day period shall be deemed an election not to terminate this Agreement. In the event Buyer does not elect to terminate this Agreement as set forth above, this Agreement shall remain in full force and effect, Seller shall assign to Buyer all of Seller's right, title and interest in and to any and all proceeds of insurance on account of such damage or destruction, if any, and, if the casualty was an insured casualty, Buyer shall receive a credit against the Purchase Price equal to

the deductible amount (less the Realization Costs) under Seller's casualty insurance policy.

b. Insurance. Seller shall maintain the property insurance coverage currently in effect for the Property through the Closing Date.

c. Effect of Termination. If this Agreement is terminated pursuant to Section 11.1 or Section 12.1, Seller promptly shall direct that the Deposit be refunded to Buyer. Upon such refund, this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it shall survive the termination of this Agreement.

d. Waiver. The provisions of Article 11 and this Article 12 supersede the provisions of any applicable statutory or decisional law with respect to the subject matter of this Article 11.

ARTICLE 13. - LEASING MATTERS

a. New Leases. After the date hereof, Seller shall not, without Buyer's prior written consent in each instance, which consent shall be at Buyer's absolute discretion after the expiration of the Due Diligence Period, but which consent shall not be unreasonably withheld during the Due Diligence Period, and in all events shall be given or denied with the reasons for such denial specified in reasonable detail, within five (5) business days after receipt by Buyer of the information referred to in the next sentence, enter into a new lease for space in the Property or renew or extend any Lease; except that during the Due Diligence Period Seller may renew, extend or expand existing Leases pursuant to the exercise by a tenant of a renewal, extension or expansion option contained in such tenant's Lease. Seller shall furnish Buyer with all information regarding any proposed new leases, renewals and extensions which are subject to Buyer's approval, reasonably necessary to enable Buyer to make informed decisions with respect to the advisability of the

proposed action. If Buyer fails to object in writing to any such proposed new lease, renewal or extension, as the case may be, within five (5) business days after receipt of the aforementioned information, Buyer shall be deemed to have approved the proposed new lease, renewal or extension, as the case may be. Seller shall deliver to Buyer a true and complete copy of each such new lease, renewal and extension

agreement, if any, promptly after the execution and delivery thereof.

b. Lease Expenses. At Closing, Buyer shall reimburse Seller for any and all fees paid by Seller prior to Closing or costs and expenses incurred by Seller prior to Closing (such fees, costs and expenses being herein collectively called the "Lease Expenses"), arising out of or in connection with:

(1) any extensions, renewals or expansions under the Leases exercisable and exercised by any tenant between the date hereof and the Closing Date; and

(2) provided the same has been approved by Buyer as provided above, any lease for space at the Property entered into between the date hereof and the Closing Date, or any extension, renewal or expansion of a Lease where such Lease does not provide for its extension, renewal or expansion, entered into on or after the date hereof (a "New Lease").

Lease Expenses shall include, without limitation, (i) brokerage commissions and fees to effect any such leasing transaction, (ii) expenses incurred for repairs, improvements, equipment, painting, decorating, partitioning and other items to satisfy the tenant's requirements with regard to such leasing transaction, (iii) legal fees for services in connection with the preparation of documents and other services rendered in connection with the effectuation of the leasing transaction, (iv) if there are any rent concessions covering any period that the tenant has the right to be in possession of the demised space, the rents that would have accrued during the period of such concession prior to the Closing Date as if such concession were amortized over (A) with respect to any extension or renewal, the term of such extension or renewal, (B) with respect to any expansion, that portion of the term remaining under the subject Lease after the date of any expansion, or (C) with respect to any New Lease, the entire initial term of any New Lease, and (v) expenses incurred for the purpose of satisfying or terminating the obligations of a tenant under a New Lease to the landlord under another lease (whether or not such other lease covers space in the Property). At the Closing, Buyer shall assume Seller's obligations to pay, when due (whether on a stated due date or accelerated) any Lease Expenses unpaid as of the Closing, and Buyer hereby agrees to indemnify and hold Seller harmless from and against any and all claims for such Lease Expenses which remain unpaid for any reason at the time of Closing, which obligations of Buyer shall survive the Closing and shall not be merged therein. Each party shall make available to the other all records, bills, vouchers and other data in such party's control verifying Lease Expenses and the payment thereof.

c. Other Lease Activity. Except as provided in this Section 13.3, without the prior consent of Buyer, which, during the Due Diligence Period, shall not be unreasonably withheld (a) no Lease shall be modified or amended in any material and adverse manner, (b) Seller shall not consent to any assignment or sublease in connection with any Lease or New Lease, and (c) Seller shall not remove any tenant under any Lease or New Lease, whether by summary proceedings or otherwise, except by reason of a default of the tenant under the Lease or New Lease. In furtherance of the foregoing, Seller shall deliver to Buyer a written notice of each proposed action of the type described in clauses (a) through (c) above which require Buyer's consent and which Seller has been asked or proposes to take, stating, if applicable, whether Seller is willing to consent to such action and setting forth the relevant information therefor. Buyer shall

notify Seller in writing whether or not it approves such action within five (5) business days after delivery to Buyer of Seller's notice containing the aforementioned information. If Buyer notifies Seller that it disapproves such action, Buyer's notice shall state with specificity the reasons for such disapproval. If Buyer shall not give written notice of its disapproval of such action within such five (5) business day period, Buyer shall be deemed to have approved such action. If any Lease requires that the landlord's consent be given under the applicable circumstances (or not be unreasonably withheld), then Buyer shall be deemed ipso facto to have approved such action. Subject to its reimbursement rights pursuant to Section 13.2, Seller shall perform all of the obligations of the landlord under the Leases and New Leases which under the terms of such Leases and New Leases are required to be performed by the landlord prior to the Closing Date.

d. Lease Enforcement. Subject to the provisions of Section 13.3 above, prior to the Closing Date, Seller shall have the right, but not the obligation (except to the extent that Seller's failure to act shall constitute a waiver of such rights or remedies), to enforce the rights and remedies of the landlord under any Lease or New Lease, by summary proceedings or otherwise, and to apply all or any portion of any security deposits then held by Seller toward any loss or damage incurred by Seller by reason of any defaults by tenants.

e. Leasing Commissions on Existing Leases. Seller shall be responsible for the payment of all brokerage commissions and

fees incurred in effecting all Leases (other than New Leases), and with respect to any extensions, expansions or renewals thereof which have been exercised by the tenants prior to the date hereof. Buyer shall be responsible for all other brokerage commissions and fees which may become payable with respect to such Leases.

ARTICLE 14. - MISCELLANEOUS

a. Buyer's Assignment. Buyer shall not assign this Agreement or its rights hereunder to any individual or entity without the prior written consent of Seller, which consent Seller may grant or withhold in its sole discretion, and any such assignment shall be null and void. Notwithstanding the foregoing Buyer may, without Seller's consent, make an assignment prior to Closing to Mack-Cali Realty, L.P. ("MCR") or to any entity directly or indirectly owned or controlled by MCR, in which event Buyer shall remain liable to Seller to the extent it has any liability under this Agreement.

b. Designation Agreement. Section 6045(e) of the United States Internal Revenue Code and the regulations promulgated thereunder (herein collectively called the "Reporting Requirements") require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Transaction. Title Company ("Agent") is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements). Accordingly:

(1) Agent is hereby designated as the "Reporting Person" (as defined in the Reporting Requirements) for the Transaction. Agent shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

(2) Seller and Buyer shall furnish to Agent, in a timely manner, any information requested by Agent and necessary for Agent to perform its duties as Reporting Person for the Transaction.

(3) Agent hereby requests Seller to furnish to Agent

Seller's

correct taxpayer identification number. Seller acknowledges that any failure by Seller to provide Agent with Seller's correct taxpayer identification number may subject Seller to civil or criminal penalties imposed by law. Accordingly, Seller hereby certifies to Agent, under penalties of perjury, that Seller's correct taxpayer identification number is 22-1211670.

(4) Each of the parties hereto shall retain this Agreement for a period of four (4) years following the calendar year during which Closing occurs.

c. Survival/Merger. Except for the provisions of this Agreement which are explicitly stated to survive the Closing, (a) none of the terms of this Agreement shall survive the Closing, and (b) the delivery of the Deed and any other documents and instruments by Seller and the acceptance thereof by Buyer shall effect a merger, and be deemed the full performance and discharge of every obligation on the part of Buyer and Seller to be performed hereunder.

d. Integration; Waiver. This Agreement, together with the Schedules and Exhibits hereto, embodies and constitutes the entire understanding between the parties with respect to the Transaction and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver by either party hereto of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

e. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New Jersey except to the extent its conflict of law principles would direct the application of the law of a different state or forum.

f. Captions Not Binding; Schedules and Exhibits. The captions in this Agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof. All Schedules and Exhibits

attached hereto shall be incorporated by reference as if set out herein in full.

g. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

h. Severability. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

i. Notices. Any notice, request, demand, consent, approval and other communications under this Agreement shall be in writing, and shall be deemed duly given or made at the time and on the date when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally recognized overnight delivery service) or three (3) business days after being mailed

by prepaid registered or certified mail, return receipt requested, to the address for each party set forth below. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth below.

IF TO BUYER:

Cali Realty Corporation
11 Commerce Drive
Cranford, NJ 07016
Attention: Mr. Timothy Jones and Roger W. Thomas, Esq.

COPY TO:

Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, NY 10022-4441
Attention: Wayne B. Heicklen, Esq.

IF TO SELLER:

The Prudential Insurance Company of America
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, NJ 07054-4493
Attention: Ms. Leigh Rae

COPY TO:

The Prudential Insurance Company of America
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, NJ 07054-4493
Attention: John Kelly, Esq.

AND COPY TO:

BetaWest Properties, Inc.
1999 Broadway, Suite 2000
Denver, Colorado 80202
Attention: Vice President, General Counsel

AND COPY TO:

U S West, Inc.
188 Inverness Drive West
Eighth Floor
Englewood, CO 80112
Attention: Vice President

AND COPY TO:

U S West, Inc.
7800 E. Orchard
Englewood, Colorado 80111
Attention: Legal

AND COPY TO:

Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Attention: David A. Lapins, Esq.

j. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

k. No Recordation. Seller and Buyer each agrees that neither this Agreement nor any memorandum or notice hereof shall be recorded and Buyer agrees to indemnify Seller against all costs, expenses and damages, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Seller by reason of the filing by Buyer of this Agreement or memorandum or notice. Notwithstanding the foregoing, a notice of settlement may be recorded.

l. Additional Agreements; Further Assurances. Subject to the terms and conditions herein provided, each of the parties hereto shall execute and deliver such documents as the other party shall reasonably request in order to consummate and make effective the Transaction; provided, however, that the execution and delivery of such documents by such party shall not result in any additional liability or cost to such party.

m. Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendment, Schedule or Exhibit hereto. Whenever Buyer agrees, in this Agreement or in any document executed and delivered by Buyer in connection with the Transaction, to defend, indemnify and/or hold Seller harmless, Prudential and EPV jointly, and each of Prudential and EPV, separately, shall have the right to enforce such obligation against Buyer.

n. ERISA. To satisfy compliance with ERISA, Buyer represents and warrants to Seller that, as of the date hereof and as of the Closing Date:

(a) Buyer's rights under this Agreement do not, and upon its acquisition by Buyer the Property shall not, constitute "plan assets" within the meaning of 29 C.F.R. Section 2510.3-101, because one or more of the following circumstances is true:

(i) Equity interests in Buyer are publicly offered securities, within the meaning of 29 C.F.R. Section 2510.3-101(b)(2); or

(ii) Less than twenty-five (25%) percent of all equity interests in Buyer are held by "benefit plan investors" within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or

(iii) Buyer qualifies as an "operating company", "venture capital operating company", or a "real estate operating company" within the meaning of 29 C.F.R. Section 2510.3-101(c), (d) or (e).

(b) Buyer is not a "governmental plan" within the meaning of Section 3(32) of ERISA and the execution of this Agreement and the purchase of the Property by Buyer is not subject to state statutes regulating investments of and fiduciary obligations with respect to governmental plans.

The representations and warranties of Buyer under this section shall survive the Closing and shall not be merged therein.

o. Business Day. As used herein, the term "business day" shall mean any day other than a Saturday, Sunday, or any Federal, or State of New Jersey holiday. If any period should expire on a non-Business Day, then the period shall be extended to the next Business Day.

p. Seller's Maximum Aggregate Liability. Notwithstanding any provision to the contrary contained in this Agreement or any documents executed by Seller pursuant hereto or in connection herewith, the maximum aggregate liability of Seller, and the maximum aggregate amount which may be awarded to and collected by Buyer, under this Agreement (including, without limitation, the breach of any representations and warranties contained herein) and any and all documents executed pursuant hereto or in connection herewith (including, without limitation, any landlord estoppel letter provided by Seller in accordance with the terms of Section 6.3(e) hereof), for which a claim is timely made by Buyer shall not exceed Four Million Fifty Thousand and No/100 Dollars ($4,050,000). The provisions of this section shall survive the Closing and shall not be merged therein.

q. Like-Kind Exchange. Buyer agrees to cooperate reasonably with Seller in effecting an exchange transaction which includes the Property, pursuant to Section 1031 of the United States Internal Revenue Code, provided that any

such exchange transaction, and the related documentation, shall: (a) be at the sole cost and expense of Seller, (b) not require Buyer to execute any contract, make any commitment, or incur any obligations, contingent or otherwise, to third parties, (c) not cause Buyer to be liable or

potentially liable for any environmental conditions affecting property other than the Property, (d) not delay the closing of the Transaction, (e) not include Buyer's acquiring title to any property other than the Property or otherwise becoming involved in a transaction with a third party, and (f) not otherwise be contrary to or inconsistent with the terms of this Agreement. Notwithstanding anything to the contrary contained herein, Buyer is not to incur any, and Seller shall reimburse, indemnify and hold Buyer harmless from, any and all costs, expenses and liabilities incurred solely from Buyer's accommodation of such tax deferred exchange, including, without limitation, reasonable attorneys' fees, and any title or escrow fees or expenses. The obligations of Buyer under this section shall survive the Closing and shall not be merged therein.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the day and year first above written.

PRUBETA-3, a New Jersey general partnership

By: The Prudential Insurance Company of America, as General Partner of PruBeta-3

By:_____

Name:_____

Its Vice President

By: Equity Parsippany Venture, a Colorado general partnership, as General Partner of PruBeta-3

By: U S West Real Estate, Inc., a Colorado corporation, as Managing Partner

By: BetaWest, Inc., a Colorado corporation formerly known as BW Acquisition, Inc., as authorized agent

By:_____

Name:_____

Its:_____

Mack-Cali Realty Acquisition Corp., a New Jersey corporation

By:_____

Name:_____

Its:_____

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of this 27th day of March, 1998 by and between (i) PRUBETA-3, a New Jersey general partnership ("Seller") and (ii) Mack-Cali Realty Acquisition Corp., a New Jersey corporation ("Acquisition"), Parsippany Campus Realty Associates, L.P. ("PCRA") Mack-Cali Realty, L.P. ("LP", and together with PCRA, "Buyer").

RECITALS

A. Seller and Acquisition are parties to that certain Purchase and Sale Agreement dated as of February 18, 1998, as amended by letter agreement dated February 27, 1998 (as so amended, the "Contract"), pursuant to which Seller agreed to sell and Acquisition agreed to purchase the portion of The Prudential Business Campus described therein, located in Parsippany, New Jersey and Hanover, New Jersey, upon the terms and conditions set forth in the Contract. Acquisition has assigned all of its right, title and interest to and under the Contract to LP, and LP has requested that Seller convey the Vacant Property to PCRA.

B. Seller and Buyer now desire to amend the Contract upon the terms and conditions hereinafter set forth.

AGREEMENTS

NOW THEREFORE, for and in consideration of the Recitals set forth above, the mutual covenants contained herein and other good and valuable consideration, the receipt, adequacy, and sufficiency of which hereby are acknowledged, Seller and Buyer hereby agree as follows:

1. Recitals Incorporated; Certain Defined Terms. Capitalized terms that are not otherwise defined in this Amendment shall have the same meanings herein as are ascribed to such terms in the Contract.

2. Permit Resolution. The following provision is hereby added to the Contract as Section 9.4:

A. Seller and Purchaser acknowledge that (i) Permit #14741, authorized under Section 404 of the Clean Water Act (the "Permit"), expired on February 25, 1998, (ii) that the applicable governmental authorities have not extended or renewed the Permit, and (iii) as a result, the "sickle-shaped" portion of the Vacant Property specifically identified on Exhibit P hereto (the "Identified Parcel") might be identified as "wetlands" and if so, could not be developed without further action. At Closing, Buyer shall receive a reduction in the Purchase Price in the amount of

Five Million Dollars ($5,000,000), and until the fifth (5th) anniversary of the Closing Date, Seller shall have the right to earn all or a portion of such Five Million Dollars ($5,000,000) as provided herein.

B. From and after the Closing Date, Seller shall lead the efforts, and Seller and Buyer shall use their respective good faith, reasonable efforts to work together, and with the applicable governmental and quasi-governmental authorities having jurisdiction over the Vacant Property, (i) to renew the Permit, which results in Buyer being in substantially the same position regarding the developability of the Identified Parcel as if the Permit had not expired, (ii) to obtain a new Clean Water Act Section 404 or comparable permit which results in Buyer being in substantially the same position regarding the developability of the Identified Parcel as if the Permit had not expired, or (iii) by some other means obtaining a resolution, including, without limitation, obtaining a classification of the Identified Parcel by the applicable governmental authorities as non-wetlands, which results in Buyer being in substantially the same position regarding the developability of the Identified Parcel as if the Permit had not expired (any of the foregoing, a "Resolution"). To the extent necessary to achieve the Resolution, Buyer shall allow Seller, its agents and contractors, at Seller's cost and expense, access to the Identified Parcel, for any legitimate purpose related to Seller's rights and responsibilities hereunder; provided there is no unreasonable interference with the operation and/or development of the balance of the Vacant Property and Seller obtains Buyer's prior approval before any entry (which approval shall not be unreasonably conditioned, withheld or delayed). Seller hereby agrees to indemnify, defend and hold Buyer, and Buyer's partners, officers, directors, employees, agents and attorneys, harmless from and against any and all claims, costs, losses, liabilities, damages and expenses of any kind or nature whatsoever (including reasonable attorneys' fees and costs) to the extent arising out of or resulting from personal injury or damage to tangible property caused by the entry and/or the conduct of activities upon the Vacant Property by Seller, its agents, contractors, subcontractors after the Closing Date.

C. Seller shall coordinate its efforts to achieve the Resolution with respect to the Identified Parcel with Buyer's efforts to develop the balance of the Vacant Property, and otherwise consult with and keep Buyer apprised as to the status of

Seller's efforts to achieve the Resolution. Seller shall not file any material application (other than an application previously filed by Seller) or otherwise take any material action relating to the achievement of the Resolution without Buyer's prior consent, which shall not be unreasonably conditioned, withheld or delayed. Buyer shall cooperate with Seller in all reasonable respects in connection with Seller's efforts to achieve the Resolution, provided, however, under no circumstance shall Buyer be required to change its development plan for the portion of the Vacant Property shown on the Tax Map of the Township of Parsippany as Block 202, Lot 7.01 (the "Development Parcel") if such change would in any material adverse respect affect Buyer's ability to achieve the maximum development potential of the Development Parcel, or cause Buyer to incur any material additional cost or expense in connection with such development. Nothing herein shall be construed to require Buyer to pursue its development of the Development Parcel at any time if in Buyer's sole judgment such pursuit is not appropriate at such time. If Buyer elects to pursue such development, Buyer shall consult with Seller prior to taking any actions relating to wetlands issues affecting the Vacant Property,

and shall coordinate such efforts with Seller so as not to unreasonably impair or delay the achievement of the Resolution.

D. If the Resolution is achieved on or before the fifth (5th) anniversary of the Closing Date, then within ten (10) business days after the date upon which the Resolution is achieved, Buyer shall pay to Seller the sum of Five Million Dollars ($5,000,000), and from and after such date Seller shall have no further rights, obligations, liabilities or duties relating in any way to the Resolution, the Identified Parcel, the Development Parcel, or the development or non-development thereof, and Buyer shall have no further obligations, liabilities or duties to pay Seller any additional consideration pursuant to this Section 9.4.

E. If the Resolution is not achieved on or before the fifth (5th) anniversary of the Closing Date, but on or before the fifth (5th) anniversary of the Closing Date Buyer nevertheless has obtained governmental approval (whether or not such approval is subject to the satisfaction of conditions, including, without limitation, obtaining building permits, but excluding any conditions relating to the developability of the Identified Parcel alone) to develop upon the Development Parcel an office project which includes in excess of Three Hundred Thousand (300,000) square feet of gross building area, without incurring additional material development costs which are necessary because of the expiration of the Permit, such as but not limited to the additional expense of constructing decked parking (the "Development Approval"), then within ten (10) business days after receiving the Development Approval, Buyer shall pay to Seller an amount determined by multiplying Five Million Dollars ($5,000,000) times a fraction, the numerator of which is the excess gross building area over Three Hundred Thousand (300,000) square feet for which Buyer shall have obtained the Development Approval, and the denominator of which is Two Hundred Thousand (200,000) (the "Formula"). If at any time or times thereafter, on or before the fifth (5th) anniversary of the Closing Date, Buyer obtains new or modified Development Approval for additional square footage, then within ten (10) business days after receiving any such additional Development Approval, Buyer shall pay to Seller an additional amount, calculated by applying the Formula to the additional square footage achieved in such subsequent Development Approval. At such time, if any, as Seller shall have earned Five Million Dollars ($5,000,000) pursuant to the Formula, Seller shall have no further rights, obligations, liabilities or duties relating in any way to the Resolution, the Identified Parcel, the Development Parcel, or the development or non-development thereof, and Buyer shall have no further obligations, liabilities or duties to pay Seller any additional consideration pursuant to this Section 9.4.

F. If on or before the third (3rd) anniversary of the Closing Date, Buyer shall sell the Development Parcel or any direct or indirect interest therein (except for any sale, transfer, issuance or redemption of the corporate shares or partnership interests of Mack-Cali Realty Corporation or Mack-Cali Realty, L.P., their respective successors or assigns, any mergers or consolidations concerning such parties, or any similar transactions) to an unrelated third party for a bona fide gross sale price or value (grossed up to 100%, if applicable, with respect to a sale or transfer of less than a 100% direct or indirect interest in the Property) of more than the applicable Base Price (as defined below), and Seller shall have received less than Five Million Dollars

($5,000,000) pursuant to Section D or Section E above, then not later than ten (10) business days after the closing date of such sale or transfer, Buyer shall pay to Seller an amount equal to the excess, if any, of such gross sale price or value over the Base Price, up to a maximum payment to Seller of Five Million Dollars ($5,000,000), minus any amount previously received by Seller under Section E above. Buyer shall give Seller written notice upon Buyer reaching agreement upon a price or value for the Development Parcel, and shall provide Seller with any documentation reasonably requested by Seller which may bear upon

the price to be paid for, or allocated to, the Development Parcel in connection with any such sale or other transfer. As used herein, "Base Price" shall mean (i) Eight Million Two Hundred Fifty Thousand Dollars ($8,250,000) if the Closing of the transfer occurs before the first (1st) anniversary of the Closing Date, (ii) Eight Million Six Hundred Sixty-Two Thousand Five Hundred Dollars ($8,662,500) if the Closing of the transfer occurs from and after the first (1st) anniversary of the Closing Date and before the second (2nd) anniversary of the Closing Date, and (iii) Nine Million Ninety-Five Thousand Six Hundred Twenty-Five Dollars ($9,095,625) if the Closing of the transfer occurs from and after the second (2nd) anniversary of the Closing Date and before the third (3rd) anniversary of the Closing Date. Buyer shall have no obligation to Seller with respect to the payment of all or any portion of the $5,000,000 pursuant to this Section E if the Closing of any sale of the Development Parcel or any direct or indirect interest therein shall occur after the third (3rd) anniversary of the Closing Date.

G. If neither the Resolution nor the Development Approval is achieved on or before the fifth (5th) anniversary of the Closing Date, and the Development Parcel shall not have been sold or transferred on or before the third (3rd) anniversary of the Closing Date as described above for more than the applicable Base Price, Buyer shall retain all or the applicable portion of the Five Million Dollars ($5,000,000) Purchase Price reduction provided for above, and from and after such date Seller shall have no further rights, obligations, liabilities or duties relating in any way to the Resolution, the Identified Parcel, the Development Parcel, or the development or non-development thereof, and Buyer shall have no further obligations, liabilities or duties to pay Seller any additional consideration pursuant to this Section 9.4.

H. Seller and Buyer agree to continue their respective efforts described above in Section (B) until the earlier of (i) the date upon which the Resolution is achieved, or (ii) the fifth (5th) anniversary of the Closing Date or (iii) the payment to Seller of $5,000,000 in the aggregate pursuant to this Section 9.4 (such earlier date, the "Sunset Date"). Until the Sunset Date, (a) Buyer agrees to expend such reasonable resources, including assigning personnel, retaining legal counsel and environmental experts and paying their respective fees and expenses, attending meetings, and spending money, as may be prudent or necessary to assist Seller in achieving the Resolution as provided in Section (B), including, without limitation, attending meetings, executing applications and other documents reasonably satisfactory to Buyer, and (b) Seller agrees to expend such reasonable resources, including assigning personnel and attending meetings, and retaining legal counsel and environmental experts and paying their respective fees and expenses, and, only if required by the applicable governmental and quasi-governmental authorities as a condition precedent to allowing the Resolution, paying the cost of filling the

Identified Parcel, performing site work, or taking any other physical action reasonably necessary to achieve the Resolution (but Seller shall not otherwise be obligated to expend money), as may be prudent or necessary to achieve the Resolution. Seller shall have no obligation with respect to any development, non-development or wetland issues relating to any portion of the Property other than the Identified Parcel.

I. The provisions of this Section 9.4 shall survive the Closing Date.

3. Indemnity. The following is hereby added to the Contract as Section 9.5:

A. Prudential and EPV, the sole partners of Seller as of the date hereof, hereby jointly and severally agree to indemnify, defend, and hold Mack-Cali Realty Acquisition Corp., Mack-Cali Realty Corporation, Mack-Cali Realty, L.P., Parsippany Campus Realty Associates, L.P., and their respective successors and assigns (collectively, "MC") free and harmless, from and against any and all out-of-pocket damages, costs and expenses (including reasonable attorneys' fees and costs) incurred by MC, to the extent arising out of or resulting from any and all claims, suits, actions, proceedings or judgments (collectively, "GAB Claims") made by or in favor of GAB Business Services, Inc. and/or GAB Robins North America, Inc. (collectively "GAB") or their respective predecessors, successors or assigns or any other person or entity having an interest in GAB (collectively, the "GAB Entities") that the sale of the Property by Seller to Buyer violates or interferes with GAB's right of first refusal contained in that certain Lease to GAB Business Services, Inc. dated April 4, 1983 and that certain Lease to GAB Business Services, Inc. dated November 30, 1983 (collectively, the Lease"), including, without limitation, any injunction or other court order or judgment after the date hereof requiring Buyer and Seller to rescind the sale of the Property or any portion thereof, specifically excluding, however, (i) any lost profits or lost increases in value, which MC may allege that MC incurred as a result of any such rescission or other order or judgment but including any out-of-pocket losses incurred by MC as a result of any court order or judgment requiring MC to disgorge any amounts earned by MC from the Property during MC's period of ownership thereof, and (ii) any and all damages which may be assessed against MC as a result of actions MC takes after the date hereof to the extent such actions are taken without, or are

inconsistent with, express written directions to MC from Prudential's counsel.

B. MC shall cooperate with PruBeta-3 and Prudential in all reasonable respects (and Prudential and EPV jointly and severally agree to reimburse MC for the out-of-pocket costs incurred by MC in connection with such cooperation) in connection with GAB Robins North America, Inc. v. PruBeta-3 et al., Docket No. MRS-L-187-98 and any other suits, actions or proceedings relating to or arising from the GAB Claims (collectively "Litigation"), and take such actions and execute such filings and other documents as may be reasonably necessary to comply with the strategies and directions selected by PruBeta-3 and Prudential and their counsel in connection with the Litigation. Seller shall direct its counsel to keep MC apprised as to the status of the GAB Claims and the Litigation and any new filings and promptly furnish MC with copies of all papers proposed to be issued by Seller and issued by GAB or the Court, to the extent not directly served upon MC by GAB or the Court. Prudential shall have the right to

select and direct MC's counsel in connection with the Litigation, which shall not be the same counsel as Prudential's or PruBeta-3's counsel. Prudential hereby appoints, and MC accepts, Peter Bray as the attorney to initially represent MC in connection with the Litigation. If MC determines, in its reasonable judgment, that changing the counsel representing MC is warranted, then MC shall so notify Prudential, Prudential shall select new counsel for MC, and such new counsel shall be subject to MC's consent, not to be unreasonably withheld, conditioned or delayed. MC shall not assert that Prudential's and PruBeta-3's counsel should be disqualified to represent Prudential and/or PruBeta-3 in connection with the Litigation or any other matters as a result of any conflict of interest unless such conflict of interest results from Prudential's counsel undertaking representation of MC after the date hereof. Prudential shall have the right to settle any such claim for which Prudential and EPV have agreed to indemnify MC under this Section 9.5, provided Prudential and/or EPV duly perform the obligation to so indemnify MC in accordance with this Section 9.5. This indemnity contained in this Section 9.5 shall not be subject to the $4,050,000 limitation on maximum liability set forth in Section 14.16.

C. The provisions of this Section 9.5 shall survive the Closing Date.

5. Allocation of Purchase Price. To correct an error, Section 2.3 of the Contract is hereby amended so that the "Developed Property Purchase Price" is One Hundred Twenty-Nine Million Five Hundred Thirty-Two Thousand and no/100 Dollars ($129,532,000), and the "Vacant Property Purchase Price" is Twenty-Seven Million Five Hundred Thousand Dollars ($27,500,000) and no/100.

5. Effect of Amendment. This Amendment modifies and amends the Contract. The terms and provisions hereof shall supersede any contrary terms and provisions contained in the Contract. The Contract, as hereby amended and modified, remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

PRUBETA-3, a New Jersey general partnership

By: The Prudential Insurance Company of America, as General Partner of PruBeta-3

By: ----------

Name: ----------

Its Vice President

By: Equity Parsippany Venture, a Colorado general partnership, as General Partner of PruBeta-3

By: U S West Real Estate, Inc., a Colorado corporation, as Managing Partner

By: ----------

Name: Stewart A. Loewenstein

Its Vice President

MACK-CALI REALTY ACQUISITION CORP.

By: ---

Name: ---

Its: ---

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

By: ---

By: ---

Name: ---

Its: ---

PARSIPPANY CAMPUS REALTY ASSOCIATES, L.P.

By: Mack-Cali Sub XII, Inc.

By: ---

Name: ---

Its: ---

The undersigned have executed this Amendment for the purpose of acknowledging their joint and several liability for their respective obligations set forth in Section 3 of this Amendment which are expressly denominated as being joint and several.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, as General Partner of PruBeta-3

By: ---

Name: ---

Its Vice President

EQUITY PARSIPPANY VENTURE, a Colorado general partnership, as General Partner of PruBeta-3

By: U S West Real Estate, Inc., a Colorado corporation, as Managing Partner

By: ---

Name: Stewart A. Loewenstein

Its Vice President

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The undersigned, U S WEST FINANCIAL SERVICES, INC., a Colorado corporation ("USWFS"), hereby unconditionally and primarily guarantees the payment and performance by EPV of all of its obligations under Section 3 this Amendment without requiring Buyer or MC to pursue any other party before pursuing USWFS. USWFS hereby acknowledges that Buyer is relying on this guaranty in entering into this Amendment and in closing the transactions contemplated in hereunder; and that this guaranty is a material inducement to each of the foregoing. USWFS hereby acknowledges that it is an affiliate of the managing partner in EPV and is thereby receiving benefit from entering into this guaranty.

DATED: As of March ___, 1998.

U S WEST FINANCIAL SERVICES, INC.,
a Colorado corporation

By: _____
Stewart A. Loewenstein
Vice President

February 27, 1998

326-0852

VIA FACSIMILE

William N. Cinnamond, Jr.
J.P. Morgan Investment Management, Inc.
522 Fifth Avenue
New York, NY 10036

Re: Morris County (One & Five Sylvan Way)

Dear Mr. Cinammond:

This letter confirms that Mack-Cali Realty Acquisition Corp. ("MC") has completed its due diligence pursuant Article 4 of that certain Purchase and Sale Agreement dated February 4, 1998 (the "Agreement") between Sylvan Way L.L.C. ("Sylvan") and MC and elects to proceed with the transaction.

The parties to the Agreement hereby agree that the Purchase Price (as defined in Article 2 of the Agreement) is hereby reduced by $300,000.00.

Please confirm Sylvan's agreement to said reduction of the Purchase Price by countersigning this letter and returning it to me by facsimile prior to 5:00 p.m. today. Thank you for your prompt attention to this matter.

Very truly yours,

John J. Ginley, III

AGREED AND ACCEPTED:

SYLVAN WAY L.L.C., a Virginia
limited liability company

By: System Realty Nineteen, Inc., a Virginia corporation

By: _____
Name: William N. Cinnamond, Jr.
Title: President

ADOPTION OF PARTNERSHIP AGREEMENT

The undersigned hereby agrees: (I) to assume all of the rights and obligations of a Limited Partner (as defined in the Partnership Agreement referred to below); (ii) to be bound by the terms of the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P., dated as of December 11, 1997 (as amended from time to time, the "Partnership Agreement"); and (iii) that notices under the Partnership Agreement may be addressed to the undersigned at the address set forth below.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK
SIGNATURES ARE ON THE FOLLOWING PAGE

Please date and sign the next page
and provide an address to which notices pursuant to the Partnership Agreement should be sent.

IN WITNESS WHEREOF, the undersigned has executed this Adoption of Partnership Agreement as of this _____ day of _____, 1998.

- ---

By:

Title:

Address:

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is made and delivered this 25th day of March, 1998 by Equity Parsippany Venture, a general partnership organized under the laws of the State of Colorado (hereinafter referred to as "ASSIGNOR"), to Mack-Cali Realty Acquisition Corp., a New Jersey corporation (hereinafter referred to as "ASSIGNEE"), pursuant to the Purchase and Sale Agreement dated as of March 25, 1998 (the "Purchase Agreement") between ASSIGNOR and ASSIGNEE, providing for, among other things, the sale by ASSIGNOR to ASSIGNEE of its entire interest (the "Partnership Interest") in PRUBETA-3, a general partnership organized under the laws of the State of New Jersey (the "Partnership").

WITNESSETH

Whereas, ASSIGNEE and the Partnership have entered into a Purchase and Sale Agreement dated February 18, 1998 as amended by a letter agreement dated _____, 1998 and a second amendment dated the date hereof (the "Second Amendment") (the "Business Campus Contract") pursuant to which ASSIGNEE purchased the property commonly known as "The Prudential Business Campus" and more particularly described in the Business Campus Contract, the closing of which occurred immediately prior to the execution of this Agreement; and

Whereas, the Partnership presently owns the property known as 9 Campus Drive, Parsippany, New Jersey, and ASSIGNOR, concurrently with execution of this Agreement, is entering into the Purchase Agreement with the ASSIGNOR for the ASSIGNOR's Partnership Interest; and

Whereas, the ASSIGNOR acknowledges that as a condition for the ASSIGNEE entering into both the Business Campus Contract and the Purchase Agreement, ASSIGNOR and ASSIGNEE must enter into this Agreement pursuant to which, among other things, (i) ASSIGNOR assigns all of its right, title and interest in the Partnership Interest and (ii) ASSIGNEE assumes the obligations of the Partnership Interest from and after the date hereof; provided, however, that the ASSIGNEE is not assuming any liabilities or obligations of the Partnership or the Partnership Interest arising out of, resulting from or relating to the Business Campus Contract and/or the Purchase Agreement, including, without limitation, that certain indemnity made, jointly and severally, by ASSIGNOR and the Prudential Insurance Company of America ("Prudential") pursuant to Section 9.5 of the Business Campus Contract (the "GAB Indemnity").

Now, Therefore, in consideration of the premises and mutual covenants of the parties hereto, the parties hereby agree as follows:

1.0 Representations. ASSIGNOR represents that ASSIGNOR is the sole owner of all right, title and interest in and to said Partnership Interest, and that title to said Partnership Interest

is free and clear of any and all liens, mortgages, encumbrances or security interests thereon.

2.0 Assignment of Interest. Simultaneously herewith, in consideration of $1.00, the receipt of which is hereby acknowledged, ASSIGNOR assigns, transfers and conveys to ASSIGNEE all of ASSIGNOR's right, title and interest in and to the Partnership Interest subject to the limitations set forth below.

3.0 Acceptance and Assumption by ASSIGNEE. ASSIGNEE (i) accepts and agrees to be bound by all the terms and provisions of the Joint Venture Agreement for PruBeta-3 dated January 24, 1989 from and after the date hereof and (ii) hereby assumes all obligations with respect to the Partnership Interest conveyed hereby that arise or accrue from and after the date hereof; provided, however, that ASSIGNEE does not assume, and ASSIGNOR retains, all liabilities and obligations of Assignor arising out of, resulting from or relating to the Purchase Agreement and/or the Business Campus Contract, including, without limitation, the GAB Indemnity and shall be liable for all Damages (as defined below) arising out of, resulting from or relating thereto.

4.0 Indemnifications.

4.1 Indemnification by ASSIGNOR. ASSIGNOR hereby indemnifies and agrees to hold harmless ASSIGNEE from and against any and all claims, liabilities, losses, deficiencies and damages, as well as reasonable expenses (including attorneys' fees and disbursements) and interest and penalties related thereto, (collectively, "Damages"), incurred by ASSIGNEE, by reason of or resulting from, either directly or indirectly, the obligations of the ASSIGNOR, its agents, nominees, or employees related to the Partnership Interest conveyed hereby which accrued prior to the date hereof or, with respect to Damages which may arise out of, result from or relate to the Business Campus Contract, the Purchase Agreement and GAB Indemnity, which may accrue on or after the date hereof; provided, however, that, the foregoing indemnity of ASSIGNOR shall not apply to any Damages arising out of or relating to (a) the liabilities waived by ASSIGNEE pursuant to the provisions of Section 3.3 of the Purchase Agreement and (b) any fact, circumstance or condition for which ASSIGNOR would not otherwise

have liability as a result of ASSIGNEE's acknowledgments and agreements contained in Article 3 of the Purchase Agreement and (c) any fact, circumstance or condition covered by the representations and warranties of ASSIGNOR given pursuant to Article 6 of the Purchase Agreement (It being understood and agreed that ASSIGNEE's only rights and remedies for any Damages arising out of any such fact, circumstance or condition shall be as and to the extent available to ASSIGNEE as a result of a breach of the applicable representation and warranty contained in said Article 6) and (d) any obligations, debts or liabilities set forth in the Property Financials (except for the line item in the 1997 Financial Statement described as "Other Liabilities" in the approximate amount of $322,000 which shall be included within the Damages and the responsibility of ASSIGNOR), (as defined in the Purchase Agreement) and (e) any obligations, debts or liabilities, if any, which ASSIGNEE has expressly and specifically agreed to in writing accept pursuant to the terms of the Purchase Agreement or at the closing of the transaction contemplated thereby.

4.2 Indemnification by ASSIGNEE. ASSIGNEE hereby indemnifies and agrees to hold harmless ASSIGNOR from and against any and all Damages, incurred by ASSIGNOR, by

reason of or resulting from, either directly or indirectly, the obligations of the ASSIGNEE, its agents, nominees, or employees, related to the Partnership Interest conveyed hereby which accrued before, on and after the date hereof; provided, however, that the indemnification provided in this Section 4.2 shall exclude (i) any and all Damages arising out of or relating to the Business Campus Contract, the Purchase Agreement or the GAB Indemnity which accrued before, on, or after the date hereof and (ii) obligations, debts or liabilities, if any, which ASSIGNEE has expressly and specifically agreed to in writing accept pursuant to the terms of the Purchase Agreement or at the closing of the transaction contemplated thereby.

5.0 Binding Effect. The agreements, terms, covenants and conditions herein shall bind, and inure to the benefit of, the parties hereto and their respective heirs, administrators, successors and assigns.

[Signature page follows; Remainder of page is intentionally blank]

IN WITNESS WHEREOF, and intending to be legally bound hereby, each of ASSIGNOR and ASSIGNEE has caused this Assignment and Assumption Agreement to be executed and delivered by its duly authorized representative as of the day and year first above written.

ASSIGNOR

EQUITY PARSIPPANY VENTURE,
a Colorado general partnership

By: US West Real Estate, Inc.,
a Colorado Corporation,
as Managing Partner

By:

Stewart A. Loewestein
Vice President

Accepted:

ASSIGNEE

MACK-CALI REALTY ACQUISITION CORP.

By:

Roger W. Thomas
Executive Vice President

The undersigned, US WEST FINANCIAL SERVICES, INC., a Colorado corporation ("USWFS"), hereby unconditionally and primarily guarantees the payment and performance by ASSIGNOR of all of its obligations under this Agreement without requiring Mack-Cali to pursue any other party before pursuing USWFS. USWFS hereby acknowledges that Mack-Cali is relying on this guaranty in entering into this Assignment and Assumption Agreement and in closing the transactions contemplated in the Business Campus Contract and the Purchase Agreement and

approving the sale of the Partnership Interest; and that this guaranty is a material inducement to each of the foregoing. USWFS hereby acknowledges that it is an affiliate of the managing partner in ASSIGNOR and is thereby receiving benefit from entering into this guaranty and from the Business Campus Contract and the Purchase Agreement and the sale of ASSIGNOR's Partnership Interest.

DATED: As of March ___, 1998.

US WEST FINANCIAL SERVICES, INC.,
a Colorado corporation

By:

Stewart A. Loewenstein
Vice President

Mack-Cali Realty Acquisition Corp.
c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016

March 26, 1998

The Prudential Insurance Company
of North America
The Prudential Realty Group
Three Gateway Center
Newark, New Jersey 07102

Ladies and Gentlemen:

Reference is hereby made to that certain Joint Venture Agreement of PRUBETA-3 (the "Partnership") between The Prudential Insurance Company of America ("Prudential") and Equity Parsippany Venture, dated January 24, 1989 (the "Partnership Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Partnership Agreement. In connection with the purchase by Mack-Cali Acquisition Corp. ("Mack-Cali") of the Partnership Interest owned by Equity Parsippany Venture pursuant to that certain Purchase and Sale Agreement between Mack-Cali and Equity Parsippany Venture dated the date hereof (the "Purchase Agreement"), that certain Assignment and Assumption Agreement between Mack-Cali and Equity Parsippany Venture dated the date hereof (the "Assignment and Assumption Agreement") and the subsequent assignment of Mack-Cali's entire interest in the Purchase Agreement and Assignment and Assumption Agreement to Mack-Cali Realty, L.P., and as a condition thereof, Prudential, Mack-Cali and Mack-Cali Realty, L.P., intending to be legally bound hereby, hereby agree as follows:

I. To amend the Partnership Agreement to incorporate the following terms and conditions, which amendment shall be executed by Mack-Cali and Prudential as soon as practicable but in no event later than thirty (30) days after the date hereof:

New recitals shall be drafted to explain the reasons for the amendments and the current state of the Partnership.

All references to BetaWest shall be changed to Mack-Cali.

Prudential shall acknowledge that (i) all construction and development projects contemplated in the Partnership Agreement, including but not limited to Phase II, Phase III, Hilton Court East, and the Infrastructure Subphase have been completed, (ii) no further Capital Contributions pursuant to Section 4.4 of the Partnership Agreement and no further Additional Contributions pursuant to Section 4.9 of the Partnership Agreement are or will be required to be made by either Mack-Cali or Prudential, (iii) no Project Budgets shall be adopted, and no Project Reserves shall be funded, pursuant to Section 4.12 of the Partnership Agreement, (iv) no financing will be obtained pursuant to Section 4.13 of the

Partnership Agreement, (v) all Development Management Agreements entered into pursuant to Section 6.6 of the Partnership Agreement have been terminated with no further obligations of the Partnership and no new Development Management Contracts or similar agreements or arrangements will be entered into, and (vi) all Construction Contracts entered into pursuant to Section 6.7 of the Partnership Agreement have been terminated with no further obligations of the Partnership and no new Construction Contracts or similar agreements or arrangements will be entered into without the mutual consent of

Mack-Cali and Prudential.

Prudential shall acknowledge that the BetaWest Notes and Purchase Money Mortgage Notes have been paid in full and are no longer obligations of the Partnership.

Section 6.7 shall be amended whereby the Asset Management Fee payable by the Partnership to Prudential shall be deleted and replaced by an Asset Management Fee payable by the Partnership to Mack-Cali in consideration for the supervising and operation of the property known as 9 Campus Drive. Such Asset Management Fee shall be comprised as follows: (i) 3% of the gross collected rents of the Partnership less any third-party property management fees payable by the Partnership; and (ii) if Mack-Cali is the procuring broker a commission on leases entered into after the date hereof (a "New Lease"), calculated as follows: (A) 5% of the base rent for each year of the initial term of such lease up to ten years; (B) 2 1/2% of the base rent for such lease for each year of the initial term thereafter up to a maximum of an additional five years; (C) for a lease of additional space by a tenant under a New Lease, 5% of the base rent for the first ten years and 2 1/2% of the base rent for each year thereafter up to an additional five years; and (D) for a renewal or extension of a lease term by a tenant under a New Lease, 2 1/2% of the base rent payable for each renewal or extension year for a maximum period of fifteen years from the lease commencement; and (iii) a 2% override on commissions for New Leases where Mack-Cali is not the procuring broker.

Section 7.5 shall be amended to designate Mack-Cali as the Tax Matters Partner, subject to the reasonable approval of Prudential's internal tax law department. If Mack-Cali is not designated Tax Matters Partner, the Partnership Agreement shall be amended to provide for the approval of Mack-Cali of certain decisions made by the Tax Matters Partner.

Section 7.6 shall be amended to reflect the actual capital accounts to the Partnership made by Prudential and Mack-Cali.

Mack-Cali shall acknowledge that if the Partnership earns any portion of the $5 million which may be earned by the Partnership pursuant to Paragraph 2 of the Second Amendment to the Business Campus Contract, Mack-Cali shall have no right to such $5 million and Mack-Cali shall consent to the immediate distribution of the

entire $5 million as Prudential and Equity Parsippany Venture may direct.

Corresponding changes shall be made to Section 1.1.

The following outstanding landlord obligations shall be paid for by an equal capital contribution to the Partnership by both Prudential and Mack-Cali, provided that Mack-Cali receives an adjustment for an amount equal to its capital contribution from Equity Parsippany Venture at the closing of the transaction contemplated by the Purchase Agreement:

(a) Cushman & Wakefield of New Jersey, Inc., 9 Campus Drive: $22,107.69, the Construction Allowance, due upon presentation of receipted bills; and

(b) PSCRC, 9 Campus Drive: $86,530.00, the Landlord Work Allowance.

In addition to the foregoing, the parties hereto hereby agree as follows:

1. Mack-Cali, or its successors or assigns, and Prubeta-3 shall, within thirty (30) days hereof, enter into a reciprocal easement agreement to provide the tenants and occupants of 9 Campus Drive and their customers, employees and invitees, the right to use a limited number of parking spots located at the property commonly known as 2 Hilton Court.

2. Simultaneous with the consummation of the transactions contemplated under the Purchase Agreement, each of Mack-Cali and Prudential will transfer $25,792.15 will be transferred to a newly established bank account in the name of the Partnership which amount represents security deposits held in the name of the Partnership for the benefit of tenants of 9 Campus Drive.

3. Mack-Cali shall have no liability, and Prudential shall have no right of contribution or subrogation against Mack-Cali for any of the Partnership's obligations under the Business Campus Contract (as such term is defined in the Purchase Agreement), including without limitation, the indemnification provided for in Paragraph 3 of the Second Amendment to the Business Campus Contract.

4. Prudential consents to the entering into of the Purchase Agreement and the transactions contemplated thereby, including without limitation the sale of the Partnership Interest by Equity Parsippany Venture, the purchase of the Partnership Interest by Mack-Cali and the execution of the Assignment and Assumption Agreement. Further, Prudential acknowledges that all provisions of the Partnership Agreement relating to any right of first refusal or right of first offer have been satisfied by Equity Parsippany Venture and agrees to and accepts Mack-Cali as a partner and party to the Partnership Agreement, with all rights and privileges of a 50% Venturer pursuant to the Partnership Agreement.

5. It is understood and agreed that no failure to execute the amendment referred to in Section I hereof by the parties hereto shall operate as a waiver by either of them to require that such

amendment be executed in accordance herewith.

6. It is further understood and agreed that money damages would not be a sufficient remedy for any breach of this Agreement by Prudential, Mack-Cali or any of their representatives and that Prudential and Mack-Cali shall be entitled to equitable relief, including injunction and specific performance, as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach by Prudential or Mack-Cali of this Agreement but shall be in addition to all other remedies available at law or equity to Prudential and Mack-Cali.

[Signature page follows; Remainder of page is intentionally blank]

Please indicate your acceptance of the foregoing by signing this letter agreement as indicated below.

MACK-CALI REALTY ACQUISITION CORP.
Mack-Cali Realty, L.P.

By:

Roger W. Thomas, Esq.
Executive Vice President

Accepted and Agreed to
as of the date first written above:
THE PRUDENTIAL INSURANCE COMPANY
OF NORTH AMERICA

By:

Name:
Title:

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT dated as of March 25, 1998, between MACK-CALI REALTY, L.P. a Delaware limited partnership ("Acquiror"), and PACIFICA HOLDING COMPANY LLC, a Colorado limited liability corporation ("Contributor").

Section 15. Defined Terms

15.1 Definitions. For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"Acquiror Indemnified Parties" has the meaning set forth in Section 6.1.

"Acquiror Transaction Documents" mean this Agreement and the Assignment and Assumption Agreement.

"Affiliate" means any of Mack-Cali Realty Corporation, a Maryland corporation ("Mack-Cali Realty Corporation") or any corporate or partnership entity affiliated with, or related to, Acquiror or Mack-Cali Realty Corporation.

"Agreement" means this Agreement and includes all of the schedules and exhibits annexed hereto.

"Assumed Liabilities" means all liabilities arising after the Closing under the Management Contracts.

"Assignment and Assumption Agreement" means an assignment and assumption agreement with respect to the Assumed Liabilities in the form of Exhibit A hereto.

"Bill of Sale" means a bill of sale in the form of Exhibit B hereto.

"Business Day" means any day that is not a Saturday, Sunday or statutory holiday in the State of Colorado.

"Closing" means the closing of the purchase and sale of the Transferred Assets and the other transactions contemplated by this Agreement.

"Closing Date" means March 25, 1998 or such other date as

is mutually acceptable to Acquiror and Contributor.

"Consents" shall mean those consents set forth on Schedule 3.3 hereto.

"Contribution Agreements" means the Contribution Agreements of even date herewith between Contributor, Acquiror and the other parties signatory thereto.

"Contributor Indemnified Parties" has the meaning set forth in Section 6.1.

"Contributor Transaction Documents" means, collectively, this Agreement, the Assignment and Assumption Agreement and the Bill of Sale.

"Encumbrance" means any lien, pledge, option, charge, easement, security interest, right-of-way or similar restriction or encumbrance.

"Excluded Assets" means any assets of Contributor exclusively relating to any business unrelated to the Management Contracts other than the Transferred Assets.

"Excluded Liabilities" means all liabilities or obligations of Contributor of whatever nature, whether known or unknown, absolute or contingent or otherwise other than the Assumed Liabilities, including but not limited to the liabilities set forth on Schedule 1.1(a).

"Losses" means any and all loss, claim, damage, suit, action, cause of action, liability, penalty, judgment, decree, cost and expense (including, without limitation, reasonable attorneys' fees and costs).

"Management Contracts" shall mean the Pacifica Management Contracts and the Third Party Management Contracts.

"Pacifica Management Contracts" means the contracts identified as such on Schedule 1.1(b).

"Permitted Encumbrances" has the meaning set forth in Section 3.5.

"Purchase Price" has the meaning set forth in Section 2.2.

"Third Party Management Contracts" means the contracts identified as such on Schedule 1.1(b).

"Transferred Assets" means all of Contributor's right, title and interest in and to (i) all rights under the Management Contracts existing after the Closing Date, (ii) all machinery, equipment, furniture, fixtures, supplies and other assets set forth on Schedule 1.1(c) hereto (collectively, the "Equipment"); (iii) all books and records (other than minute books and original documents and records relating to the corporate existence of Contributor and federal and state tax returns and supporting documents) relating to the Management Contracts and the Equipment (provided that Contributor may retain copies thereof and original records which Contributor is required to maintain as a matter of law (which Acquiror shall have unrestricted access to for a period of time equivalent to the statutory retention period of such records)); and (iv) all goodwill associated with the foregoing.

Capitalized terms used herein and not otherwise defined have the meanings set forth for such terms in the Contribution Agreements.

Section 16. Purchase and Sale of Assets; Tax Matters

16.1 Transferred Assets. Subject to the terms and conditions set forth in this Agreement, Contributor shall sell, transfer, convey, assign and deliver to Acquiror, and Acquiror shall purchase and acquire from Contributor, on the Closing Date, all of the Transferred Assets, free and clear of all Encumbrances other than Permitted Encumbrances.

16.2 Purchase Price. Subject to Section 2.3, the purchase price for the Transferred Assets (the "Purchase Price") shall consist of (i) a cash payment equal to $10,000 to Contributor by wire transfer of immediately available federal funds to an account specified by Contributor in writing and (ii) the assumption by Acquiror of the Assumed Liabilities.

16.3 Purchase Price Adjustment. All revenues and expenses with respect to the Transferred Assets, and applicable to the period of time before and after Closing, determined in accordance with sound accounting principles consistently applied, shall be allocated between Contributor and Acquiror as provided herein. Contributor shall be entitled to all revenue and shall be responsible for all expenses accruing during the period of time up to and including the Closing Date, and Acquiror shall be entitled to all revenue and shall be responsible for all expenses accruing during the period of time from and after the Closing Date. Acquiror shall pay all use taxes in connection with the sale of the Transferred Assets.

16.4 The Closing. The Closing shall take place on the Closing Date at a location to be mutually and reasonably agreed upon by Acquiror and Contributor. At the Closing, the parties hereto shall make the deliveries described below, provided that the obligation of each to do so shall depend upon the performance by the other party of its obligations hereunder:

(a) Contributor shall deliver to Acquiror the following

(which shall be in form and substance reasonably satisfactory to Acquiror):

(i) the Assignment and Assumption Agreement;

(ii) a Bill of Sale and such other instruments of transfer and conveyance as shall be effective to vest in Acquiror good and marketable title to the tangible personal property included in the Transferred Assets held by Contributor free and clear of all Encumbrances other than Permitted Encumbrances;

(iii) the Consents;

(iv) such other documents as may be reasonably necessary to consummate the transactions contemplated hereby.

(b) Acquiror shall deliver to Contributor the following:

(i) the Assignment and Assumption Agreement;

(ii) a wire transfer of immediately available funds in the amount set forth in Section 2.2; and

(iii) such other documents as may be reasonably necessary to consummate the transactions contemplated hereby.

16.5 Allocation of Purchase Price. Contributor and Acquiror agree to allocate the Purchase Price among the Transferred Assets as set forth on Schedule 2.5. Contributor and Acquiror shall report for tax and other relevant purposes (and shall defend in any tax audit or contest) the sale of the Transferred Assets in a manner consistent with such allocation. Contributor and Acquiror agree to execute an Internal Revenue Service Form 8594 reflecting such allocation.

16.6 Further Assurances. From time to time after the Closing, Contributor will execute and deliver to Acquiror such instruments of sale, transfer, conveyance, assignment and delivery, and such consents, assurances, powers of attorney and other instruments as may be reasonably requested by Acquiror or its counsel in order to vest in Acquiror all right, title and interest of Contributor in and to the Transferred Assets and otherwise in order to carry out the purpose and intent of this Agreement.

Section 17. Representations And Warranties of Contributor

Contributor represents and warrants to Acquiror as follows:

17.1 Organization and Authorization. Contributor is a limited liability company duly organized, validly existing in good standing under the laws of the State of Colorado. Contributor has all requisite corporate power and authority to enter into the Contributor Transaction Documents and to perform fully its obligations hereunder and thereunder. The execution and delivery of the Contributor Transaction Documents and the performance by Contributor of its obligations hereunder have been duly and validly authorized by all necessary limited liability action. This Agreement is, and when executed and delivered in accordance with this Agreement, each other Contributor Transaction Document will be, a legal, valid and binding obligation of Contributor enforceable in accordance with its terms.

17.2 Consents and Approvals. No filings with, notices to, or approvals of any governmental or regulatory body are required to be obtained or made by Contributor in connection with the consummation of the transactions contemplated hereby.

17.3 No Violations. The execution and delivery of the Contributor Transaction Documents and the performance by Contributor of its obligations thereunder do not and will not conflict with or violate any provision of the Articles of Organization or Operating Agreement of Contributor. The execution and delivery of the Contributor Transaction Documents and the performance by Contributor of its obligations thereunder do not and will not (a) conflict with or result in a breach of the terms, conditions or provisions of, (b) constitute a default under, (c) result in the creation of any Encumbrance upon the Transferred Assets pursuant to, (d) give any third party the right to modify, terminate or accelerate any obligation under, (e) result in a violation of, or (f) require any authorization, consent (other than the Consents, which are set forth on Schedule 3.3 hereto), approval, exemption or other action by or notice to any court or administrative or governmental body or other third party pursuant to, in each case, any law, statute, rule or regulation to which Contributor is or the Transferred Assets are subject, or any agreement, instrument, order, judgment or decree to which Contributor is or the Acquired Assets are subject.

17.4 Financial Information. All of Contributor's books and records relating to the Transferred Assets are complete and correct in all material respects and present accurately the material financial information related to the Transferred Assets.

17.5 Transferred Assets; Title to Assets. All material assets used in connection with Contributor's performance under the Management Contracts are set forth on Schedule 1.1(c). Except as set forth on Schedule 3.5 ("Permitted Encumbrances"), Contributor has good and marketable title to the Transferred Assets held by it free and clear of all Encumbrances, and after the Closing Date the Transferred Assets will be free and clear of all Encumbrances other than Permitted Encumbrances.

17.6 Compliance with Laws. Contributor's business has been operated in compliance in all material respects with all applicable laws and regulations of governmental authorities.

17.7 Litigation. Except as set forth on Schedule 3.7, there are no material claims, actions, suits, approvals, investigations, complaints or

proceedings pending or, to Contributor's knowledge, threatened before any court, arbitrator or administrative, governmental or regulatory authority or body with respect to the business of Contributor relating to the Transferred Assets nor are the Transferred Assets subject to any material order, judgment, writ, injunction or decree.

17.8 Management Contracts. True and correct copies of each Management Contract have been provided to Acquiror or will be provided to Acquiror prior to Closing, and the information set forth on Schedule 1.1(b) is true and correct. Neither Contributor nor, to the knowledge of Contributor, any other party to any Management Contract, agreement or instrument, is in default of the terms thereof.

17.9 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Contributor for which Acquiror shall have any responsibility.

Section 18. Representations and Warranties of Acquiror

Acquiror represents and warrants to Contributor as follows:

18.1 Organization and Authorization. Acquiror is a limited partnership duly organized and existing in good standing under the laws of the State of Delaware. Acquiror has all requisite power and authority to enter into the Acquiror Transaction Documents and to assume and perform fully its obligations hereunder and thereunder. The execution and delivery of the Acquiror Transaction Documents and the performance by Acquiror of its obligations thereunder have been duly and validly authorized by all necessary partnership action. This Agreement is, and when executed and delivered in accordance with the terms hereof the other Acquiror Transaction Documents will be, a valid and binding obligation of Acquiror enforceable in accordance with its terms.

18.2 No Violations. The execution and delivery of the performance of the Acquiror Transaction Documents by Acquiror of its obligations thereunder do not and will not conflict with or violate any provision of the Second Amended and Restated Agreement of Limited Partnership of the Acquiror. Except for such of the following as, individually or in the aggregate, will not have a material adverse effect on Acquiror's ability to consummate the transactions contemplated hereby, the execution and delivery of the Acquiror Transaction Documents and the performance by Acquiror of its obligations thereunder do not and

will not (a) conflict with or result in a breach of the terms, conditions or provisions of, (b) constitute a default under, (c) result in the creation of any lien, security interest, charge or encumbrance upon its assets pursuant to, (d) give any third party the right to modify, terminate or accelerate any obligation under, (e) result in a violation of, or (f) require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body or any third party pursuant to, in each case, any law, statute, rule or regulation or any agreement, instrument, order, judgment or decree to which Acquiror is subject.

18.3 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Acquiror for which Contributor shall have any responsibility.

Section 19. Conditions to Closing

19.1 Obligation of Acquiror to Close. The obligation of Acquiror to close the transactions contemplated hereby shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions, or the written waiver thereof by Acquiror:

(a) No Injunction. No injunction or restraining order shall be in effect which forbids or enjoins the consummation of the transactions contemplated by this Agreement, no proceedings for such purpose shall be pending, and no federal, state, local or foreign statute, rule or regulation shall have been enacted which prohibits, restricts or delays the consummation of the transactions contemplated hereby.

(b) Approvals. All governmental and third party approvals, consents, permits or waivers necessary for consummation of the transactions contemplated by this Agreement or the financing thereof, and all Governmental Permits required for the use by Acquiror of the Transferred Assets, shall have been obtained in form and substance reasonably satisfactory to Acquiror.

(c) Material Adverse Change. No material adverse change in

the Transferred Assets shall have occurred.

(d) Contribution Agreement Closing. The Closing

under the Contribution Agreements shall have occurred or be occurring simultaneously with the Closing.

(e) Encumbrances. Acquiror shall be satisfied that the Transferred Assets are free and clear of all Encumbrances as of the Closing Date.

(f) Management Contracts. Acquiror shall be satisfied, in its sole discretion, that there are no defects in the assignability, enforceability, evidence or existence of any of the Management Contracts.

19.2 Obligation of Contributor to Close. The obligation of Contributor to close the transactions contemplated hereby shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions, or the written waiver thereof by Contributor:

(a) No Injunction. No injunction or restraining order shall be in effect which forbids or enjoins the consummation of the transactions contemplated by this Agreement and no federal, state, local or foreign statute, rule or regulation shall have been enacted which prohibits, restricts or delays such consummation.

(b) Contribution Agreement Closing. The Closing under the contribution Agreements shall have occurred or be occurring simultaneously with the Closing.

Section 20. Miscellaneous

20.1 Indemnification.

(a) Acquiror shall indemnify, defend and hold harmless Contributor, and each of its directors, officers, members, affiliates, agents, attorneys, accountants and employees, and each of their respective successors and assigns (all collectively, the "Contributor Indemnified Parties"), of, from and against, any and all loss, claim, damage, suit, action, cause of action, liability, penalty, judgment, decree, cost and expense (including, without limitation, reasonable attorneys' fees and costs), which may at any time be asserted or recovered against or incurred by

any such Contributor Indemnified Parties, or any of them, arising from, in connection with, on account of, or relating to any and all debts, liabilities and obligations of Acquiror to any third party or the government, whether fixed or contingent, known or unknown, choate or inchoate, liquidated or unliquidated, secured or unsecured or otherwise, arising after the Closing Date with respect to the Assumed Liabilities.

(b) Contributor shall indemnify, defend and hold harmless Acquiror, and each of its directors, officers, partners, affiliates, agents, attorneys, accountants and employees, and each of their respective successors and assigns (all collectively, the "Acquiror Indemnified Parties"), of, from and against, any and all loss, claim, damage, suit, action, cause of action, liability, penalty, judgment, decree, cost and expense (including, without limitation, reasonable attorneys' fees and costs), which may at any time be asserted or recovered against or incurred by any such Acquiror Indemnified Parties, or any of them, arising from, in connection with, on account of, or relating to any and all debts, liabilities and obligations of Contributor to any third party or the government, whether fixed or contingent, known or unknown, choate or inchoate, liquidated or unliquidated, secured or unsecured or otherwise, existing on the Closing Date or, except with respect to Assumed Liabilities, arising thereafter.

20.2 Indemnification Limitation. Notwithstanding Section 6.1 of this Agreement, (i) no claim for indemnification shall be asserted against either Contributor or Acquiror with respect to any single Loss in an amount less than $10,000 (it being understood that all Losses arising from the same operative facts and circumstances shall be deemed a single aggregate Loss); (ii) no amounts shall be payable by Acquiror or Contributor under this Section 6 unless and until the aggregate amount otherwise payable by such Acquiror or Contributor in the absence of this clause exceeds $50,000, in which event all amounts in

excess of such amount (but only such amounts in excess) shall be due; and (iii) no claim for indemnification under this Section 6 shall first be asserted after the first anniversary of the Closing Date.

20.3 Publicity. No press release or other public announcement concerning this Agreement or the transactions contemplated hereby shall be made without advance approval thereof by Contributor and Acquiror, except as required by law.

20.4 Notices. Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes if (i) hand delivered, (ii) sent by a nationally recognized overnight courier for next business day

delivery or (iii) sent by confirmed facsimile transmission as follows:

If to Acquiror, at:

c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, new Jersey 07016
Attention: Roger W. Thomas, Esq.
Tel: (908) 272-8000
Fax: (908) 272-6755

with a copy to:

Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attention: Wayne B. Heicklen, Esq.
Tel: (212) 326-0425
Fax: (212) 326-0806

If to Contributor, at:

Pacifica Holding Company LLC
5975 South Quebec Street
Suite 100
Englewood, CO 80111
Attention: Steve Leonard
Tel: (303) 721-7600
Fax: (303) 721-1122

With a copy to:

Brownstein Hyatt Farber & Strickland, P.C.
410 Seventeenth Street, Suite 2200
Denver, Colorado 80202
Attention: Edward Barad
Tel: (303) 534-6335
Fax: (303) 623-1956

Notices shall be deemed properly delivered and received when and if either (i) personally delivered; (ii) on the first business day after deposit with Federal Express or other commercial overnight courier for delivery on the next business day, or (iii) facsimile transmission, receipt confirmed. Any party may change its address for deliver of notices by properly notifying the

others pursuant to this Section 6.4.

20.5 Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Colorado without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Colorado or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Colorado. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement shall nevertheless continue in full force and effect.

20.6 Successors and Assigns. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and assigns; provided, however, no direct or indirect conveyance, assignment or transfer of any interest whatsoever of, in or to any or all of the Management Contracts shall be made by Contributor during the term of this Agreement. Acquiror may assign all or any of its right, title and interest under this Agreement to an Affiliate. No such assignee shall accrue any obligations or liabilities

hereunder until the effective date of such assignment. In addition to its right of assignment, Acquiror shall also have the right, exercisable prior to Closing, to designate any Affiliate, as the grantee or transferee of any or all of the conveyances, transfers and assignments to be made by Contributor at Closing hereunder, independent of, or in addition to, any assignment of this Agreement. In the event of an assignment of this Agreement by Acquiror (but not in the event of the designation of any Affiliate), its assignee shall be deemed to be the Acquiror hereunder for purposes hereof, and shall have all rights of Acquiror hereunder (including but not limited to, the right of further assignment), and the assignor shall be released from all liability hereunder. In the event that an Affiliate shall be designated as a transferee hereunder, that transferee shall have the benefit of all of the representations and rights which, by the terms of this Agreement, are incorporated in or relate to the conveyance in question.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

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

By: Mack-Cali Realty Corporation, a Delaware corporation and its sole general partner

By: _____

Name: Roger W. Thomas

Title: Executive Vice President

PACIFICA HOLDING COMPANY LLC, a limited liability company

By: _____

Steve Leonard
Manager

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 25th day of March, 1998, by and between PACIFICA PROGRESS/UNION LIMITED LIABILITY COMPANY ("Contributor"), a Colorado limited liability company with an address c/o Pacifica Holding Company, 5975 South Quebec Street, Suite 100, Englewood, Colorado 80111, MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP") and MACK-CALI REALTY CORPORATION, a Maryland corporation ("Mack-Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

A. Contributor owns various commercial properties located throughout the Denver, Colorado metropolitan area. Mack-Cali, through MCRLP and certain affiliated entities of MCRLP, similarly owns various commercial properties located throughout New Jersey, New York, Pennsylvania, Nebraska, Iowa, California, Florida, Arizona, Connecticut and Texas.

B. Contributor, MCRLP and Mack-Cali have determined that the transactions contemplated hereby are in the respective parties' best interests.

NOW, THEREFORE, in consideration of ten dollars ($10.00), the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. SUBJECT OF CONVEYANCE.

In accordance with the terms and conditions of this Agreement, on the Closing Date (as defined herein), Contributor agrees to contribute, convey or otherwise transfer to certain designees of MCRLP all of Contributor's right, title and interest in and to the assets set forth in paragraphs (a) through (h) of this Section 1:

(a) that certain real property situate, lying and being in the State of Colorado and being more particularly described on Schedule 1(a) (the "Land"), which Schedule 1(a) sets forth the name, state of organization and type of entity of Contributor of a parcel of Land and all of the improvements located on the Land (individually, a "Building" and collectively, the "Improvements");

(b) all rights, privileges, grants and easements appurtenant to Contributor's interests in the Land and Improvements, if any, including without limitation, all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of

the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes collectively referred to herein as the "Real Property");

(c) except as set forth on Schedule 1(c) all personal property, artwork, fixtures, equipment, inventory and computer programming and software owned by Contributor and located on any of the Real Property or used at any of the management and corporate offices of Contributor (the "Personal Property");

(d) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto (each a "Lease" and collectively, the "Leases") and any guaranties provided thereunder, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of security for the performance of the Tenant's (as defined herein) obligations thereunder;

(e) Intentionally Deleted.

(f) all permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of Contributor's rights, titles and interests in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters of Contributor (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(g) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, market studies, keys, plans, specifications, reports, tests and other materials of any kind owned by or in the possession of Contributor which are or may be used by Contributor in the use and operation of the Real Property or Personal Property

(collectively, the "Books and Records"); and

(h) all other rights, privileges and appurtenances owned by Contributor, if any, and in any way related to the rights and interests described above in this Section.

The Real Property, the Personal Property, the Leases, the Intangible Property, the Books and Records and the other property interests being conveyed hereunder are hereinafter collectively referred to as the "Property".

For all purposes herein, unless the context clearly dictates otherwise, any reference herein to "Contributor" shall be deemed to be a reference to the entity which is to convey any assets hereunder to MCRLP or its designees.

2. PAYMENT TERMS.

2.1 Total Exchange Consideration. The aggregate consideration for the Property (the "Exchange Consideration") is Eleven Million Two Hundred Seventy Eight Thousand and xx/100 ($11,278,000.00) Dollars, to be paid by MCRLP in accordance with Section 2.2. The

Exchange Consideration shall be allocated among the Property as set forth on Schedule 2.1 (the "Allocated Property Values" and each an "Allocated Property Value").

2.2 The Property(a) At the Closing (as defined herein), and upon satisfaction of the terms and conditions provided herein, Contributor agrees to contribute the Property to MCRLP or its Permitted Assignees (hereinafter defined), and MCRLP (and Mack-Cali where applicable) agrees, subject to adjustment as set forth herein, (i) to pay to Contributor or its designees, in cash, the amount of Seven Million Seven Hundred Seventy-Five Thousand Four Hundred Sixty Three and 51/100 ($7,775,463.51) Dollars (the "Cash Payment"), allocated as set forth in Schedule 2.2(a)(i); (ii) to issue the Contributor Units (hereinafter defined) in an amount set forth on Schedule 2.2(a)(ii) to such persons as Contributor shall direct in writing (as set forth in Section 10.2(aa)) as soon as practicable following the date hereof (the "Unit Holders"); and (iii) to take title to certain Property subject to certain mortgages set forth in Schedule 2.2(a)(iii) (collectively, the "Mortgages"). Notwithstanding the foregoing, Mack-Cali shall have the right, in its sole discretion, to cause any or all of the Mortgages to be satisfied at the Closing and pay for any pre-payment fees or charges payable under such Mortgages.

(b) Simultaneous with MCRLP accepting the Property, MCRLP shall issue, subject to adjustments as set forth herein, _____ common units of limited partnership interests in MCRLP (the "Contributor Units") convertible into Mack-Cali Common Stock ("Common Stock"); provided, however, that the Unit Holders shall be issued and shall hold the Contributor Units in accordance with the provisions of Section 19.

(c) At the Closing, MCRLP shall issue to Contributor and/or the Unit Holders or their designees certificates representing in the aggregate _____ Contributor Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth on Exhibit 10.2(ee).

(d) All rights and benefits incidental to the ownership of the Contributor Units received in exchange for the Property, including, but not limited to the right to receive distributions, voting rights and the right to exchange the Contributor Units for shares of Common Stock, shall accrue for the benefit of the Unit Holders commencing on the Closing Date (as defined herein).

(e) With respect to the first Partnership Record Date (as defined in the OP Agreement (as defined below)) on or after the Closing, the Unit Holders shall receive distributions payable with respect to the Contributor Units on a pro rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held Contributor Units.

2.3 Intentionally Deleted.

2.4 Intentionally Deleted.

3. INSPECTION PERIOD; MCRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.

3.1 Prior to the Closing (the "Inspection Period"), time being of the essence as to each such date, MCRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property, including, but not limited to, soil tests and borings, ground water tests and investigations, percolation tests, surveys,

architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as MCRLP, in its sole discretion, determines is necessary or desirable in connection with the Property and may inspect the physical (including environmental) and financial condition of the Property, including but not limited to Leases, Service Contracts, copies of Contributor's Tax Returns and the Property Financials (as hereinafter defined) as of and for the years ending December 31, 1995, 1996 and 1997, engineering and environmental reports, development approval agreements, permits and approvals, which inspection shall be satisfactory to MCRLP in its sole discretion. Contributor agrees to cooperate with MCRLP in such review and inspection and, to the extent not yet delivered, shall deliver said documents and information to MCRLP within ten (10) days from the date hereof. MCRLP may terminate this Agreement for any reason, by written notice given to Contributor, prior to the expiration of the Inspection Period. In the event MCRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event MCRLP does not terminate this Agreement by the end of the Inspection Period, then MCRLP shall be deemed to have elected not to terminate this Agreement.

3.2 During the Inspection Period, MCRLP, its agents and contractors shall have unlimited access to the Property and other information pertaining thereto in the possession or within the control of Contributor, during normal business hours, for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Such right of inspection and the exercise of such right shall not constitute a waiver by MCRLP of the breach of any representation or warranty of Contributor which might, or should, have been disclosed by such inspection. Contributor shall cooperate with MCRLP in facilitating its due diligence inquiry and shall obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for MCRLP to perform the same.

3.3 To assist MCRLP in its due diligence investigation of the Property, Contributor shall deliver to MCRLP, by the execution and delivery of this Agreement, true and correct copies of all existing Phase I environmental studies (the "Phase I Reports") in the possession or control of Contributor with respect to the Real Property, which Phase I Reports are set forth on Schedule 3.3 annexed hereto. In the event that MCRLP determines that it requires any new Phase I Reports or updates thereof, the cost of such reports or updates shall be borne by MCRLP. If MCRLP reasonably requires that further environmental investigations be undertaken beyond any new Phase I or updated Phase I Report, all engineering costs and expenses relating to said further environmental investigations shall be borne by Mack-Cali.

3.4 Intentionally Deleted.

3.5 During the Inspection Period, Mack-Cali and MCRLP shall provide to Contributor and its agents and advisors reasonable access to Mack-Cali's and MCRLP's books and records, and Mack-Cali and MCRLP shall provide Contributor such other reasonable information including, without limitation, all Securities and Exchange Commission filings of MCRLP and Mack-Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit Contributor, at its sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from Contributor's inspection or due diligence as permitted by this Section shall give rise to a right of Contributor to terminate this Agreement.

3.6 Mack-Cali shall have the right, without the obligation, to terminate this Agreement if (i) at any time prior to the Closing Date, Mack-Cali determines in its sole discretion, that any of the Property is subject to materially adverse environmental conditions, including, without limitation, any environmental condition that has a material adverse affect on the property value of any Real Property, on the current use of any Real Property, on groundwater at, on, under, about or emanating from any Real Property or on the ability of Mack-Cali or MCRLP to finance any Real Property; or (ii) Contributor is unable to obtain the approval of any third-party partner of the Contributors to the terms of this Agreement; or (iii) Mack-Cali determines that certain of the indebtedness encumbering the Property cannot be satisfactorily satisfied or restructured.

4. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

4.1 As of the Closing Date, title to the Property shall be subject only to the following (collectively, the "Permitted Encumbrances"):

(a) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided the same are not yet due and payable, but subject to adjustment as provided herein;

(b) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants") as tenants only;

(c) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of MCRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned;

(d) any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(e) the state of facts shown on the surveys described on Schedule 4.1(e) for each of the individual properties comprising the Real Property and the Earnout Properties;

(f) the Service Contracts;

(g) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and facilities in, over, under or upon the Real Property, provided the same do not impair, in other than a de minimis manner, the present use of the Real Property;

(h) such matters as the Title Company (as hereinafter defined) shall be willing, without special premium, to omit as exceptions to coverage;

(i) the lien of the Mortgages (but on the terms and conditions of this Agreement).

4.2 Prior to the date hereof, Contributor shall have directed Land Title Guarantee Company (the "Title Company"), as agent for Chicago Title Insurance Company, to prepare a title insurance search and commitment for owner's title insurance policy for the Real Property (the "Title Commitment"). MCRLP shall cause the Title Company to promptly deliver a copy of the same to Contributor and its counsel. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitment (other than the Permitted Encumbrances) which MCRLP is not required to accept under the terms of this Agreement, Contributor may, at its election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that except as provided below, Contributor shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions, other than (i) judgments against Contributor; (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount, other than the Mortgages; and (iii) defects, objections or exceptions which can be removed by payments not to exceed $100,000.00 per Building in the aggregate. Contributor, in its discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. If, after complying with the foregoing requirements, Contributor is unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, MCRLP shall elect either (i) to terminate this Agreement by notice given to Contributor, in which event the provisions of Section 23.2(a) shall apply, or (ii) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. Contributor agrees and covenants that it shall not voluntarily place any encumbrances or restrictions on title to the Real Property from and after the date of the first issuance of the Title Commitment for said Property, except for the right to reserve easements for utilities and ingress and egress encumbering the Real Property (post-closing) for the benefit of adjacent properties owned by Contributor (or any affiliate thereof) upon the written consent of MCRLP, which consent shall not be unreasonably withheld or delayed; and so long as the mortgagees of the Mortgages shall consent to the reservation of the same. Mack-Cali and MCRLP covenant and agree that they shall consult with Contributor prior to causing any other person or entity to request any inspection of the Real Property by any governmental entity. Contributor recognizes that Mack-Cali's and MCRLP's due diligence necessitates said inspection. Mack-Cali and MCRLP agree that they shall conduct any due diligence with such governmental entity with a view toward maintaining the confidentiality of the transaction contemplated by this Agreement.

4.3 It shall be a condition to Closing that Contributor conveys, and that the Title Company insures, title to the Real Property in the amount of the Allocated Property Value thereof (at a standard rate for such insurance) in the name of MCRLP or its designees, after delivery of the Deed (as hereinafter defined) by a standard 1992 ALTA Owner's Policy, with ALTA endorsements, to the extent that the premium for such endorsements is paid by MCRLP, for the Real Property as required by MCRLP attached, free and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the

"Title Policy"). The Title Company shall provide affirmative insurance that (i) the exception for taxes shall apply only to the current taxes not yet due and payable; and (ii) to the extent that the premium for such endorsements is paid by MCRLP, (a) any Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; and (b) MCRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances. Contributor shall provide such affidavits and undertakings as the Title Company insuring title to the Real Property may require and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

4.4 Contributor shall cause one or more surveyors acceptable to MCRLP to deliver to MCRLP a survey or surveys of the Real Property acceptable to MCRLP in all respects and in conformity with ALTA standards. MCRLP shall, at MCRLP's sole cost and expense and with Contributor's cooperation and assistance, cause the surveyor to update the survey no more than thirty (30) days prior to the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured, to the extent that the premium for such endorsement is paid by MCRLP, to MCRLP.

4.5 Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by Contributor, which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by Contributor. Contributor shall deliver to MCRLP, on the Closing Date, instruments in recordable form sufficient to discharge any such mortgages or other liens which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement.

4.6 If the Title Commitment discloses judgments, bankruptcies or other returns against other persons or entities having names the same as or similar to that of Contributor, Contributor shall, upon request, deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against Contributor, or any of its affiliates. Upon request by MCRLP, Contributor shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard exceptions on the ALTA Owner's Policy.

5. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTOR.

5.1 In order to induce MCRLP and Mack-Cali to perform as required hereunder, Contributor hereby warrants and represents to MCRLP and Mack-Cali the following with respect to the Property:

(a) Contributor is a duly organized and validly existing entity, organized and in good standing under the laws of the state of its formation, as more particularly set forth in Exhibit A hereto, is duly authorized to transact business in the State of Colorado, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Property in accordance with the terms and conditions hereof. All necessary actions of the partners, members, shareholders and/or principals of Contributor to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) Intentionally Deleted.

(c) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Contributor, enforceable in accordance with the terms of this Agreement. The performance by Contributor of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of Contributor or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator to which Contributor is a party or by which its assets are or may be bound.

(d) Annexed hereto as Schedule 5.1 (d) is a true, complete and correct schedule of all of the Leases. The Leases are valid and bona fide obligations of the landlord and Tenants thereunder and are in full force and effect. To the best of Contributor's knowledge, no defaults exist thereunder and no condition exists which, with the passage of time or the giving of notice or

both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements (other than the Leases) which confer upon any Tenant or any other person or entity any rights with respect to the Property, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim been asserted by any Tenant.

(e) Annexed hereto as Schedule 5.1(e) (the "Rent Roll") is a listing of the following, which is true, complete and correct in all respects for each Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) any written notices given by any Tenant of an intention to vacate space in the future; (vii) the base

year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (viii) any arrearages of any Tenant beyond thirty (30) days.

(f) To the knowledge of Contributor, Contributor has performed all of the obligations and observed all of the covenants required of it as landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future. To the knowledge of Contributor, except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor. The tenant improvement credit in the amount of $190,000, due to Arbitration Forums under its lease at 141 Union has been paid by Contributors prior to Closing.

(g) There are no service contracts, union contracts, employment agreements or other agreements affecting the Property or the operation thereof, except the Service Contracts and other contracts and agreements set forth on Schedule 5.1(g) annexed hereto. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any material default or claim of material default by any of the parties thereto. All sums presently due and payable by Contributor under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor. All of the Service Contracts may be terminated on not more than sixty (60) days notice without the payment of any fee or penalty, and the representation contained in this sentence is not subject to being modified by the limitations of Section 5.5. There are no employees of Contributor, or an affiliate of Contributor, working at or in connection with the Real Property pursuant to any of the Service Contracts, other contracts and employment agreements, except as set forth on Schedule 5.1(g).

(h) Except as set forth on Schedule 5.1(h) annexed hereto, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of Contributor, threatened against Contributor (with respect to the Property being sold) or all or any part of the Property, the environmental condition thereof, or the operation thereof.

(i) Except as set forth on Schedule 5.1(i) annexed hereto, Contributor has received no written notice and has no knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Real Property or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with

respect to real estate taxes assessed against the Real Property, or (v) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. Contributor agrees to furnish MCRLP with a copy of any such notice received within two (2) business days after receipt.

(j) Contributor has provided MCRLP with all reports in Contributor's possession or under its control related to the physical condition of the Real Property.

(k) Except as set forth on Schedule 5.1(k) annexed hereto, Contributor has no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property, or any violations or conditions that may give rise thereto, and has no reason to believe that any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the management, operation, use or improvement thereof (collectively, the "Governmental Authorities" or "Governmental Authority" as the context requires) contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving Contributor or the Real Property. For purposes of this Agreement, the term "Governmental Authority" shall also include the Internal Revenue Service and any other federal, state, local or foreign taxing authority.

(l) There are no employees of Contributor or any affiliates of Contributor working at or in connection with the Real Property except as set forth on Schedule 5.1(l).

(m) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of Contributor and MCRLP with respect to said commissions are set forth in Section 14.

(n) Contributor has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Contributor's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Contributor's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Contributor's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(o) Except for the Mortgages and otherwise as set forth on Schedule 5.1(o), the Personal Property is now owned and will on each of the Closing Date be owned by Contributor free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

(p) To Contributor's knowledge, Contributor is not in default under the Mortgages. True, correct and complete copies of the Loan Documents have been delivered to MCRLP. The Loan Documents will not be amended or modified except as required by Mack-Cali prior to the Closing Date.

(q) Intentionally Deleted.

(r) Intentionally Deleted.

(s) Contributor has no knowledge that any part of the Real Property has been designated as wetlands or any other word of similar purport or meaning under the Federal Water Pollution Control Act, 33 U.S.C. ss.1251 et seq.; the Colorado Water Quality Control Act, Colo. Rev. Stat. Section 25-8-101 et seq; or any other applicable federal, state, county or municipal statute, ordinance, rule, regulation, order or code.

(t) To the best of Contributor's knowledge, there are no aboveground or underground storage tanks or vessels at the Real Property, regardless of whether or not such tanks or vessels are regulated tanks or vessels, except as set forth on Schedule 5.1(t).

(u) Contributor has no knowledge of outstanding requirements or recommendations by (i) any insurance company currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions; or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work of a material nature to be done on the Property.

(v) The financial statements, including the income and expense statements and the balance sheets of Contributor and its affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement, relating to Contributor's ownership and operation of the Property and the related statement of income, partners' capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1995, 1996 and 1997, fairly present the financial position of Contributor relating to the Property as of such dates and the results of operations and cash flows of Contributor relating to the ownership

and operation of the Property for such respective periods. The Property Financials from January 1, 1998, through the most recent month ending prior to the Closing Date, fairly present the financial position of the Property relating to the ownership and operation of the Property as of such date (subject to the normal year-end adjustments described in Schedule 5.1(v)) and with all interim financial statements of the Property heretofore delivered to MCRLP on behalf of Contributor.

(w) Except as set forth in Schedule 5.1(w), Contributor does not maintain any 401(k) savings plans, pension plans, multi-employer plans (as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee benefit plans (as defined in ERISA) or employee welfare plans providing for benefits to Contributor's employees (each, a "Contributor Plan"). From and after the date hereof, Contributor shall not adopt a Contributor Plan. Mack-Cali shall have no liability to any current or former employees of Contributor or any affiliate thereof, including, without limitation, any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any plans or programs listed on Schedule 5.1(w), or arising under applicable federal or state law, including, without limitation, under the Worker Adjustment and Retraining Nonfiction Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

(x) Intentionally Deleted.

(y) Except as disclosed in the Phase I Reports or otherwise set forth in Schedule 5.1(y):

(i) To the best of Contributor's knowledge, no Governmental Authority has demanded in writing, addressed to Contributor or any of its affiliates, counsel or agents, that any Contaminants (as defined herein) be cleaned up or environmentally remediated at any Real Property, which has not been cleaned up or environmentally remediated.

(ii) To the best of Contributor's knowledge, no Contaminants have been Discharged (as hereinafter defined) which would allow a Governmental Authority to demand that a cleanup be undertaken.

(iii) To the best of Contributor's knowledge, no ss.104(e) informational request, issued pursuant to CERCLA (as hereinafter defined) with respect to the Real Property has been received by Contributor.

(iv) To the best of Contributor's knowledge, all pre-existing aboveground and underground storage tanks and vessels, if any, at the Real Property have been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws.

(v) To the best of Contributor's knowledge, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws (as hereinafter defined) on the Real Property, except as set forth on Schedule 5.1(y).

(vi) To the best of Contributor's knowledge, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property, are identified in Schedule 5.1(y) and are in compliance with all Environmental Laws.

(vii) To the best of Contributor's knowledge, Pacifica has all material certificates, licenses and permits (the "Permits"), including without limitation, environmental Permits, required to operate the Real Property. To the best of Contributor's knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property, as the case may be, without additional payment by MCRLP, and shall, upon closing, be transferred to MCRLP by Contributor.

(viii) To the best of Contributor's knowledge, the Real Property has not been used during the period of Contributor's ownership as solid wastes disposal sites and facilities as defined in the Colorado Solid Wastes Disposal Sites and Facilities Law, Colo. Rev. Stat. Section 30-20-100.5 et seq. and the regulations promulgated thereunder.

(ix) To the best of Contributor's knowledge, there are no engineering or institutional controls at the Real Property, including without limitation, any deed notice, declaration of environmental restriction, groundwater classification exception area, well restriction area or other notice or use limitations pursuant to Colo. Rev. Stat. Section 25-15-208 et seq. and the regulations promulgated thereunder.

(x) Contributor has not transported any Contaminants from the Real Property to another location in violation of Environmental Laws.

(xi) To the best of Contributor's knowledge, there are no federal or state liens, as referenced under CERCLA and the regulations promulgated thereunder, or under any other applicable Environmental Law that have attached to the Real Property.

(xii) Contributor has provided MCRLP with all environmental site assessments, investigations, and documents and all other Environmental Documents (as that term is defined below) in its possession or under its control and shall continue to do so after execution of this Agreement promptly upon its receipt.

(xiii) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(A) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(B) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property regardless of whether the result of an intentional or unintentional action or omission.

(C) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of Contributor concerning the Property or its environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent, sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any

Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental Authority.

(D) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(z) Contributor and its affiliated entities shall have timely paid all Taxes (as defined herein) due and payable on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall have timely filed all Tax Returns (as defined herein) required to be filed on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return is complete and accurate in all respects. Contributor and its affiliated entities shall have timely paid or will timely pay, or shall have provided for or will provide for a cash reserve for the payment of, all Taxes due and payable on or after the Closing Date for all taxable periods (or portions thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period" or "Pre-Closing Tax Periods"), and in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall timely file all Tax Returns which relate to all Pre-Closing Tax Periods but which are required to be filed after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be

complete and accurate in all respects. True and complete copies of all Tax Returns filed by Contributor for taxable periods beginning on or after January 1, 1994, and all written communications relating thereto, have been, or will be upon request, delivered to Mack-Cali. Contributor has also provided, or will also provide upon request, to Mack-Cali copies of: (i) any letter ruling, determination letter or similar document issued to Contributor by any Governmental Authority, and (ii) any closing or other agreement entered into by Contributor with any Government Authority. Except as set forth on Schedule 5.1(z), there are no ongoing Audits or Audits pending or, to the knowledge of Contributor and each of its affiliated entities, threatened with respect to the ownership and/or operation of the Property (by Contributor, its affiliated entities or any of their predecessor entities) or the businesses of Contributor or any of its affiliated entities, which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. There are no agreements or waivers extending the statutory period of limitations with respect to any such Tax Returns or for the assessment or collection of any such Taxes. No claim has ever been made by a Governmental Authority in a jurisdiction where Contributor does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(aa) Annexed hereto as Schedule 5.1(aa) is a listing, for federal income tax purposes, of the following information, which is true, complete and correct in all aspects for each item of Property: (i) its adjusted basis as of the first day of Contributor's taxable year which includes the Closing Date; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(bb) Subject to the provisions of Section 5.5, no representation or warranty made by Contributor contained in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(cc) As used throughout this Agreement, the phrases "to Contributor's knowledge," "to the knowledge of Contributor," "to the best of Contributor's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge of Terrence Claassen, David Goldberg, Chetter Latcham, Steve Leonard, Rich Majors, Adel Nassif, Chuck Peck and Della Wegman, without having undertaken any independent investigation of facts or legal issues, without any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Contributor or of any other person or entity.

5.2 Intentionally Deleted.

5.3 All representations and warranties made hereunder by Contributor and in this Agreement shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (c), (w) and (z) of Section 5.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate (as defined below) as to any of the matters which are contained in the representations and warranties made by Contributor in Section 5.1(f) of this Agreement, then Contributor's representations and warranties as to such matters shall be of no force or effect to the extent of any conflict. Pacifica Holding Company, a Colorado corporation; and Pacifica Holding Company, a Colorado limited liability company (collectively, "Guarantor"); and Contributor, jointly and severally, shall, pursuant to a separate indemnity agreement (the "Indemnity Agreement") in the form attached hereto as Schedule 5.3, indemnify and defend Mack-Cali and MCRLP, and to hold Mack-Cali and MCRLP harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Mack-Cali or MCRLP by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Contributor contained in this Agreement to the full extent that Contributor would otherwise have been liable therefor under the provisions of this Agreement. The foregoing indemnity shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing. Notwithstanding the foregoing, the members of Contributor shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, except as set

forth in Section 28, MCRLP shall not have a right to bring a claim against Contributor by virtue of any of the representations or warranties being false or

misleading unless and until the aggregate damages to MCRLP and/or Mack-Cali are reasonably expected to exceed $100,000.00, but thereafter MCRLP and/or Mack-Cali may bring a claim against Contributor for the entire amount of its aggregate damages.

5.4 Contributor acknowledges that it is not in a significantly disparate bargaining position with respect to MCRLP or Mack-Cali in connection with the transaction contemplated by this Agreement and that Contributor was represented by legal counsel in connection with this transaction.

5.5 Mack-Cali and MCRLP each acknowledges that it has had, or will have had, as of the Closing, sufficient time to review all materials and information set forth in Schedule 5.5, and sufficient time and access to review and investigate the Property. Notwithstanding any other provision of this Agreement, except as set forth in Subsections 5.1(d), (e) and (f), as they relate to the Leases, the Estoppels and the Rent Rolls, the representations and warranties of Contributor as set forth herein or in Contributor's Closing Certificate are hereby modified to be made true to the extent that, as of the date hereof with respect to the representations and warranties made herein, and as of the Closing Date with respect to the representations and warranties made by Contributor as of the Closing Date, (i) information contained in the records made available as set forth in Schedule 5.5 no longer makes the subject representation or warranty not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information, or (ii) either Mack-Cali or MCRLP has knowledge that the subject representation or warranty is untrue, or (iii) Contributor has delivered or made available to any of the individuals described in Section 6.1(l) other written information disclosing that the subject representation or warranty is not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information.

6. REPRESENTATIONS AND WARRANTIES OF MACK-CALI AND MCRLP.

6.1 In order to induce Contributor to perform as required hereunder, Mack-Cali and MCRLP hereby jointly and severally warrant and represent the following:

(a) (i) MCRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of MCRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(ii) Mack-Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such

other documents and instruments in order to permit MCRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Mack-Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) This Agreement and the agreements and other documents to be executed and delivered by each of Mack-Cali and MCRLP hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of each of Mack-Cali and MCRLP, enforceable in accordance with the terms of this Agreement. The performance by each of Mack-Cali and MCRLP of each of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by each of them hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of each of Mack-Cali and MCRLP or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which each of Mack-Cali and MCRLP is a party or by which each of its assets are or may be bound.

(c) The Contributor Units to be issued to Contributor and/or the Contributor Unit Holders are duly authorized and, when issued by MCRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Mack-Cali upon redemption of the Contributor Units will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same will be exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge,

lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(d) MCRLP has furnished to Contributor a true and complete copy of the OP Agreement, as amended to date.

(e) Mack-Cali has caused to be delivered to Contributor copies of the OP Agreement. The SEC Documents were, and those additional documents filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(f) The consolidated financial statements included in the SEC Documents have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial position of Mack-Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, "Subsidiaries" shall mean (i) any entity of which Mack-Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority

of the outstanding capital stock (or other shares of beneficial interest), or (y) at least a majority of the partnership, joint venture or similar interests; and (ii) any entity in which Mack-Cali (or other specified entity) is a general partner or joint partner, including without limitation MCRLP. "Subsidiaries" shall specifically exclude Mack-Cali Services, Inc. and The Grove Street Urban Renewal Corp., which are the only non-qualified REIT subsidiaries of Mack-Cali as of the date hereof.

(g) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Mack-Cali's and MCRLP's knowledge, threatened, at law or in equity, against either of Mack-Cali or MCRLP before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either of Mack-Cali or MCRLP from performing its respective obligations pursuant to this Agreement.

(h) The execution and delivery of this Agreement and the performance by each of Mack-Cali and MCRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Mack-Cali or MCRLP, including without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Mack-Cali or MCRLP is a party or by which Mack-Cali or MCRLP is bound or affected.

(i) (1) Mack-Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1997, as a real estate investment trust ("REIT") within the meaning of Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"), (B) has complied with all applicable provisions of the Code which would have enabled it to qualify as a REIT for 1995 and 1996, (C) has operated, and intends to continue to operate, in such a manner so as to enable it to qualify as a REIT for 1998 and subsequent years, and (D) has not taken or omitted to take any action which would reasonably be expected to cause its disqualification as a REIT, and no challenge to its REIT status is pending or, to Mack-Cali's knowledge, threatened.

(2) Mack-Cali has timely filed with the appropriate Governmental Authority all Tax Returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such Tax Return is true and correct in all material respects. All Taxes shown as owed by Mack-Cali or any of its Subsidiaries on any Tax Return have been paid or accrued, except for Taxes being contested in good faith and for which adequate reserves have been established. None of Mack-Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax.

(3) To its knowledge, as of the date hereof, Mack-Cali is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code.

(j) All of Mack-Cali's real property and other material assets are owned by Mack-Cali indirectly through its ownership of MCRLP and MCRLP's

Subsidiaries.

(k) Neither Mack-Cali nor MCRLP has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Mack-Cali's or MCRLP's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Mack-Cali's or MCRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Mack-Cali's or MCRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(l) As used throughout this Agreement, the phrases "to Mack-Cali's knowledge," "to the knowledge of Mack-Cali", "to the best of Mack-Cali's knowledge", to MCRLP's knowledge," "to the knowledge of MCRLP", "to the best of MCRLP's knowledge" or any similar derivations thereof, shall mean the actual (not constructive) knowledge of Tim Jones, John DeBari, Daniel Wagner, Andrew Greenspan, Roger W. Thomas and Terry Noyes, without having undertaken any independent investigation of facts or legal issues, without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Mack-Cali, MCRLP or of any other person or entity.

6.2 Each of Mack-Cali and MCRLP acknowledges that it is not in a significantly disparate bargaining position with respect to Contributor in connection with the transaction contemplated by this Agreement and that Mack-Cali and MCRLP were represented by legal counsel in connection with this transaction.

6.3 All representations and warranties made by Mack-Cali and MCRLP in this Agreement shall survive the Closing Date for a period of eighteen (18) months, except that the representations and warranties set forth in clauses (a) and (b) of Section 6.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Mack-Cali and MCRLP agree to indemnify and defend Contributor, and to hold Contributor harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Contributor by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Mack-Cali and MCRLP contained in this Agreement. Notwithstanding the foregoing, the partners of MCRLP and the shareholders of Mack-Cali shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, Contributor shall not have a right to bring a claim against Mack-Cali or MCRLP by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to Contributor is reasonably expected to exceed $100,000.00, but thereafter Contributor may bring a claim against Mack-Cali or MCRLP for the entire amount of its aggregate damages.

INTERIM OPERATING COVENANTS OF CONTRIBUTOR.

7.1 Contributor covenants and agrees that between the date hereof and the Closing Date (the "Interim Period"), it shall perform or observe the following with respect to the Real Property:

(a) Contributor will complete any capital expenditure program currently in process or anticipated to be completed. Contributor will not defer taking any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(b) Contributor, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without MCRLP's prior written consent; provided, however that Contributor shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of MCRLP, so long as such lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which Contributor currently enters into in the ordinary course of its business.

(c) Contributor shall comply with and/or remedy all violations of statutes, ordinances, rules, regulations, orders, codes, directives or requirements affecting the Real Property, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities prior to the Closing, and the Real Property shall be conveyed free of any such violations, including, without limitation, violations of Environmental Laws.

(d) Contributor shall not:

(i) Enter into any agreement requiring Contributor to do work for any Tenant after the Closing Date without first obtaining the prior written consent of MCRLP, unless such agreement is on market terms and conditions with bona fide third parties and is the type of agreement which Contributor currently enters into in the ordinary course of its business, in which case no consent of MCRLP will be required; or

(ii) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, except in its ordinary course of business on market terms, with bona fide third parties and upon prior written notice to MCRLP.

(iii) Intentionally Deleted.

(e) Contributor shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business. Contributor shall provide MCRLP with an updated schedule of Security Deposits at the Closing or the Earnout Closing.

(f) Between the date hereof and the Closing Date, Contributor will not renew, extend or modify any of the Service Contracts without the prior written consent of MCRLP

unless such is done by Contributor in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of MCRLP will be required.

(g) Contributor shall not remove or permit the removal of any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to MCRLP, other than expressly provided herein.

(h) Contributor shall, upon request of MCRLP at any time after the date hereof, assist MCRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as MCRLP may reasonably request, covering the period of Contributor's ownership of the Real Property.

(i) Between the date hereof and the Closing Date, Contributor will make all required payments under any mortgage affecting the Real Property within any applicable grace period, but without reimbursement by MCRLP therefor. Contributor shall also comply with all other material terms covenants and conditions of any mortgage on the Real Property.

(j) Contributor shall not cause or permit the Real Property, or any interest therein, to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(k) Contributor agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining, which policies Contributor represents are sufficient to protect, to a reasonable and prudent extent, the owner of the Property, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(l) Contributor shall permit MCRLP and its authorized representatives to inspect the Books and Records of its operations at all reasonable times upon reasonable notice. All Books and Records not conveyed to MCRLP hereunder shall be maintained for MCRLP's inspection at Contributor's address as set forth in Exhibit A hereto.

(m) Contributor shall:

(i) promptly notify MCRLP of, and promptly deliver to MCRLP, a certified true and complete copy of any notice Contributor may receive, on or before the Closing Date from any Governmental Authority concerning a violation of Environmental Laws or Discharge of Contaminants;

(ii) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by Contributor or its representatives, deliver to MCRLP a certified true and complete copy of all Environmental Documents; and

(iii) timely provide MCRLP with drafts of any pertinent

documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of Tenants and shall keep MCRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

7.2 Prior to the Closing, Contributor shall deliver to MCRLP reviewed Property Financials as set forth in Section 5.1(v). Within thirty (30) days after the Closing Date, Contributor shall deliver to MCRLP Property Financials, as set forth in Section 5.1(v), through the Closing Date. The provisions of this Section 7.2 shall survive the Closing Date.

7.3 Intentionally Deleted.

7.4 Intentionally Deleted.

7.5 Contributor and its affiliated entities will timely pay all Taxes due and payable during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities will timely file all Tax Returns required to be filed during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate in all respects and will be filed on a basis consistent with past practice. A copy of all such Tax Returns shall be delivered to Mack-Cali at least three (3) days prior to such Tax Returns being filed. The obligations set forth in this Section 7.5 shall survive the expiration or earlier termination of this Agreement and/or shall survive the Closing Date for the applicable period of the statute of limitations.

8. INTENTIONALLY DELETED.

9. ESTOPPEL CERTIFICATES.

9.1 Contributor agrees to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form annexed hereto as Exhibit 9.1 for Tenant's execution, completed to reflect Tenant's particular Lease status. Contributor agrees to use commercially reasonable efforts to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, Contributor shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver the same as provided in its Lease. Contributor agrees to deliver to MCRLP copies of all estoppel letters received by Tenants, in the form received by Contributor. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

9.2 As a condition to the Closing, Contributor shall deliver (a) an Estoppel Certificate from all Tenants which lease space at the Real Property in excess of 10,000 square feet or more in the aggregate, and (b) Estoppel Certificates from the remaining Tenants leasing at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in Clause 9.2(a) above.

9.3 For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

10. CLOSINGS.

10.1 (a) Closing. The consummation of the transactions contemplated hereunder with respect to the Property (the "Closing") shall take place at the offices of Brownstein, Hyatt, Farber & Strickland, P.C., 410 Seventeenth Street, 22nd Floor, Denver, Colorado, 80202-4437, on or about March 25, 1998 (the "Closing Date"). Upon notice to Contributor, MCRLP may elect to accelerate the Closing Date to a date not less than five (5) days after the date of MCRLP's notice.

(b) Intentionally Deleted.

(c) Intentionally Deleted.

(d) Intentionally Deleted.

10.2 On the Closing Date, except as otherwise set forth in Subsections 10.2(z) and 10.2(aa), Contributor, at its sole cost and expense, will deliver or cause to be delivered to MCRLP the following documents, fully executed by all parties thereto other than MCRLP or parties claiming by, through

or under MCRLP:

(a) Special Warranty Deeds (the "Deeds") with covenants in proper statutory form for recording so as to convey to MCRLP good and marketable title to the Land being conveyed, free and clear of all liens and encumbrances, except the Permitted Encumbrances. The delivery of the Deeds shall also be deemed to constitute a transfer of the Personal Property associated with the Land conveyed by the Deeds; the delivery of all of the Deeds shall be deemed to constitute a transfer of the balance of the Personal Property to MCRLP.

(b) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Contributor, using its best efforts, is unable to deliver originals of the same.

(c) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and Records, and certified copies of the same where Contributor, using its best efforts, is unable to deliver originals of the same.

(d) A letter to Tenants advising the Tenants of the sale hereunder and directing that rent and other payments thereafter be sent to MCRLP or its designee, as MCRLP shall so direct.

(e) Intentionally Deleted.

(f) Duly executed and acknowledged omnibus assignment in the form of Exhibit 10.2(f) annexed hereto ("Omnibus Assignment").

(g) Duly executed Asset Purchase Agreement in the form of Exhibit 10.2(g) annexed hereto.

(h) An affidavit, and such other document or instruments required by the Title Company, executed by Contributor certifying (i) against any work done or supplies delivered to the Real Property which might be grounds for a materialman's or mechanic's lien under or pursuant to Colorado Lien Law, in form sufficient to enable the Title Company to affirmatively insure MCRLP against any such lien, (ii) that the signatures on the Deeds are sufficient to bind Contributor and convey the Property to MCRLP, and (iii) the Rent Roll.

(i) Affidavits and other instruments, including but not limited to all organizational documents of Contributor and Contributor's general partners, as applicable, including operating agreements, filed copies of limited liability certificates, articles of organization, and good standing certificates, reasonably requested by MCRLP and the Title Company evidencing the power and authority of Contributor to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(j) The original Estoppel Certificates.

(k) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit MCRLP to realize upon the same.

(l) A certificate indicating that the representations and warranties of Contributor made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(m) A Rent Roll for each Real Property, current as of the Closing Date, certified by Contributor as being true and correct in all material respects.

(n) All proper instruments as shall be reasonably required for the conveyance to MCRLP of all right, title and interest, if any, of Contributor in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, or Improvements or any part thereof by reason of change of grade or closing of any such street, road,

highway or avenue, and (iii) for any taking in condemnation or eminent domain of any part of the Land and Improvements.

(o) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate which is in a form acceptable to Mack-Cali and which is signed by the appropriate officer of Contributor, to the effect that Contributor is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(p) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Contributor as may be required of Contributor by law in connection with the conveyance of the Property to MCRLP, including but not limited to, Internal Revenue Service forms and the declaration required to be filed pursuant to Title 39, Article 14 of the Colorado Revised Statutes.

(q) A statement setting forth all adjustments and prorations shown thereon.

(r) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r) attached hereto.

(s) Estoppel certificate addressed to MCRLP from the mortgagees of the Mortgages in form and substance reasonably acceptable to MCRLP.

(t) An opinion of counsel from Brownstein, Hyatt, Farber & Strickland, P.C., substantially in the form of Exhibit 10.2(t) regarding the due execution, delivery and enforceability of this Agreement and the foregoing documents.

(u) Intentionally Deleted.

(v) Duly executed and acknowledged Indemnity Agreement from Guarantor and Contributor as set forth in Section 5.3.

(w) Intentionally Deleted.

(x) Intentionally Deleted.

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

(z) At least fifteen (15) days prior to the Closing Date, a schedule setting forth, with respect to each item of the Property for which Contributor Units will be received as part of the consideration: (i) those Contributors of such item of the Property that are allocated Contributor Units and the amount of Contributor Units so allocated to any such Contributor; (ii) the gross fair market value of such item of the Property for purposes of determining the gain or loss that will be

recognized for federal income tax purposes as a result of the contribution; (iii) the adjusted basis of such item of the Property immediately prior to the contribution; (iv) the amount of cash and Contributor Units allocated to the item of the Property; and (v) the amount of any liability relating to such item of the Property that MCRLP will either assume or to which such item will be subject and which does not constitute a "qualified liability" within the meaning of Treasury Regulations Section 1.707-5(a)(6).

(aa) At least fifteen (15) days prior to the Closing Date, a schedule setting forth: (i) any Contributor named for purposes of Section 10.2(z)(i) which is to receive less than the full amount of Contributor Units indicated for purposes of Section 10.2(z)(i); and (ii) the names of those persons who are to receive Contributor Units that each such Contributor would otherwise be entitled to receive and the amount of units that any such persons are to receive. At least fifteen (15) days prior to the Closing Date, each Contributor to which this Section 10.2(aa) is relevant shall issue "direction letters" to MCRLP (in the form acceptable to MCRLP), to the effect that each such Contributor authorizes the issuance by MCRLP of Contributor Units directly to such persons (and in such amounts) which are set forth for purposes of Section 10.2(aa)(ii).

(bb) A letter from each applicable municipal department or agency having jurisdiction that the Property is in compliance with the laws, codes, rules, regulations and ordinances regarding (i) zoning, (ii) building, (iii) health and (iv) fire, life and safety.

(cc) A computer diskette containing any closing or other documents executed in connection with this transaction and prepared by Contributor or its counsel, in WordPerfect or Microsoft Word format.

(dd) All original organizational documents relating to the Contributor, and all statements of accounts, books and records and insurance policies.

(ee) a certificate executed by each Contributor Unit Holder and each Contributor receiving Contributor Units, substantially in the form of Exhibit 10.2(ee).

10.3 On the Closing Date, Mack-Cali and MCRLP, at their sole cost

and expense, will deliver or cause to be delivered to Contributor the following documents, fully executed by all parties thereto other than Contributor or parties claiming by, through or under Contributor:

(a) The Cash Payment, net of adjustments and prorations.

(b) The Permanent Certificates representing, in the aggregate, the Contributor Units.

(c) Intentionally Deleted.

(d) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f) annexed hereto.

(e) A certificate indicating that the representations and warranties of Mack-Cali and MCRLP made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(f) Affidavits and other instruments, including but not limited to all organizational documents of Mack-Cali and MCRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by Contributor evidencing the power and authority of Mack-Cali and MCRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(g) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(h) Amendment to OP Agreement substantially in the form of Exhibit 10.3(h) reflecting admission of the Contributor Unit Holders as limited partners.

(i) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(j) Intentionally Deleted.

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

10.4 Contributor shall pay for the premium charges and costs for title insurance policies (but not any endorsements to such policies required by Mack-Cali); all survey costs; all costs incurred to repay or satisfy any and all liens; all administrative and legal costs associated with the assumption by MCRLP of the mortgages to which this transaction is subject (other than the fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided); all leasing commissions due to Tenants in connection with the initial terms of their respective Leases; all costs of tenant improvement concessions due to Tenants in connection with the initial terms of their respective Leases; and all customary prorations and apportionments. Mack-Cali shall pay for the costs of all customary documentary and recording fees; (including, without limitation, the "documentary fee" imposed by Article 13 of the Colorado Revised Statutes); the cost of any endorsements to its title insurance policies; all due diligence investigations costs (including, without limitation, the cost of all Phase I Reports for the Property, which environmental assessment reports shall be dated no more than thirty (30) days prior to the Closing Date); any fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided and all customary prorations and apportionments. Each party shall be responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

10.5 The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of Contributor

related to periods prior to the Closing, such claims shall be the responsibility of Contributor, and Contributor shall jointly and severally indemnify, defend and hold harmless MCRLP (and its respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

10.6 Mack-Cali and MCRLP acknowledge and agree that, except as set forth in this Agreement, MCRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Contributor. Mack-Cali and

MCRLP acknowledge that, except as set forth in this Agreement, and except for documents, reports and information related to the environmental integrity of the Real Property, neither Mack-Cali nor MCRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or sketches, financial information, projections, pro formas or statements, that may have been given by or made by or on behalf of Contributor with respect to the Property. MCRLP and Mack-Cali further acknowledge that all materials relating to the Property which have been provided by Contributor, including but not limited to, the Phase I Reports, have been provided without any warranty or representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and, except as expressly provided herein, neither MCRLP nor Mack-Cali shall have any recourse against Contributor or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

Contributor does not warrant or make any representation, express or implied, as to the merchantability, quantity, quality, condition, suitability or fitness of the Property for any purpose whatsoever, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the Super Fund Amendments and Reauthorization Act (SARA), the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances. MCRLP also acknowledges and agrees that (i) the Contributor's representations and warranties set forth in Section 5 and (ii) the provisions in this Agreement for delivery of existing Phase I Reports and inspection and investigation of the Property are adequate to enable MCRLP to make MCRLP's own determination with respect to the suitability or fitness of the Property, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the SARA, the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances.

Except to the extent (a) caused by a breach of any of Contributors' representations hereunder; (b) related to claims by or liabilities to third parties unrelated to Mack-Cali or MCRLP; or (c) as otherwise expressly set forth herein, including, without limitation, as indemnified pursuant to the Indemnity Agreement, MCRLP and Mack-Cali, for themselves and their successors and assigns, hereby release each of the Contributors, and their agents, employees, partners, officers, directors, members, managers, contractors, consultants and representatives from, and waive any and all causes of action or claims against any of such persons for (i) any and all liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under

or about the Property of any materials the release or storage of which is regulated by law; (ii) any and all liability resulting from the failure of the Property to comply with any applicable laws; and (iii) any liabilities, damages or injury arising from, connected with or otherwise caused by statements, opinions or information obtained from any of such persons with respect to the Property.

ADJUSTMENTS.

11.1 The following items under (a) through (g) with respect to the Real Property are to be apportioned as of midnight on the date preceding the Closing:

(a) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to MCRLP and shall be applied by MCRLP to current rents and other charges under the Leases. After application of such moneys to current rents and charges, MCRLP agrees to remit to Contributor any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing.

(b) A cashier's or certified check or wire transfer to the order of MCRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of MCRLP, such amount may be allotted to MCRLP as a credit against the Cash Payment.

(c) Utility charges payable by Contributor, including without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Contributor will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date.

(d) Amounts payable under the Service Contracts other than those Service Contracts which MCRLP has elected not to assume.

(e) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment

of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(f) The value of fuel stored at any of the Real Property, at Contributor's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by Contributor's supplier.

(g) Intentionally Deleted.

11.2 Intentionally Deleted.

11.3 At the Closing, Contributor shall deliver to MCRLP a list of additional rent, however characterized, under all Leases, including without limitation, real estate taxes, electrical

charges, utility costs and operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1997 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by Contributor on account of the components of Additional Rent for calendar year 1997. Upon the reconciliation by MCRLP of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1997, Contributor and MCRLP shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1997. Notwithstanding the foregoing, the calculation of real estate taxes and the collection of Additional Rents from Tenants attributable to such real estate taxes, as reflected on the closing statement related hereto, shall be final as of the Closing Date.

11.4 All amounts due and owing under the Mortgages other than the outstanding principal balance thereof, including by way of example accrued and unpaid interest, deferred interest, late charges, default interest, prepayment fees or penalties, and other fees and charges, shall be paid by Contributor on or before the Closing.

11.5 If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by Contributor on the Closing Date.

11.6 Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of Colorado.

11.7 Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

11.8 The provisions of this Section 11 shall survive the Closing Date.

12. CONDITIONS PRECEDENT TO CLOSING.

12.1 The obligations of Contributor to deliver title to the Real Property and to perform the other covenants and obligations to be performed by Contributor on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Contributor):

(a) The representations and warranties made by MCRLP and Mack-Cali herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by Contributor hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein.

(b) MCRLP and Mack-Cali shall have executed and delivered to Contributor all of the documents provided herein for said delivery.

(c) Intentionally Deleted.

(d) Mack-Cali and MCRLP shall have performed all covenants and obligations undertaken by Mack-Cali and MCRLP herein in all material respects and complied with all material conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

12.2 The obligations of Mack-Cali and MCRLP to accept title to the Property and Mack-Cali's and MCRLP's obligation to perform the other covenants and obligations to be performed by Mack-Cali and MCRLP on the Closing Date shall

be subject to the following conditions (all or any of which may be waived, in whole or in part, by Mack-Cali or MCRLP):

(a) Subject to Section 5.5(a) the representations and warranties made by Contributor herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by Contributor herein shall be inapplicable.

(b) Contributor shall have performed all covenants and obligations undertaken by Contributor herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(c) The Title Company is unconditionally prepared to issue to MCRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(d) The Real Property shall be in compliance with all Environmental Laws.

13. INTENTIONALLY DELETED.

LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Contributor. MCRLP shall be credited at Closing as set forth on Schedules 5.1(f) and 5.1(m) respectively with respect to certain tenant improvement and leasing commission obligations, but Contributors shall remain liable for any amounts due and owing in excess of such credits. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by MCRLP. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

15. ASSIGNMENT.

This Agreement may not be assigned by Mack-Cali or MCRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Mack-Cali or MCRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Mack-Cali or MCRLP shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Mack-Cali or MCRLP may assign the right to purchase individual portions of the Property to various entities, provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this Agreement to be performed by Mack-Cali or MCRLP with respect to the portion of the Real Property, in form reasonably satisfactory to counsel for Contributor, shall be delivered to the attorneys for Contributor prior to the Closing, and in any event, no such assignment shall relieve Mack-Cali and MCRLP from their obligations under this Agreement.

16. BROKER.

Mack-Cali, MCRLP, and Contributor represent that, with the exception of Sonnenblick Goldman Ltd. and Pacifica Holding Company LLC (collectively, "Brokers") they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. Notwithstanding the foregoing, Contributor shall pay in full any commission, fee or other compensation due the Brokers pursuant to separate agreements, and Guarantor and Contributor agree to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any and all loss, cost, damage, liability, or expense, including reasonable attorneys' fees, which MCRLP or Mack-Cali may sustain, incur or be exposed to by reason of Contributor's failure to pay in full the Brokers pursuant to such separate agreements. The provisions of this Section shall survive the Closing and/or other termination of this Agreement.

17. CASUALTY LOSS.

17.1 Contributor shall continue to maintain, in all material

respects, the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires, which obligation shall survive the Closing.

17.2 If at any time prior to the Closing Date, all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), Contributor shall

promptly give written notice ("Casualty Notice") thereof to MCRLP. Within ten (10) days after the receipt of the Casualty Notice, MCRLP and Mack-Cali shall have the right, at its sole option, to terminate this Agreement with respect to said Property by written notice to Contributor. Notwithstanding the foregoing, MCRLP and Mack-Cali shall not have the right to terminate this Agreement if (a) Contributor's insurance fully covers the damage resulting from the Casualty; and (b) the proceeds of any insurance, together with a credit equal to Contributor's deductible under the Insurance Policies, shall be paid to MCRLP and Mack-Cali at the time of the Closing; and (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to MCRLP and Mack-Cali at the Closing without in any manner affecting the Exchange Consideration hereunder.

17.3 If the Property is the subject of a Casualty but MCRLP or Mack-Cali does not terminate this Agreement pursuant to the provisions of this Section, then Contributor shall, prior to the Closing Date, cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety; provided, however, that any such repairs shall first be approved by MCRLP or Mack-Cali. Contributor shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

18. CONDEMNATION.

In the event of a material taking (as defined in this Section 18), MCRLP and Mack-Cali shall have the right, at its sole option, to either (a) terminate this Agreement by giving Contributor written notice to such effect at any time after its receipt of written notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should MCRLP or Mack-Cali so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event MCRLP or Mack-Cali shall not elect to cancel this Agreement, Contributor shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to MCRLP or Mack-Cali, and the same shall be MCRLP's or Mack-Cali's sole property, and MCRLP or Mack-Cali shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which involve (a) the taking of a portion of Real Property such that ingress and egress to such Real Property is impaired, (b) the taking of a portion of the parking spaces of a Real Property such that after such taking the Real Property will not be in compliance with local zoning regulations regarding adequate parking, or (c) the taking of any part of a Building.

19. TRANSFER RESTRICTIONS.

19.1 Contributor hereby agrees that the Contributor Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively, "Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the Contributor Units and/or the shares of Common Stock underlying the

Contributor Units (the "Underlying Shares") may only be transferred (i) privately in accordance with the terms of the OP Agreement and this Section 19, or (ii) publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 150,000 Common Stock shares in any single day. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not apply to (i) pledges or encumbrances of all or a portion of the Contributor Units to an institutional lender, or (ii) Transfers of all or any portion of the Contributor Units to permitted transferees as set forth in the OP Agreement (the "Permitted Transferees"). Any holder of Contributor Units pursuant to (i) or (ii) of the preceding sentence shall be subject to the terms and conditions of the OP Agreement.

19.2 If any of the Contributor Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its Contributor Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the

"Purchaser"), unless prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the "Disposition Notice") of such Proposed Disposition to MCRLP. The Disposition Notice shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and all other terms and conditions, if any, of the Proposed Disposition.

19.3 Mack-Cali shall not sell the Property within four (4) years from the date of the Closing (the "Restricted Period") without the prior written consent of Contributor, other than (1) in connection with a transaction which does not result in recognition of gain by Pacifica; (2) a sale of any of the Property set forth in Schedule 19.3 hereto; (3) as determined by the Board of Directors of Mack-Cali (the "Board") as necessary to satisfy any material monetary default on any mortgage secured by the Property; (4) as determined by the Board as necessary to satisfy any material, unsecured debt, judgment or liability of Mack-Cali when the same becomes due (at maturity or otherwise); (5) in connection with the sale of all or substantially all of the properties owned by Mack-Cali under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Mack-Cali and its public stockholders; and/or (6) sales of the Property which do not result in material and adverse tax consequences for Pacifica. Mack-Cali may dispose of any or all of the Property in its sole discretion, and without the consent of Contributor, upon the expiration of the Restricted Period. Notwithstanding any of the foregoing language to the contrary, Mack-Cali shall not distribute the Property for a period of seven (7) years if the distribution of such Property would result in the recognition of income by Contributor pursuant to Sections 704(c)(1)(B) or 737 of the Code, except as otherwise permitted in clauses (1) through (7) above.

20. INTENTIONALLY DELETED.

21. TAX MATTERS.

21.1 (a) Contributor will timely pay or provide for the payment of all Taxes which are attributable to all Pre-Closing Tax Periods, but which are not due and payable until after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which either MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. To the extent allowed by law, Contributor will timely file all Tax Returns which are required to be filed in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for all Pre-Closing Tax Periods but which are not required to be filed until after the Closing Date and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate. Contributor will provide Mack-Cali with a copy of all such Tax Returns promptly after such Tax Returns are filed. All Taxes imposed in connection with the ownership and/or operation of the Property during any taxable periods which begin on or before the Closing Date and end after the Closing Date ("Straddle Periods" or "Straddle Period") shall be allocated between Contributor and MCRLP in accordance with their respective periods of ownership of the Property. Contributor will timely pay all Taxes with respect to their businesses for any Straddle Period (and any other taxable period) for which either MCRLP (or any of its direct to indirect partners) could be held directly or indirectly liable or a claim could be made against the Property.

(b) Contributor shall provide Mack-Cali with a copy of its Federal income tax returns which reflect (in whole or in part) any of the transactions contemplated hereunder and which reflect (in whole or in part) any of the gain or loss recognized in respect of such transactions.

21.2 Contributor shall pay any and all Taxes including without limitation, Taxes imposed with respect to the operation of its business and the ownership or operation of the Property for all taxable periods (or portions thereof) ending on or prior to the Closing imposed upon MCRLP based, in whole or in part, upon the failure to comply with the sales laws.

21.3 Contributor is hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property as set forth on Schedule 21.3 and to litigate or settle the same in Contributor's discretion. MCRLP is hereby authorized by Contributor, in MCRLP's sole discretion, to file any applicable proceeding for the 1997 fiscal year for the reduction of the assessed valuation of the Property. The net refund of taxes, if any, for any tax year for which Contributor or MCRLP shall be entitled to share in the refund shall be divided between Contributor and MCRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by Contributor and MCRLP in proportion to their ownership period of the asset in question.

21.4 For purposes of this Agreement:

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

(b) "Tax Returns" or "Tax Return" means all original and amended Federal, state, local and foreign tax returns, declarations, statements, reports, schedules, forms, information returns and other filings relating to Taxes.

(c) "Audits" or "Audit" means any audit, assessment of Taxes, any other examination or claim by any Governmental Authority, judicial, administrative or other proceeding or litigation (including any appeal of any such judicial, administrative or other proceeding or litigation) relating to Taxes and/or Tax Returns.

21.5 The provisions of this Section shall survive the Closing Date.

22. PUBLICATION.

22.1 MCRLP shall have the exclusive right to make such public announcements or filings with respect to the exchange as MCRLP may deem reasonably prudent and, upon advice of counsel, as may be necessary or required by law.

23. REMEDIES.

23.1 If the conditions set forth in Section 12.2 with respect to the Closing have been satisfied (unless the failure or inability to be so satisfied is due to Mack-Cali or MCRLP) and if MCRLP is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a material default of MCRLP or Mack-Cali or MCRLP's or Mack-Cali's material failure to comply with any material representation, warranty, covenant or agreement set forth herein with respect to the Closing, then Contributor shall have the right as its sole and exclusive remedy to either (i) terminate this Agreement upon written notice to MCRLP, in which event neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) maintain an action for either (A) specific performance, or (B) monetary damages.

23.2 If the conditions set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to Contributor), and if Contributor is not ready, willing

and able to perform its obligations hereunder on the Closing Date, or in the event of any material default on the part of Contributor, or Contributor's failure to comply with any material representation, warranty, covenant or agreement set forth herein, MCRLP shall be entitled to either (i) terminate this Agreement upon notice to Contributor following which neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) commence an action against Contributor seeking either (A) monetary damages, or (B) specific performance of Contributor's obligations under this Agreement.

23.3 The acceptance of the Deed by MCRLP shall be deemed a full performance and discharge of every agreement and obligation of Contributor to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

24. INTENTIONALLY DELETED.

25. NOTICE.

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: or MCRLP
c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
(908) 272-8000 (tele.)
(908) 272-6755 (fax)

with a copy to:
Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Wayne B. Heicklen, Esq.
(212) 326-0425 (tele.)
(212) 326-0806 (fax)

If to Contributor:
Pacifica Holding Company, LLC
5975 South Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steven Leonard

(303) 220-5565 (tele.)
(303) 220-5585 (fax)

with a copy to:
Brownstein, Hyatt, et al.
410 17th Street, 22nd Floor
Denver, Colorado 80202
Attn: Edward Barad, Esq.
(303) 534-6335 (tele.)
(303) 623-1956 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch, and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided the same is sent prior to 4:00 p.m. Eastern Time on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

26. DEPRECIATION METHOD.

Mack-Cali, as the general partner of MCRLP, covenants and agrees that MCRLP and its affiliates will use the "traditional method with curative allocations" (as defined in Treasury Regulations Section 1.704-3(c)) of allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property in accordance with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(iv)(f), 1.704- 1(b)(2)(iv)(g) and 1.704-3(a)(6).

27. MISCELLANEOUS.

27.1 Intentionally Deleted.

27.2 This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

27.3 This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

27.4 This Agreement shall be interpreted and governed by the laws of the State of Colorado, without regard to conflicts of laws principles, and shall be binding upon the parties hereto and their respective successors and assigns.

27.5 The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. The, feminine or masculine gender, when used herein, shall each include the other gender and the use of the singular shall include the plural.

27.6 If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

27.7 Each party shall, from time to time, execute, acknowledge and deliver to the other party such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contributor and MCRLP or Mack-Cali. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Contributor, MCRLP, Mack-Cali or the party whose counsel drafted this Agreement.

27.8 This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

27.9 All references herein to any Section, Exhibit, or Schedule shall be to the Sections of this Agreement and to the Exhibits and Schedules annexed hereto unless the context clearly dictates otherwise. All of the Exhibits and Schedules annexed hereto are, by this reference, incorporated herein.

27.10 In the event that Contributor and MCRLP or Mack-Cali enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for the payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 26th day of March, 1998, by and among the parties set forth on Exhibit A annexed hereto and made a part hereof (jointly and severally, "Contributors", and each individually, a "Contributor"), each having an address c/o Pacifica Holding Company, 5975 South Quebec Street, Suite 100, Englewood, Colorado, MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP") and MACK-CALI REALTY CORPORATION, a Maryland corporation ("Mack-Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

1. Contributors are, collectively, the owners of all the membership and/or other ownership interests in and to Pacifica Development Properties II Limited Liability Company, a Colorado limited liability company ("PDPII"). Each Contributor owns the respective membership and/or ownership interest in PDPII set forth on Exhibit B annexed hereto and made a part hereof.

2. PDPII owns various commercial properties located throughout the Denver, Colorado metropolitan area. Mack-Cali, through MCRLP and certain affiliated entities of MCRLP, similarly own various commercial properties located throughout New Jersey, New York, Pennsylvania, Nebraska, Iowa, California, Florida, Arizona, Connecticut and Texas.

3. In order to effectuate their contribution and exchange of assets as herein provided, each Contributor hereby agrees to contribute all of its membership and/or ownership interests in and to PDPII and certain other assets to MCRLP and Mack-Cali, and MCRLP and Mack-Cali hereby agree to accept the contribution of the Contributors' Interest and certain other assets on, and subject to, the terms, covenants and conditions set forth herein.

4. Contributors, MCRLP and Mack-Cali have determined that the transactions contemplated hereby are in the respective parties' best interests.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and for ten dollars ($10.00) and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do agree as follows:

a. SUBJECT OF CONTRIBUTION.

i. Upon, and subject to the terms, covenants and conditions of this Agreement, on the Closing Date (as hereinafter defined), each of the Contributors shall contribute, convey or otherwise transfer to certain designees of MCRLP 100% of said Contributor's

right, title and interest (collectively, "Contributors' Interests, each individually, a "Contributor's Interest") in and to PDPII.

ii. From and after the Closing, PDPII shall be the sole and exclusive owner of the following:

(1) that certain real property situate, lying and being in the State of Colorado and being more particularly described on Schedule 1(a) (the "Land") and all of the improvements located on the Land (individually, a "Building" and collectively, the "Improvements");

(2) all rights, privileges, grants and easements appurtenant to PDPII's interest in the Land and Improvements, if any, including without limitation, all of Contributor's and/or PDPII's rights, title and interests in and to all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes collectively referred to herein as the "Real Property");

(3) except as set forth on Schedule 1(c) all personal property, artwork, fixtures, equipment, inventory and computer programming and software owned by PDPII and located on any of the Real Property or used at any of the management and corporate offices of PDPII or Contributor (the "Personal Property");

(4) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto (the "Leases") and any guaranties provided thereunder, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of

security for the performance of the Tenant's (as defined herein) obligations thereunder;

(5) Intentionally Deleted.

(6) all assignable permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of PDPII's right, title and interest in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters of PDPII (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(7) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, market studies, keys, plans,

specifications, reports, tests and other materials of any kind owned by or in the possession of PDPII which are or may be used in the use and operation of the Real Property or Personal Property (collectively, the "Books and Records"); and

(8) all other rights, privileges and appurtenances owned by PDPII, if any, and in any way related to the rights and interests described above in this Section 1.

The Real Property, the Personal Property, the Leases, the Intangible Property, the Books and Records and the other property interests are hereinafter collectively referred to as the "Property".

b. CONSIDERATION.

i. Total Exchange Consideration. The aggregate consideration for the Contributor's Interests (the "Exchange Consideration") is Eight Million Seven Hundred Twelve Thousand Five Hundred Five and xx/100 ($8,712,505.00) Dollars, to be paid by MCRLP in accordance with Section 2.2. The Exchange Consideration shall be allocated as follows: (1) Land: $2,612,505 and (2) Building and Improvements: $6,100,000.

ii. The Property. (a) At the Closing (as hereinafter defined), and upon satisfaction of the terms and conditions herein (i) Contributors shall contribute, convey or otherwise transfer to MCRLP or its Permitted Assignees (as hereinafter defined), all of Contributors' Interests and (ii) MCRLP (and Mack-Cali where applicable) shall, subject to adjustment as set forth herein, pay to Contributors or their designees, in cash, the amount of Eight Million Seven Hundred Twelve Thousand Five Hundred Five and xx/100 ($8,712,505.00) Dollars (the "Cash Payment"), allocated as set forth in Schedule 2.2(a)(i); and (iii) MCRLP (and Mack-Cali where applicable) shall issue the Contributor Units (as hereinafter defined) in an amount set forth on Schedule 2.2(a)(ii) to such persons as Contributor shall direct in writing (as set forth in Section 10.2(aa)) as soon as practicable following the date hereof (the "Unit Holders").

(2) Simultaneous with MCRLP accepting the Contributors' Interests, MCRLP shall issue, subject to adjustments as set forth herein, common units of limited partnership interests in MCRLP (the "Contributor Units"), convertible into Mack-Cali common stock ("Common Stock"); provided, however, that the Unit Holders shall be issued and shall hold the Contributor Units in accordance with the provisions of Section 19.

(3) At the Closing, MCRLP shall issue to Contributors and/or the Unit Holders or their designees certificates representing the Contributor Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth on Exhibit 10.2(ee).

(4) All rights and benefits incidental to the ownership of the Contributor Units received in exchange for the Property, including, but not limited to the right to receive distributions, voting rights and the right to exchange the Contributor Units for shares of Common Stock, shall accrue for the benefit of the Unit Holders commencing on the Closing Date (as defined herein).

(5) With respect to the first Partnership Record Date (as defined in the OP Agreement (as defined below)) on or after the Closing, the Unit Holders shall receive distributions payable with respect to the Contributor Units on a pro rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held Contributor Units.

iii. Intentionally Deleted.

iv. Intentionally Deleted.

c. INSPECTION PERIOD; MCRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.

i. Prior to the Closing (the "Inspection Period"), MCRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property, the Contributors and/or PDPII, including, but not limited to, soil tests and borings, ground water tests and investigations, percolation tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as MCRLP, in its sole discretion, determines is necessary or desirable in connection with the Property, the Contributors and/or PDPII and may inspect the physical (including environmental) and financial condition of the Property, the Contributors and/or PDPII, including but not limited to Leases, Service Contracts, contracts pursuant to which third party management fees are payable, copies of the Contributors' and PDPII's Tax Returns and the Property Financials (as hereinafter defined) as of and for the years ending December 31, 1995, 1996 and 1997, engineering and environmental reports, development approval agreements, permits and approvals, which inspection shall be satisfactory to MCRLP in its sole discretion. Contributors agree to cooperate and shall cause PDPII to cooperate with MCRLP in such review and inspection and, to the extent not yet delivered, shall deliver said documents and information to MCRLP within ten (10) days from the date hereof. MCRLP may terminate this Agreement for any reason, by written notice given to Contributor, prior to the expiration of the Inspection Period. In the event MCRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event MCRLP does not terminate this Agreement by the end of the Inspection Period, then MCRLP shall be deemed to have elected not to terminate this Agreement.

ii. During the Inspection Period, MCRLP, its agents and contractors shall have unlimited access to the Property the Contributors and/or PDPII and other information pertaining thereto in the possession or within the control of Contributors, during normal business hours, for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Such right of inspection and the exercise of such right shall not constitute a waiver by MCRLP of the breach of any representation or warranty of PDPII or Contributors which might, or should, have been disclosed by such inspection. Contributors shall cooperate and cause PDPII to cooperate with MCRLP in facilitating its due diligence inquiry and shall obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for MCRLP to perform the same.

iii. To assist MCRLP in its due diligence investigation of the Property and PDPII, Contributors shall deliver to MCRLP, by the execution and delivery of this Agreement, true and correct copies of all existing Phase I environmental studies (the "Phase I Reports") in the possession or control of Contributors, PDPII, its counsel or consultants, with respect to the Real Property, which Phase I Reports are set forth on Schedule 3.3 annexed hereto. In the event that MCRLP determines that it requires any new Phase I Reports or updates thereof, the cost of such reports or updates shall be borne by MCRLP. If MCRLP reasonably requires that further environmental investigations be undertaken beyond any new Phase I or updated Phase I Report, all engineering costs and expenses relating to said further environmental investigations shall be borne by Mack-Cali.

iv. Intentionally Deleted.

v. During the Inspection Period, Mack-Cali and MCRLP shall provide to Contributors and their agents and advisors reasonable access to Mack-Cali's and MCRLP's books and records, and Mack-Cali and MCRLP shall provide Contributors such other reasonable information including, without limitation, all Securities and Exchange Commission filings of MCRLP and Mack-Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit Contributors, at their sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from PDPII's or Contributors' inspection or due diligence as permitted by this Section shall give rise to a right of Contributors to terminate this Agreement.

vi. Mack-Cali shall have the right, without the obligation, to terminate this Agreement if (i) at any time prior to the Closing Date, Mack-Cali determines in its sole discretion, that any of the Property is subject to materially adverse environmental conditions, including, without limitation, any environmental condition that has a material adverse affect on the property value of any Real Property, on the current use of any Real Property, on groundwater at, on, under, about or emanating from any Real Property or on the ability of Mack-Cali or MCRLP to finance any Real Property; or (ii) Contributor is unable to obtain the approval of any member of the Contributors to the terms of this

Agreement; or (iii) Mack-Cali determines that certain of the indebtedness encumbering the Property or PDPII cannot be satisfied.

d. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

i. As of the Closing Date, title to the Property shall be subject only to the following (collectively, the "Permitted Encumbrances"):

(1) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided the same are not yet due and payable, but subject to adjustment as provided herein;

(2) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants") as tenants only;

(3) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of MCRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned;

(4) any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(5) the state of facts shown on the surveys described on Schedule 4.1(e) for the property comprising the Real Property;

(6) the Service Contracts, excluding, however, any Service Contract MCRLP advises Contributor to terminate prior to Closing (as hereinafter defined);

(7) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and facilities in, over, under or upon the Real Property, provided the same do not impair, in other than a de minimis manner, the present use of the Real Property;

(8) such matters as the Title Company (as hereinafter defined) shall be willing, without special premium, to omit as exceptions to coverage; and

(9) Intentionally Deleted.

ii. Prior to the date hereof, Contributors shall have directed Land Title Guarantee Company (the "Title Company"), as agent for Chicago Title Insurance Company, to prepare a title insurance search and commitment for owner's title insurance policy for the Real Property (the "Title Commitment"). MCRLP shall cause the Title Company to promptly deliver

a copy of the same to Contributors and their counsel. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitment (other than the Permitted Encumbrances) which MCRLP is not required to accept under the terms of this Agreement, Contributors may, at their election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that except as provided below, Contributors shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions, other than (i) judgments against any Contributor or PDPII; (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount; and (iii) defects, objections or exceptions which can be removed by payments not to exceed $100,000.00 in the aggregate. Contributors, in their discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. If, after complying with the foregoing requirements, Contributors are unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, MCRLP shall elect either (i) to terminate this Agreement by notice given to Contributors, in which event the provisions of Section 23.2(a) shall apply, or (ii) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. Contributors and PDPII agree and covenant that they shall not voluntarily place any encumbrances or restrictions on title to the Real Property from and after the date of the first issuance of the Title Commitment for said Property, except for the right to reserve easements for utilities and ingress and egress encumbering the Real Property (post-closing) for the benefit of adjacent properties owned by PDPII (or any affiliate thereof) upon the written consent of MCRLP, which consent shall not be unreasonably withheld or delayed. Mack-Cali and MCRLP covenant and agree that they shall consult with Contributors

prior to causing any other person or entity to request any inspection of the Real Property by any governmental entity. Contributors recognize that Mack-Cali's and MCRLP's due diligence necessitates said inspection. Mack-Cali and MCRLP agree that they shall conduct any due diligence with such governmental entity with a view toward maintaining the confidentiality of the transaction contemplated by this Agreement.

iii. It shall be a condition to Closing that Contributors contribute and convey, and that the Title Company insures, title to the Real Property in the amount of the Exchange Consideration (at a standard rate for such insurance) in the name of MCRLP or its designees, by a standard 1992 ALTA Owner's Policy, with ALTA endorsements Form 3.1, Form 8.1, a comprehensive owner's endorsement and non-imputation endorsement, to the extent that the premium for such endorsements, with the exception of the non-imputation endorsements, is paid by MCRLP, for the Real Property and any other endorsements as reasonably required by MCRLP, free and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that (i) the exception for taxes shall apply only to the current taxes not yet due and payable; and (ii) to the extent that the premium for such endorsements, with the exception of the non-imputation endorsements, is paid by MCRLP, (a) any Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; and (b) MCRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances. PDPII and Contributor shall provide

such affidavits, undertakings and indemnities as the Title Company insuring title to the Real Property may require, including without limitation indemnities relating to each non-imputation endorsement, and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

iv. Contributors shall cause one or more surveyors acceptable to MCRLP to deliver to MCRLP a survey or surveys of the Real Property acceptable to MCRLP in all respects and in conformity with ALTA standards. MCRLP shall, at MCRLP's sole cost and expense and with Contributors' cooperation and assistance, cause the surveyor to update the survey no more than thirty (30) days prior to the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured, to the extent that the premium for such endorsement is paid by MCRLP, to MCRLP.

v. Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by Contributors or PDPII, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by Contributors. PDPII or Contributors shall deliver to MCRLP, on the Closing Date, instruments in recordable form sufficient to discharge any such mortgages or other liens which any of the Contributors or PDPII is obligated to pay and discharge pursuant to the terms of this Agreement.

vi. If the Title Commitment discloses judgments, bankruptcies or other returns against other persons or entities having names the same as or similar to that of PDPII or any of the Contributors, Contributors shall, upon request, deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against PDPII or any of the Contributors, or any of their affiliates. Upon request by MCRLP, Contributors shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard exceptions on the ALTA Owner's Policy.

e. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTORS.

i. In order to induce MCRLP and Mack-Cali to perform as required hereunder, Contributors hereby warrant and represent jointly and severally to MCRLP and Mack-Cali, the following with respect to the Property and Contributors' Interests:

(1) PDPII is a duly organized and validly existing entity, organized and in good standing under the laws of the state of its formation, as more particularly set forth in Exhibit A hereto, is duly authorized to transact business in the State of Colorado, has all requisite power and authority to consent to the execution and delivery of this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to cause the contribution and conveyance of Contributors' Interests in accordance with the terms and conditions hereof. All

necessary actions of PDPII and Contributors, and the members of each, to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on their behalf have been taken.

(2) PDPII has the power and authority to own the Property and to conduct and transact its limited liability company business.

(3) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of each Contributor, enforceable in accordance with the terms of this Agreement. The performance by each Contributor of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of such Contributors or PDPII or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator to which such Contributors or PDPII is a party or by which its assets are or may be bound.

(4) Annexed hereto as Schedule 5.1 (d) is a true, complete and correct schedule of all of the Leases. The Leases are valid and bona fide obligations of the landlord and Tenants thereunder and are in full force and effect. To the best of Contributors' knowledge, no defaults exist thereunder and no condition exists which, with the passage of time or the giving of notice or both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements (other than the Leases) which confer upon any Tenant or any other person or entity any rights with respect to the Property, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim been asserted by any Tenant.

(5) Annexed hereto as Schedule 5.1(e) (the "Rent Roll") is a listing of the following, which is true, complete and correct in all respects for the Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) any written notices given by any Tenant of an intention to vacate space in the future;

(vii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (viii) any arrearages of any Tenant beyond thirty (30) days.

(6) To the knowledge of Contributors, PDPII has performed all of the obligations and observed all of the covenants required of it as landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future, and no continuing obligations or liabilities by PDPII, as landlord under the Leases. To the knowledge of PDPII and Contributors, except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by PDPII within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by PDPII.

(7) There are no service contracts, union contracts, employment agreements or other agreements affecting the Property or the operation thereof, except the Service Contracts and other contracts and agreements set forth on Schedule 5.1(g) annexed hereto. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any material default or claim of material default by any of the parties thereto. All sums presently due and payable by PDPII under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by PDPII within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by PDPII. All of the Service Contracts may be terminated on not more than sixty (60) days notice without the payment of any fee or penalty, and the representation contained in this sentence is not subject to being modified by the limitations of Section 5.5. There are no employees of PDPII, or any affiliate thereof, working at or in connection with the Real Property pursuant to any of the Service Contracts, other contracts and/or employment agreements except as set forth on Schedule 5.1(g).

(8) Except as set forth on Schedule 5.1(h) annexed hereto, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of PDPII or Contributors, threatened against or related to PDPII or any of the any of the Contributors or all or any part of the Property or PDPII, the environmental condition thereof, or the operation thereof.

(9) Except as set forth on Schedule 5.1(i) annexed hereto, neither PDPII nor any of the Contributors has received written notice of and neither has any knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private

purchase in lieu thereof, affecting or which may affect the Real Property or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Real Property, or (v) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. Contributors agree to furnish MCRLP with a copy of any such notice received within two (2) business days after receipt.

(10) Contributors have provided MCRLP with all reports in the possession of PDPII, Contributors, its counsel or consultants, or under their control, related to the physical condition of the Real Property.

(11) Except as set forth on Schedule 5.1(k) annexed hereto, Contributors have no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property, or any violations or conditions that may give rise thereto, and have no reason to believe that any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the management, operation, use or improvement thereof (collectively, the "Governmental Authorities" or "Governmental Authority" as the context requires) contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving PDPII, any of the Contributors or the Real Property. For purposes of this Agreement, the term "Governmental Authority" shall also include the Internal Revenue Service and any other federal, state, local or foreign taxing authority.

(12) There are no employees of PDPII or the Contributors or any affiliates thereof working at or in connection with the Real Property except as set forth on Schedule 5.1(l).

(13) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of PDPII, Contributors and MCRLP with respect to said commissions are set forth in Section 13.

(14) Neither PDPII nor any of the Contributors has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by PDPII's or Contributor's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of PDPII's or Contributor's assets, suffered the attachment or other judicial seizure of all, or substantially all, of PDPII's or Contributor's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(15) Except as set forth on Schedule 5.1(o), the Personal Property is now owned and will on each of the Closing Date be owned by PDPII or the Contributors free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

(16) Intentionally Deleted.

(17) Intentionally Deleted.

(18) Intentionally Deleted.

(19) Contributors have no knowledge that any part of the Real Property has been designated as wetlands or any other word of similar purport or meaning under the Federal Water Pollution Control Act, 33 U.S.C. ss.1251 et seq.; the Colorado Water Quality Control Act, Colo. Rev. Stat. Section 25-8-101 et seq; or any other applicable federal, state, county or

municipal statute, ordinance, rule, regulation, order or code.

(20) To the best of Contributors' knowledge, there are no active or inactive aboveground or underground storage tanks or vessels or associated piping at the Real Property, regardless of whether or not such tanks or vessels are regulated tanks or vessels, except as set forth on Schedule 5.1(t).

(21) Contributors have no knowledge of outstanding requirements or recommendations by (i) any insurance company currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions; or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work of a material nature to be done on the Property.

(22) The financial statements, including the income and expense statements and the balance sheets of PDPII, the Contributors and their affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement, relating to PDPII's ownership and operation of the Property and the related statement of income, member's capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1995, 1996 and 1997, fairly present the combined financial position of PDPII and Contributors relating to the Property as of such dates and the results of operations and cash flows of PDPII and the Contributors relating to the ownership and operation of the Property for such respective periods. The Property Financials from January 1, 1998, through the most recent month ending prior to the Closing Date, fairly present the combined financial position of the Property relating to the ownership and operation of the Property as of such date (subject to the normal year-end adjustments described in Schedule 5.1(v)) and with all interim financial statements of the Property heretofore delivered to MCRLP on behalf of PDPII and the Contributors. Except as set forth on the Property Financials, there are no other direct or indirect

indebtedness, liability, claim or loss that accrued prior to Closing, whether known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise, whether or not of a kind required by GAAP to be set forth on the Property Financials or the notes thereto, including, without limitation, indebtedness for borrowed money (collectively, "Liabilities").

(23) Except as set forth in Schedule 5.1(w), PDPII does not maintain any 401(k) savings plans, pension plans, multi-employer plans (as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee benefit plans (as defined in ERISA) or employee welfare plans providing for benefits to PDPII employees (each, an "Employer Plan"). From and after the date hereof, the Contributors shall not cause or permit PDPII to adopt an Employer Plan. Mack-Cali shall have no liability to any current or former employees of Contributor or any affiliate thereof, including, without limitation, any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any plans or programs listed on Schedule 5.1(w), or arising under applicable Federal or state law, including, without limitation, under the Worker Adjustment and Retraining Nonfiction Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

(24) Intentionally Deleted.

(25) Except as disclosed in the Phase I Reports or otherwise set forth in Schedule 5.1(y):

(a) To the best of Contributors' knowledge, no Governmental Authority has demanded in writing, addressed to PDPII, Contributors or any of its affiliates, counsel or agents, that any Contaminants (as defined herein) be cleaned up or environmentally remediated at any Real Property, which has not been cleaned up or environmentally remediated.

(b) To the best of Contributors' knowledge, no Contaminants have been Discharged (as hereinafter defined) which would allow a Governmental Authority to demand that a cleanup be undertaken.

(c) To the best of Contributors' knowledge, no ss.104(e) informational request, issued pursuant to CERCLA (as hereinafter defined) with respect to the Real Property has been received by Contributors or PDPII.

(d) To the best of Contributors' knowledge, all pre- existing aboveground and underground storage tanks and vessels, if any, at the Real Property have been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws.

(e) To the best of Contributors' knowledge, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws (as hereinafter defined) on the Real Property, except as set forth on Schedule 5.1(y).

(f) To the best of Contributor's knowledge, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property, are identified in Schedule 5.1(y) and are in compliance with all Environmental Laws.

(g) To the best of Contributors' knowledge, PDPII and the Contributors have all material certificates, licenses and permits (the "Permits"), including without limitation, environmental Permits, required to operate the Real Property. To the best of Contributors' knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property, as the case may be, without additional payment by MCRLP, and shall, upon Closing, be transferred to MCRLP by Contributors and PDPII.

(h) To the best of Contributors' knowledge, the Real Property has not been used during the period of PDPII's ownership as solid wastes disposal sites and facilities as defined in the Colorado Solid Wastes Disposal Sites and Facilities Law, Colo. Rev. Stat. Section 30-20-100.5 et seq. and the regulations promulgated thereunder.

(i) To the best of Contributors' knowledge, there are no engineering or institutional controls at the Real Property, including without limitation, any deed notice, declaration of environmental restriction, groundwater classification exception area, well restriction area or other notice or use limitations pursuant to Colo. Rev. Stat. Section 25-15-208 et seq. and the regulations promulgated thereunder.

(j) Neither PDPII nor any of the Contributors have transported any Contaminants from the Real Property to another location in violation of Environmental Laws.

(k) To the best of Contributors' knowledge, there are no federal or state liens, as referenced under CERCLA and the regulations promulgated thereunder, or under any other applicable Environmental Law that have attached to the Real Property.

(l) Contributors and PDPII have provided MCRLP with all environmental site assessments, investigations, and documents and all other Environmental Documents (as that term is defined below) in their possession or under their control and shall continue to do so after execution of this Agreement promptly upon its receipt.

(m) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(i) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(ii) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property regardless of whether the result of an intentional or unintentional action or omission.

(iii) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of PDPII or the Contributors concerning the Property or its environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent, sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental

Authority.

(iv) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(26) PDPII and each Contributor shall have timely paid all Taxes (as defined herein) due and payable on or prior to the Closing Date. PDPII and each Contributor shall have timely filed all Tax Returns (as defined herein) required to be filed on or prior to the Closing Date. Each such Tax Return is complete and accurate in all respects. PDPII and each Contributor shall have timely paid or will timely pay, or shall have provided for or will provide for a cash reserve for the payment of, all Taxes due and payable on or after the Closing Date for all taxable periods (or portions thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period" or "Pre-Closing Tax Periods"). PDPII and each Contributor shall timely file all Tax Returns which relate to all Pre-Closing Tax Periods but which are required to be filed after the

Closing Date. Each such Tax Return will be complete and accurate in all respects. True and complete copies of all Tax Returns filed by PDPII and each Contributor for taxable periods beginning on or after January 1, 1994, and all written communications relating thereto, have been, or will be upon request, delivered to Mack-Cali. PDPII has also provided, or will also provide upon request, to Mack-Cali copies of: (i) any letter ruling, determination letter or similar document issued to PDPII by any Governmental Authority, and (ii) any closing or other agreement entered into by PDPII with any Government Authority. Except as set forth on Schedule 5.1(z), there are no ongoing Audits or Audits pending or, to the knowledge of PDPII or any Contributors against the Property, any Contributors or PDPII. There are no agreements or waivers extending the statutory period of limitations with respect to any such Tax Returns or for the assessment or collection of any such Taxes. No claim has ever been made by a Governmental Authority in a jurisdiction where PDPII or any Contributor does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(27) Annexed hereto as Schedule 5.1(aa) is a listing, for federal income tax purposes, of the following information, which is true, complete and correct in all aspects for each item of Property contributed through each Contributor's Interest: (i) its adjusted basis as of the first day of PDPII's taxable year which includes the Closing Date; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(28) Subject to the provisions of Section 5.5, no representation or warranty made by PDPII or any Contributor contained in this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary, in light of the circumstances under which it was made, in order to make the statements herein not misleading or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(29) As used throughout this Agreement, the phrases "to Contributor's knowledge," "to the knowledge of Contributor," "to the best of Contributor's knowledge" "to PDPII's knowledge," "to the knowledge of PDPII," "to the best of PDPII's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge of Terrence Claassen, David Goldberg, Chetter Latcham, Steve Leonard, Rich Majors, Adel Nassif, Chuck Peck and Della Wegman, without having undertaken any independent investigation of facts or legal issues without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Contributors or of any other person or entity.

(30) Annexed hereto as Schedule 5.1(dd)(i) is a true, complete and correct copy of PDPII's operating agreement, as amended to date, and same shall be unchanged and in effect on the Closing Date. Annexed hereto as Schedule 5.1(dd)(ii) is a filed copy of the articles of organization of PDPII.

(31) Contributors have good and marketable title to one-hundred (100%) percent of PDPII and 100% of Contributors' Interests, free of all liens and encumbrances whatsoever.

(32) Contributors have the power and authority to own their respective Contributors' Interests and to conduct and transact their own business and the business of PDPII.

(33) The contribution of Contributors' Interests pursuant to this Agreement is authorized and within the power of each Contributor and is legal and will not conflict with, result in any breach of any of the provisions of, or constitute a default under the provisions of PDPII's operating agreement or other instrument to which any Contributor is a party or

by which any Contributor may be bound.

(34) Neither MCRLP, nor Mack-Cali shall be responsible, as a consequence of the contribution intended hereby, for any obligation (including any Taxes) of PDPII or Contributor or for any liability, debt or obligation (including any Taxes) of PDPII or Contributor to any third party including, without limitation, any employees of PDPII or Contributor or any Employer Plan accruing during the period prior to Closing (and Contributor hereby agrees to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any such liability, debt or obligation, including any Taxes and reasonable attorney's fees), except for any obligations or liabilities of PDPII or Contributor subject to which MCRLP or Mack-Cali has expressly agreed to accept the assignment of Contributor's Interests and accruing during the period following Closing. The representations and the indemnity set forth herein shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing.

(35) After the Closing, Contributors shall not be entitled to receive from PDPII any distribution or payment of indebtedness or for any other reason whatsoever, except for cash and receivables with respect to rent under the Leases for the period occurring prior to Closing to the extent Contributor is entitled to same under Article 11, as of the date of Closing, which shall be paid to Contributors.

ii. Intentionally Deleted.

iii. All representations and warranties made in this Agreement by PDPII and the Contributors and those representations and warranties made by the Contributors and the Contributor Unit Holders in the certificate executed by each and delivered pursuant to Exhibit 10.2(ee) shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (c), (w), (z) and (dd) through (hh) of Section 5.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the Interest Assignments. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate (as defined below) as to any of the

matters which are contained in the representations and warranties made by PDPII and/or Contributors in Section 5.1(f) of this Agreement, then such representations and warranties as to such matters shall be of no further force or effect to the extent of any conflict. Apollo Real Estate Investment Fund II, L.P., a Delaware limited partnership; Pacifica Holding Company, a Colorado corporation; and Pacifica Holding Company, a Colorado limited liability company (collectively, "Guarantor"), and Contributors, jointly and severally, shall, pursuant to a separate indemnity agreement (the "Indemnity Agreement") in the form attached hereto as Exhibit 5.3, indemnify and defend MCRLP and Mack-Cali, and to hold MCRLP and Mack-Cali harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by MCRLP by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of PDPII and Contributors contained in this Agreement to the full extent PDPII or the Contributors would be liable therefor under the terms of this Agreement. The foregoing indemnity shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing. Notwithstanding the foregoing, Steven C. Leonard IRA, Cynthia O. Leonard IRA, Steven Ohren IRA and the members of Contributors shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, except as set forth in Section 28, MCRLP and Mack-Cali shall not have a right to bring a claim against Contributors by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to MCRLP and/or Mack-Cali are reasonably expected to exceed $100,000.00, but thereafter MCRLP and/or Mack-Cali may bring a claim against Contributors for the entire amount of its aggregate damages.

iv. Each Contributor acknowledges that it is not in a significantly disparate bargaining position with respect to MCRLP or Mack-Cali in connection with the transaction contemplated by this Agreement and that such Contributor was represented by legal counsel in connection with this transaction.

v. Mack-Cali and MCRLP each acknowledges that it has had, or will have had, as of the Closing, sufficient time to review all materials and information set forth in Schedule 5.5, and sufficient time and access to review and investigate the Property. Notwithstanding any other provision of this Agreement, except as set forth in Subsections 5.1(d), (e) and (f) as they relate to the Leases, the Estoppels and the Rent Rolls, the representations and warranties of PDPII and Contributors as set forth herein or in each Contributor's Closing Certificate are hereby modified to be made true to the extent that, as of the date hereof with respect to the representations and warranties made herein, and as of the Closing Date with respect to the representations and warranties made by PDPII and each Contributor as of the

Closing Date, (i) information contained in the records made available as set forth Schedule 5.5 no longer makes the subject representation or warranty not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information, or (ii) either Mack-Cali or MCRLP has knowledge that the subject representation or warranty is untrue, or (iii) Contributors have delivered or made available to any

of the individuals described in Section 6.1(l) other written information disclosing that the subject representation or warranty is not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information.

f. REPRESENTATIONS AND WARRANTIES OF MACK-CALI AND MCRLP.

i. In order to induce Contributors to perform as required hereunder, Mack-Cali and MCRLP hereby jointly and severally warrant and represent the following:

(1) (i) MCRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of MCRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) Mack-Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to permit MCRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Mack-Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(2) This Agreement and the agreements and other documents to be executed and delivered by each of Mack-Cali and MCRLP hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of each of Mack-Cali and MCRLP, enforceable in accordance with the terms of this Agreement. The performance by each of Mack-Cali and MCRLP of each of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by each of them hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of each of Mack-Cali and MCRLP or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which each of Mack-Cali and MCRLP is a party or by which each of its assets are or may be bound.

(3) The Contributor Units to be issued to Contributors and/or the Unit Holders are duly authorized and, when issued by MCRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim

or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Mack-Cali upon redemption of the Contributor Units will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same will be exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(4) MCRLP has furnished to Contributors a true and complete copy of the OP Agreement, as amended to date.

(5) Mack-Cali has caused to be delivered to Contributors copies of the OP Agreement. The SEC Documents were, and those additional documents filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(6) The consolidated financial statements included in

the SEC Documents have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial position of Mack-Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, "Subsidiaries" shall mean (i) any entity of which Mack-Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority of the outstanding capital stock (or other shares of beneficial interest), or (y) at least a majority of the partnership, joint venture or similar interests; and (ii) any entity in which Mack-Cali (or other specified entity) is a general partner or joint partner, including without limitation MCRLP. "Subsidiaries" shall specifically exclude Mack-Cali Services, Inc. and The Grove Street Urban Renewal Corp., which are the only non-qualified REIT subsidiaries of Mack-Cali as of the date hereof.

(7) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Mack-Cali's and MCRLP's knowledge, threatened, at law or in equity, against either of Mack-Cali or MCRLP before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either of Mack-Cali or MCRLP from performing its respective obligations pursuant to this Agreement.

(8) The execution and delivery of this Agreement and the performance by each of Mack-Cali and MCRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Mack-Cali or MCRLP, including without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Mack-Cali or MCRLP is a party or by which Mack-Cali or MCRLP is bound or affected.

(9) (1) Mack-Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1997, as a real estate investment trust ("REIT") within the meaning of Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"), (B) has complied with all applicable provisions of the Code which would have enabled it to qualify as a REIT for 1995 and 1996, (C) has operated, and intends to continue to operate, in such a manner so as to enable it to qualify as a REIT for 1998 and subsequent years, and (D) has not taken or omitted to take any action which would reasonably be expected to cause its disqualification as a REIT, and no challenge to its REIT status is pending or, to Mack-Cali's knowledge, threatened.

(2) Mack-Cali has timely filed with the appropriate Governmental Authority all Tax Returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such Tax Return is true and correct in all material respects. All Taxes shown as owed by Mack-Cali or any of its Subsidiaries on any Tax Return have been paid or accrued, except for Taxes being contested in good faith and for which adequate reserves have been established. None of Mack-Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax.

(3) To its knowledge, as of the date hereof, Mack-Cali is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code.

(10) All of Mack-Cali's real property and other material assets are owned by Mack-Cali indirectly through its ownership of MCRLP and MCRLP's Subsidiaries.

(11) Neither Mack-Cali nor MCRLP has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Mack-Cali's or MCRLP's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Mack-Cali's or MCRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Mack-Cali's or MCRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(12) As used throughout this Agreement, the phrases "to Mack-Cali's knowledge," "to the knowledge of Mack-Cali," "to the best of Mack-Cali's knowledge" "to MCRLP's knowledge," "to the knowledge of MCRLP," "to the best of MCRLP's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge Tim Jones, John DeBari, Daniel Wagner,

Andrew Greenspan, Roger W. Thomas, and Terry Noyes, without having undertaken any independent investigation of facts or legal issues without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Mack-Cali, MCRLP or of any other person or entity.

ii. Each of Mack-Cali and MCRLP acknowledges that it is not in a significantly disparate bargaining position with respect to Contributor in connection with the transaction contemplated by this Agreement and that Mack-Cali and MCRLP were represented by legal counsel in connection with this transaction.

iii. All representations and warranties made by Mack-Cali and MCRLP in this Agreement shall survive the Closing Date for a period of eighteen (18) months, except that the representations and warranties set forth in clauses (a) and (b) of Section 6.1 shall survive the Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the Assignment of Contributor's Interest. Mack-Cali and MCRLP agree to indemnify and defend Contributors, and to hold Contributors harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Contributors by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Mack-Cali and MCRLP contained in this Agreement. Notwithstanding the foregoing, the partners and/or shareholders of MCRLP and Mack-Cali shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, Contributors shall not have a right to bring a claim against Mack-Cali or MCRLP by virtue of any of the representations or warranties being false or misleading unless and until (a) such false or misleading representation or warranty has a material adverse affect on the transactions contemplated herein; and (b) the aggregate damages to Contributors is reasonably expected to exceed $100,000.00, but thereafter Contributors may bring a claim against Mack-Cali or MCRLP for the entire amount of their aggregate damages.

g. INTERIM OPERATING COVENANTS OF CONTRIBUTORS.

i. Contributors covenant and agree that between the date hereof and the Closing Date (the "Interim Period"), they shall perform or observe or cause PDPII to perform or observe the following with respect to the Real Property:

(1) PDPII will complete any capital expenditure program currently in process or anticipated to be completed. PDPII and Contributors will not defer taking

any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(2) PDPII, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without MCRLP's prior written consent; provided, however that PDPII shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of MCRLP, so long as such lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which PDPII currently enters into in the ordinary course of its business.

(3) PDPII shall comply with and/or remedy all violations of statutes, ordinances, rules, regulations, orders, codes, directives or requirements affecting the Real Property, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities prior to the Closing, and the Real Property shall be conveyed free of any such violations, including, without limitation, violations of Environmental Laws.

(4) Neither PDPII nor any Contributors shall:

(a) Enter into any agreement requiring PDPII to do work for any Tenant after the Closing Date without first obtaining the prior written consent of MCRLP, unless such agreement is on market terms and conditions with bona fide third parties and is the type of agreement which PDPII currently enters into in the ordinary course of its business, in which case no consent of MCRLP will be required; or

(b) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, except in its ordinary course of business on market terms, with bona fide third parties and upon prior written notice to MCRLP.

(c) Intentionally Deleted.

(5) PDPII shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business. PDPII and Contributors shall provide MCRLP with an updated schedule of Security Deposits at the Closing.

(6) Between the date hereof and the Closing Date, PDPII will not renew, extend or modify any of the Service Contracts without the prior written consent of MCRLP unless such is done by PDPII in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of MCRLP will be required.

(7) PDPII and Contributors shall not remove or permit the removal of any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to MCRLP, other than expressly provided herein.

(8) PDPII and Contributors shall, upon request of MCRLP at any time after the date hereof, assist MCRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as MCRLP may reasonably request, covering the period of PDPII's ownership of the Real Property.

(9) Between the date hereof and the Closing Date, PDPII will make all required payments under any mortgage affecting the Real Property within any applicable grace period, but without reimbursement by MCRLP therefor. PDPII shall also comply with all other material terms covenants and conditions of any mortgage on the Real Property.

(10) PDPII shall not cause or permit the Real Property or any interest therein (including without limitation the Improvements or the Contributors' Interests), to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(11) PDPII agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining, which policies Contributors represent are sufficient to protect, to a reasonable and prudent extent, the owner of the Property, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(12) PDPII and Contributors shall permit MCRLP and its authorized representatives to inspect the Books and Records of their operations at all reasonable times upon reasonable notice. All Books and Records not conveyed to MCRLP hereunder shall be maintained for MCRLP's inspection at each Contributor's address as set forth in Exhibit A hereto.

(13) PDPII and Contributors shall:

(a) promptly notify MCRLP of, and promptly deliver to MCRLP, a certified true and complete copy of any notice PDPII or Contributors may receive, on or before the Closing Date from any Governmental Authority concerning a violation of Environmental Laws or Discharge of Contaminants;

(b) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by PDPII or its representatives, deliver to MCRLP a certified true and complete copy of all Environmental Documents; and

(c) timely provide MCRLP with drafts of any pertinent documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of Tenants and shall keep MCRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

ii. Prior to the Closing, Contributors shall deliver to MCRLP reviewed Property Financials as set forth in Section 5.1(v). Within thirty (30) days after the Closing Date, Contributors shall deliver to MCRLP Property Financials, as set forth in Section 5.1(v), through the Closing Date. The provisions of this Section 7.2 shall survive the Closing Date.

iii. Intentionally Deleted.

iv. Intentionally Deleted.

v. PDPII and Contributors will timely pay all Taxes due

and payable by each of them during the Interim Period. PDPII and Contributors will timely file all Tax Returns required to be filed by them during the Interim Period. Each such Tax Return will be complete and accurate in all respects and will be filed on a basis consistent with past practice. A copy of all such Tax Returns shall be delivered to Mack-Cali at least three (3) days prior to such Tax Returns being filed. The obligations set forth in this Section 7.5 shall survive the expiration or earlier termination of this Agreement and/or shall survive the Closing Date for the applicable period of the statute of limitations.

h. INTENTIONALLY DELETED.

i. ESTOPPEL CERTIFICATES.

i. Contributors agree to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form annexed hereto as Exhibit 9.1 for Tenant's execution, completed to reflect Tenant's particular Lease status. Contributors agree to use commercially reasonable efforts to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, Contributors shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver the same as provided in its Lease. Contributors agree to deliver to MCRLP copies of all estoppel letters received by Tenants, in the form received by PDPII or Contributors. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

ii. As a condition to the Closing, Contributors shall deliver (a) an Estoppel Certificate from all Tenants which lease space at the Real Property in excess of 10,000 square feet or more in the aggregate, and (b) Estoppel Certificates from the remaining Tenants leasing in the aggregate at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in Clause 9.2(a) above.

iii. For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

j. CLOSINGS.

i. (a) Closing. The consummation of the transactions contemplated hereunder with respect to the Property (the "Closing") shall take place at the offices of Brownstein, Hyatt, Farber & Strickland, P.C., 410 Seventeenth Street, 22nd Floor, Denver, Colorado, 80202-4437, on or about March 25, 1998 (the "Closing Date"). Upon notice to Contributors, MCRLP may elect to accelerate the Closing Date to a date not less than five (5) days after the date of MCRLP's notice.

(2) Intentionally Deleted.

(3) Intentionally Deleted.

(4) Intentionally Deleted.

ii. On the Closing Date, except as otherwise set forth in subsections 10.2(z) and 10.2(aa), Contributor, at its sole cost and expense, will deliver or cause to be delivered to MCRLP the following documents, fully executed by all parties thereto other than MCRLP or parties claiming by, through or under MCRLP:

(1) Duly executed and acknowledged assignments from each Contributor of such Contributor's Interest (the "Interest Assignments"), in the form annexed hereto as Exhibit 10.2(a), to MCRLP or its designee, as assignee, together with all applicable and requisite consents, mortgagee consents and resolutions authorizing the assignment and transaction.

(2) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Contributors, using their best efforts, are unable to deliver originals of the same.

(3) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and

Records, and certified copies of the same where Contributors, using their best efforts, are unable to deliver originals of the same.

(4) Intentionally Deleted.

(5) Intentionally Deleted.

(6) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f).

(7) Intentionally Deleted.

(8) Affidavits and indemnities required by the Title Company in connection with non-imputation title insurance endorsements and such other documents and instruments required by the Title Company, executed by Contributors certifying (i) against any work done or supplies delivered to the Real Property which might be grounds for a materialman's or mechanic's lien under or pursuant to Colorado Lien Law, in form sufficient to enable the Title Company to affirmatively insure MCRLP against any such lien, (ii) that the signatures on the Interest Assignments are sufficient to bind Contributors and convey the Contributors' Interest to MCRLP, (iii) the Rent Roll, and (iv) that Contributors shall indemnify the Title Company against any loss resulting from the imputation of knowledge to MCRLP, or Mack-Cali through Contributors.

(9) Affidavits and other instruments, including but not limited to all organizational documents of PDPII and PDPII's members, as applicable, including PDPII's operating agreements, filed copies of the articles of organization and good standing certificates (or its equivalent), reasonably requested by MCRLP and the Title Company evidencing the power and authority of PDPII and Contributors to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(10) The original Estoppel Certificates.

(11) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit MCRLP to realize upon the same and as may be required by the issuing banks of any cash and non-cash security deposits to reflect a change in the beneficial interest of the PDPII and changes in signatories to the bank accounts holding the cash and non-cash security deposits.

(12) A certificate indicating that the representations and warranties of PDPII and Contributors made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(13) A Rent Roll for the Property, current as of the Closing Date, certified by PDPII and Contributors as being true and correct in all material respects.

(14) All proper instruments as shall be reasonably required for the conveyance to MCRLP of all right, title and interest, if any, of PDPII and Contributors in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, or Improvements or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (iii) for any taking in condemnation or eminent domain of any part of the Land and Improvements.

(15) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate which is in a form acceptable to Mack-Cali and which is signed by each Contributor (or an appropriate officer of each Contributor that is an entity) to the effect that such Contributor is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(16) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Contributors as may be required of Contributors by law in connection with the transfer of Contributors' Interests to MCRLP, including but not limited to, Internal Revenue Service forms and the declaration required to be filed pursuant to Title 39, Article 14 of the Colorado Revised Statutes.

(17) A statement setting forth all adjustments and prorations shown thereon.

(18) A Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(19) Estoppel certificates addressed to MCRLP from the mortgagees of the mortgages, if any, in form and substance reasonably acceptable to MCRLP.

(20) An opinion of counsel from Brownstein, Hyatt, Farber & Strickland, P.C., substantially in the form of Exhibit 10.2(t) regarding the due execution, delivery, and enforceability of this Agreement, the foregoing documents and the contribution by each Contributor of its Contributor's Interest to MCRLP.

(21) Duly executed and acknowledged Indemnity Agreement substantially in the form of Exhibit 5.3.

(22) Intentionally Deleted.

(23) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(24) Intentionally Deleted.

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

(26) At least fifteen (15) days prior to the Closing Date, a schedule setting forth, with respect to each Contributor that will receive Contributor Units as part of the consideration: (i) the identity of such Contributors and the amount of Contributor Units so allocated to any such Contributor; (ii) the gross fair market value of the interest that such Contributor is transferring to MCRLP for purposes of determining the gain or loss that will be recognized for federal income tax purposes as a result of the transfer; (iii) the adjusted basis of such interest immediately prior to the contribution; (iv) the amount of cash and Contributor Units allocated to such interest; and (v) the amount of any liability relating to such interest that MCRLP will either assume or to which such interest will be subject and which does not constitute a "qualified liability" within the meaning of Treasury Regulations Section 1.707-5(a)(6).

(27) At least fifteen (15) days prior to the Closing Date, a schedule setting forth: (i) any Contributor named for purposes of Section 10.2(z)(i) which is to receive less than the full amount of Contributor Units indicated for purposes of Section 10.2(z)(i); and (ii) the names of those persons who are to receive Contributor Units that each such Contributor would otherwise be entitled to receive and the amount of units that any such persons are to receive. At least fifteen (15) days prior to the Closing Date, each Contributor to which this Section 10.2(aa) is relevant shall issue "direction letters" to MCRLP (in the form acceptable to MCRLP), to the effect that each such Contributor authorizes the issuance by MCRLP of Contributor Units directly to such persons (and in such amounts) which are set forth for purposes of Section 10.2(aa)(ii).

(28) A letter from each applicable municipal department or agency having jurisdiction that the Property is in compliance with the laws, codes, rules, regulations and ordinances regarding (i) zoning, (ii) building, (iii) health and (iv) fire, life and safety.

(29) A computer diskette containing any closing or other documents executed in connection with this transaction and prepared by PDPII, Contributors or their counsel, in WordPerfect or Microsoft Word format.

(30) All original organizational documents relating to PDPII and the Contributors, and all statements of accounts, books and records and insurance policies.

(31) A certificate executed by each Contributor Unit Holder and each Contributor receiving Contributor Units, substantially in the form of Schedule 10.2(ee).

(32) A counterpart to the OP Agreement substantially in the form of Exhibit 10.2(ff), executed by each Contributor Unit Holder and each Contributor receiving Contributor Units.

iii. On the Closing Date, Mack-Cali and MCRLP, at their sole cost and expense, will deliver or cause to be delivered to Contributors the following documents, fully executed by all parties thereto other than Contributors or parties claiming by, through or under Contributors:

(1) The Cash Payment, net of adjustments and prorations.

(2) The Permanent Certificates representing, in the aggregate, the Contributor Units.

(3) Intentionally Deleted.

(4) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f) annexed hereto.

(5) A certificate indicating that the representations and warranties of Mack-Cali and MCRLP made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(6) Affidavits and other instruments, including but not limited to all organizational documents of Mack-Cali and MCRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by Contributors evidencing the power and authority of Mack-Cali and MCRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(7) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(8) Intentionally Deleted.

(9) A Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(10) Intentionally Deleted.

(11) Duly executed and acknowledged Interest Assignments in the form of Exhibit 10.2(a).

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

iv. Contributor shall pay for the premium charges and costs for title insurance policies (but not any endorsements to such policies required by Mack-Cali); all survey costs; all costs incurred to repay or satisfy any and all liens; all costs incurred with respect to non-imputation endorsements to title insurance policies obtained by MCRLP; all leasing commissions due to Tenants in connection with the initial and/or current terms of their respective Leases; all costs of tenant improvement concessions due to Tenants in connection with the initial and/or current terms of their respective Leases; and all customary prorations and apportionments. Mack-Cali shall pay for the costs of all customary documentary and recording fees, if any; the cost of any endorsements to its title insurance policies (with the exception of any non-imputation endorsements); all due diligence investigations costs (including, without limitation, the cost of all Phase I Reports for the Property, which environmental assessment reports shall be dated no more than thirty (30) days prior to the Closing Date); and all customary prorations and apportionments. Each party shall be responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

v. The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of Contributors related to periods prior to the Closing, such claims shall be the responsibility of Contributors, and Contributors shall jointly and severally indemnify, defend and hold harmless MCRLP (and its respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

vi. Mack-Cali and MCRLP acknowledge and agree that, except as set forth in this Agreement, MCRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Contributors. Mack-Cali and MCRLP acknowledge that except for documents, reports and information related to the environmental integrity of the Real Property, neither Mack-Cali nor MCRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or sketches, financial information, projections, pro formas or statements, that may have been given by or made by or on behalf of Contributors with respect to the Property. MCRLP and Mack-Cali further acknowledge that all materials relating to the Property which have been provided by Contributors, including but not limited to, the Phase I Reports, have been provided without any warranty or

representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and neither MCRLP nor Mack-Cali shall have any recourse against Contributors or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

Contributors do not warrant or make any representation, express or implied, as to the merchantability, quantity, quality, condition, suitability or fitness of the Property for any purpose whatsoever, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the Super Fund Amendments and Reauthorization Act ("SARA"), the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances. MCRLP also acknowledges and agrees that (i) the representations and warranties of Contributors in Section 5 of this Agreement and (ii) provisions in this Agreement for delivery of existing Phase I Reports and inspection and investigation of the Property are adequate to enable MCRLP to make MCRLP's own determination with respect to the suitability or fitness of the Property, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and SARA, the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances.

Except to the extent (a) caused by a breach of any of Contributors' representations hereunder; (b) related to claims by or liabilities to third parties unrelated to Mack-Cali or MCRLP; or (c) as otherwise expressly set forth herein, including, without limitation, as indemnified under the Indemnity Agreement, MCRLP and Mack-Cali, for themselves and their successors and assigns, hereby release each of the Contributors, and their agents, employees, partners, officers, directors, members, managers, contractors, consultants and representatives from, and waive any and all causes of action or claims against any of such persons for (i) any and all liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under or about the Property of any materials the release or storage of which is regulated by law; (ii) any and all liability resulting from the failure of the Property to comply with any applicable laws; and (iii) any liabilities, damages or injury arising from, connected with or otherwise caused by statements, opinions or information obtained from any of such persons with respect to the Property.

k. ADJUSTMENTS.

i. The following items under (a) through (g) with respect to the Real Property are to be apportioned as of midnight on the date preceding the Closing:

(1) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to MCRLP and shall be applied by MCRLP to current rents and other charges under the

Leases. After application of such moneys to current rents and charges, MCRLP agrees to remit to Contributors any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing.

(2) A cashier's or certified check or wire transfer to the order of MCRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of MCRLP, such amount may be allotted to MCRLP as a credit against the Cash Payment.

(3) Utility charges payable by PDPII, including without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Contributors will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date.

(4) Amounts payable under the Service Contracts other than those Service Contracts which MCRLP has elected not to assume.

(5) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(6) The value of fuel stored at any of the Real Property, at PDPII's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by PDPII's supplier.

(7) Intentionally Deleted.

ii. Intentionally Deleted.

iii. At the Closing, Contributors shall deliver to MCRLP a list of additional rent, however characterized, under all Leases, including without limitation, real estate taxes, electrical charges, utility costs and

operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1998 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by PDPII on account of the components of Additional Rent for calendar year 1998. Upon the reconciliation by MCRLP of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1998, Contributors and MCRLP shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1998. Notwithstanding the foregoing, the calculation of real estate taxes, and the collection of Additional Rents from Tenants attributable to such real estate taxes, as reflected on the closing statement related hereto, shall be final as of the Closing Date.

iv. Intentionally Deleted.

v. If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by Contributors on the Closing Date.

vi. Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of Colorado.

vii. Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

viii. The provisions of this Section 11 shall survive the Closing Date.

l. CONDITIONS PRECEDENT TO CLOSING.

i. The obligations of Contributors to deliver the Contributors' Interests and to perform the other covenants and obligations to be performed by Contributors on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Contributor):

(1) The representations and warranties made by MCRLP and Mack-Cali herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by Contributors hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein.

(2) MCRLP and Mack-Cali shall have executed and delivered to Contributors all of the documents provided herein for said delivery.

(3) Intentionally Deleted.

(4) Mack-Cali and MCRLP shall have performed all covenants and obligations undertaken by Mack-Cali and MCRLP herein in all material respects and complied with all material conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

ii. The obligations of Mack-Cali and MCRLP to deliver the Permanent Certificates to Contributor Unit Holders and to accept the Contributors' Interests and Mack-Cali's and MCRLP's obligation to perform the other covenants and obligations to be performed by Mack-Cali and MCRLP on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Mack-Cali or MCRLP):

(1) Subject to Section 5.5(a) the representations and warranties made by PDPII and Contributors herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by PDPII and Contributors herein shall be inapplicable.

(2) Contributors shall have performed all covenants and obligations undertaken by Contributors herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it

on or before the Closing Date.

(3) The Title Company is unconditionally prepared to issue to MCRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(4) The Real Property shall be in compliance with all Environmental Laws.

(5) Contributors shall have executed and delivered to MCRLP all of the documents or other requisite documents provided for herein for said delivery.

m. INTENTIONALLY DELETED.

n. LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Contributor. MCRLP shall be credited at Closing as set forth on Schedules 5.1(f) and 5.1(m) respectively with respect to certain tenant improvement and leasing commission obligations, but Contributors shall remain liable for any amounts due and owing in excess of such credits. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by MCRLP. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

o. ASSIGNMENT.

This Agreement may not be assigned by Mack-Cali or MCRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Mack-Cali or MCRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Mack-Cali or MCRLP shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Mack-Cali or MCRLP may assign the Contributors' Interests to various entities, provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this Agreement to be performed by Mack-Cali or MCRLP with respect to the portion of the Real Property, in form reasonably satisfactory to counsel for Contributors, shall be delivered to the attorneys for Contributors prior to the Closing, and in any event, no such assignment shall relieve Mack-Cali and MCRLP from their obligations under this Agreement.

p. BROKER.

Mack-Cali, MCRLP, and Contributors represent that, with the exception of Sonnenblick Goldman Ltd. , Conning Asset Management, Inc. and Pacifica Holding Company LLC (collectively, "Brokers") they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. Notwithstanding the foregoing, Contributors shall pay in full any commission, fee or other compensation due the Brokers pursuant to separate agreements, and Guarantor and Contributors agree to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any and all loss, cost, damage, liability, or expense, including reasonable attorneys' fees, which MCRLP or Mack-Cali may sustain, incur or be exposed to by reason of Contributor's failure to pay in full the Brokers pursuant to such separate agreements. The provisions of this Section shall survive the Closing and/or other termination of this Agreement.

q. CASUALTY LOSS.

i. Subject to Section 7.1(h), PDPII and Contributors shall continue to maintain, or cause any Tenant to maintain, in all material respects, the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires, which obligation shall survive the Closing.

ii. If at any time prior to the Closing Date, all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), Contributors shall promptly give written notice

("Casualty Notice") thereof to MCRLP. Within ten (10) days after the receipt of the Casualty Notice, MCRLP and Mack-Cali shall have the right, at their sole option, to terminate this Agreement with respect to said Property by written notice to Contributors. Notwithstanding the foregoing, MCRLP and Mack-Cali shall not have the right to terminate this Agreement, if (a) Contributors' insurance fully covers the damage resulting from the Casualty; (b) the proceeds of any insurance, together with a credit equal to Contributors' deductible under the Insurance Policies, shall be paid to MCRLP at the time of the Closing; and (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to MCRLP at the Closing without in any manner affecting the Exchange Consideration hereunder. Contributor represents that the insurance maintained by it is customary and prudent for the assets owned by it.

iii. If the Property is the subject of a Casualty but MCRLP does not terminate this Agreement pursuant to the provisions of this Section, then Contributors shall, prior to the Closing Date, cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety; provided, however, that any such repairs shall first be approved by MCRLP. Contributors shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

r. CONDEMNATION.

In the event of a material taking (as defined in this Section 18), MCRLP and Mack-Cali shall have the right, at their sole option, to either (a) terminate this Agreement by giving Contributors written notice to such effect at any time after its receipt of written notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should MCRLP or Mack-Cali so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event MCRLP and Mack-Cali shall not elect to cancel this Agreement, Contributors shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to MCRLP, and the same shall be MCRLP's sole property, and MCRLP shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which involve (a) the taking of a portion of Real Property such that ingress and egress to such Real Property is impaired, (b) the taking of a portion of the parking spaces of a Real Property such that after such taking the Real Property will not be in compliance with local zoning regulations regarding adequate parking, or (c) the taking of any part of a Building.

s. TRANSFER RESTRICTIONS.

i. Contributors hereby agree that the Contributor Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively, "Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the Contributor Units and/or the shares of Common Stock underlying the Contributor Units (the "Underlying Shares") may only be transferred (i) privately in accordance with the terms of the OP Agreement and this Section 19, or (ii) publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 150,000 shares of Common Stock or less, in any single day. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not apply to (i) pledges or encumbrances of all or a portion of the Contributor Units to an institutional lender, or (ii) Transfers of all or any portion of the Contributor Units to permitted transferees as set forth in the OP Agreement (the "Permitted Transferees"). Any holder of Contributor Units pursuant to (i) or (ii) of the preceding sentence shall be subject to the terms and conditions of the OP Agreement.

ii. If any of the Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its Contributor Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the "Purchaser"), unless prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the "Disposition Notice") of such Proposed Disposition to MCRLP. The Disposition Notice shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and all other terms and conditions, if any, of the Proposed Disposition.

iii. Mack-Cali shall not sell the Property within four (4) years from the date of the Closing (the "Restricted Period") without the prior written consent of Contributors, other than (1) in connection with a transaction which does not result in recognition of gain by the Contributors; (2) a sale of any of the Property set forth in Schedule 19.3 hereto; (3) as determined by the

Board of Directors of Mack-Cali (the "Board") as necessary to satisfy any material monetary default on any mortgage secured by the Property; (4) as determined by the Board as necessary to satisfy any material, unsecured debt, judgment or liability of Mack-Cali when the same becomes due (at maturity or otherwise); (5) in connection with the sale of all or substantially all of the properties owned by Mack-Cali under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Mack-Cali and its public stockholders; and/or (6) sales of the Property which do not result in material and adverse tax consequences for the Contributors. Mack-Cali may dispose of any or all of the Property in its sole discretion, and without the consent of Contributors, upon the expiration of the Restricted Period. Notwithstanding any of the foregoing language to the contrary, Mack-Cali shall not distribute the Property for a period of seven (7) years if the distribution of such Property would result in the recognition of income by Contributor pursuant

to Sections 704(c)(1)(B) or 737 of the Code, except as otherwise permitted in clauses (1) through (7) above.

t. INTENTIONALLY DELETED.

u. TAX MATTERS.

i. (a) Contributors will timely pay or provide for the payment of all Taxes which are attributable to all Pre-Closing Tax Periods, but which are not due and payable until after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which either MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. To the extent allowed by law, Contributors will timely file all Tax Returns which are required to be filed in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for all Pre-Closing Tax Periods but which are not required to be filed until after the Closing Date and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate. Contributors will provide Mack-Cali with a copy of all such Tax Returns promptly after such Tax Returns are filed. All Taxes imposed in connection with the ownership and/or operation of the Property during any taxable periods which begin on or before the Closing Date and end after the Closing Date ("Straddle Periods" or "Straddle Period") shall be allocated between Contributors and MCRLP in accordance with their respective periods of ownership of the Property. Contributors will timely pay all Taxes with respect to their businesses for any Straddle Period (and any other taxable period) for which either MCRLP (or any of its direct to indirect partners) could be held directly or indirectly liable or a claim could be made against the Property.

(2) Contributors shall cause PDPII to provide Mack-Cali with a copy of its Federal income tax returns which reflect (in whole or in part) any of the transactions contemplated hereunder and which reflect (in whole or in part) any of the gain or loss recognized in respect of such transactions.

ii. PDPII and Contributors shall pay any and all Taxes including without limitation, Taxes imposed with respect to the operation of its business and the ownership or operation of the Property or PDPII for all taxable periods (or portions thereof) ending on or prior to the Closing imposed upon MCRLP based, in whole or in part, upon the failure to comply with the bulk sales laws.

iii. Contributors are hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property as set forth on Schedule 21.3 and to litigate or settle the same in Contributors' discretion. MCRLP is hereby

authorized by Contributors, in MCRLP's sole discretion, to file any applicable proceeding for the 1997 and/or 1998 fiscal year for the reduction of the assessed valuation of the Property. The net refund of taxes, if any, for any tax year for which Contributors or MCRLP shall be entitled to share in the refund shall be divided between Contributors and MCRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by Contributors and MCRLP in proportion to their ownership period of the asset in question.

iv. For purposes of this Agreement:

(1) "Taxes" or "Tax" means all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy,

gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment, unemployment compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

(2) "Tax Returns" or "Tax Return" means all original and amended Federal, state, local and foreign tax returns, declarations, statements, reports, schedules, forms, information returns and other filings relating to Taxes.

(3) "Audits" or "Audit" means any audit, assessment of Taxes, any other examination or claim by any Governmental Authority, judicial, administrative or other proceeding or litigation (including any appeal of any such judicial, administrative or other proceeding or litigation) relating to Taxes and/or Tax Returns.

v. The provisions of this Section shall survive the Closing Date.

v. PUBLICATION.

i. MCRLP shall have the exclusive right to make such public announcements or filings with respect to the exchange as MCRLP may deem reasonably prudent and, upon advice of counsel, as may be necessary or required by law.

w. REMEDIES.

i. If the conditions set forth in Section 12.2 with respect to the Closing have been satisfied (unless the failure or inability to be so satisfied is due to Mack-Cali or

MCRLP) and if MCRLP or Mack-Cali is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a material default of MCRLP or Mack-Cali or MCRLP's or Mack-Cali's material failure to comply with any material representation, warranty, covenant or agreement set forth herein with respect to the Closing, then Contributors, subject to the limitations set forth in this Agreement, including, without limitation, those set forth in Section 6.3, shall have the right as their sole and exclusive remedy to either (i) terminate this Agreement upon written notice to MCRLP, in which event neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) maintain an action for either (A) specific performance, or (B) monetary damages.

ii. If the conditions set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to PDPII or any Contributor), and if Contributors are not ready, willing and able to perform their obligations hereunder on the Closing Date, or in the event of any material default on the part of any of the Contributors, or PDPII or any Contributors' failure to comply with any material representation, warranty, covenant or agreement set forth herein, MCRLP shall be entitled to either (i) terminate this Agreement upon notice to Contributors following which neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) commence an action against Contributors seeking either (A) monetary damages, or (B) specific performance of Contributors' obligations under this Agreement.

iii. The acceptance of the Assignment of Interest by MCRLP shall be deemed a full performance and discharge of every agreement and obligation of Contributors to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

x. INTENTIONALLY DELETED.

y. NOTICE.

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: c/o Mack-Cali Realty Corporation
or MCRLP 11 Commerce Drive
Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
(908) 272-8000 (tele.)

(908) 272-6755 (fax)

with a copy to: Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Wayne B. Heicklen, Esq.
(212) 326-0425 (tele.)
(212) 326-0806 (fax)

If to PDPII: or Contributors: c/o Pacifica Holding Company, LLC
5975 South Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steven Leonard
(303) 220-5565 (tele.)
(303) 220-5585 (fax)

with a copy to: Brownstein, Hyatt, et al.
410 17th Street, 22nd Floor
Denver, Colorado 80202
Attn: Edward N. Barad, Esq.
(303) 534-6335 (tele.)
(303) 623-1956 (fax)

and a copy to: Apollo Real Estate Advisors
1301 Avenue of the Americas, 38th Floor
New York, NY 10019
Attn: Mr. Richard Mack
(212) 261-4065 (tele.)
(212) 261-4060 (fax)

or to such other address as either party may from time to time designate by written notice to the other. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch, and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided the same is sent prior to 4:00 p.m. Eastern Time on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

z. DEPRECIATION METHOD.

Mack-Cali, as the general partner of MCRLP, covenants and agrees that MCRLP and its affiliates will use the "traditional method with curative allocations" (as defined in Treasury Regulations Section 1.704-3(c)) of allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property in accordance with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(iv)(f), 1.704-1(b)(2)(iv)(g) and 1.704-3(a)(6).

aa. MISCELLANEOUS.

i. Intentionally Deleted.

ii. This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

iii. This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

iv. This Agreement shall be interpreted and governed by the laws of the State of Colorado, without regard to conflicts of laws principles, and shall be binding upon the parties hereto and their respective successors and assigns.

v. The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions

herein contained. The, feminine or masculine gender, when used herein, shall include the other gender and the use of the singular shall include the plural.

vi. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

vii. Each party shall, from time to time, execute, acknowledge and deliver to the other party such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contributors and MCRLP or Mack-Cali. This Agreement shall be

given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Contributors, MCRLP or Mack-Cali or the party whose counsel drafted this Agreement.

viii. This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

ix. All references herein to any Section, Exhibit, or Schedule shall be to the Sections of this Agreement and to the Exhibits and Schedules annexed hereto unless the context clearly dictates otherwise. All of the Exhibits and Schedules annexed hereto are, by this reference, incorporated herein.

x. In the event that PDPII or Contributors, and MCRLP or Mack-Cali enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for the payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 25th day of March, 1998, by and among the parties set forth on Exhibit A annexed hereto and made a part hereof (jointly and severally, "Contributors", and each individually, a "Contributor"), each having an address c/o Pacifica Holding Company, 5975 South Quebec Street, Suite 100, Englewood, Colorado, MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP") and MACK-CALI REALTY CORPORATION, a Maryland corporation ("Mack-Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

5. Contributors are, collectively, the owners of all the membership and/or other ownership interests in and to Centennial Valley Business Park One, Ltd., a Colorado limited partnership ("Owner"). Each Contributor owns the respective membership and/or ownership interest in Owner set forth on Exhibit B annexed hereto and made a part hereof.

6. Owner owns various commercial properties located throughout the Denver, Colorado metropolitan area. Mack-Cali, through MCRLP and certain affiliated entities of MCRLP, similarly own various commercial properties located throughout New Jersey, New York, Pennsylvania, Nebraska, Iowa, California, Florida, Arizona, Connecticut and Texas.

7. In order to effectuate their contribution and exchange of assets as herein provided, each Contributor hereby agrees to contribute all of its membership and/or ownership interests in and to Owner and certain other assets to MCRLP and Mack-Cali, and MCRLP and Mack-Cali hereby agree to accept the contribution of the Contributors' Interest and certain other assets on, and subject to, the terms, covenants and conditions set forth herein.

8. Contributors, MCRLP and Mack-Cali have determined that the transactions contemplated hereby are in the respective parties' best interests.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and for ten dollars ($10.00) and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do agree as follows:

a. SUBJECT OF CONTRIBUTION.

i. Upon, and subject to the terms, covenants and conditions of this Agreement, on the Closing Date (as hereinafter defined), each of the Contributors shall contribute, convey or otherwise transfer to certain designees of MCRLP 100% of said Contributor's

right, title and interest (collectively, "Contributors' Interests, each individually, a "Contributor's Interest") in and to Owner.

ii. From and after the Closing, Owner shall be the sole and exclusive owner of the following:

(1) that certain real property situate, lying and being in the State of Colorado and being more particularly described on Schedule 1(a) (the "Land") and all of the improvements located on the Land (individually, a "Building" and collectively, the "Improvements");

(2) all rights, privileges, grants and easements appurtenant to Owner's interest in the Land and Improvements, if any, including without limitation, all of Contributor's and/or Owner's rights, title and interests in and to all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes collectively referred to herein as the "Real Property");

(3) except as set forth on Schedule 1(c) all personal property, artwork, fixtures, equipment, inventory and computer programming and software owned by Owner and located on any of the Real Property or used at any of the management and corporate offices of Owner or Contributor (the "Personal Property");

(4) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto (the "Leases") and any guaranties provided thereunder, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of

security for the performance of the Tenant's (as defined herein) obligations thereunder;

(5) Intentionally Deleted.

(6) all assignable permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of Owner's right, title and interest in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters of Owner (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(7) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, market studies, keys, plans, specifications, reports, tests and other materials of any kind owned by or in the possession of Owner which are or may be used in the use and operation of the Real Property or Personal Property (collectively, the "Books and Records"); and

(8) all other rights, privileges and appurtenances owned by Owner, if any, and in any way related to the rights and interests described above in this Section 1.

The Real Property, the Personal Property, the Leases, the Intangible Property, the Books and Records and the other property interests are hereinafter collectively referred to as the "Property".

b. CONSIDERATION.

i. Total Exchange Consideration. The aggregate consideration for the Contributor's Interests (the "Exchange Consideration") is Eleven Million Six Hundred Fifty Thousand One Hundred Seventy-Nine and xx/100 ($11,650,179.00) Dollars, to be paid by MCRLP in accordance with Section 2.2.

ii. The Property. (a) At the Closing (as hereinafter defined), and upon satisfaction of the terms and conditions herein (i) Contributors shall contribute, convey or otherwise transfer to MCRLP or its Permitted Assignees (as hereinafter defined), all of Contributors' Interests and (ii) MCRLP (and Mack-Cali where applicable) shall, subject to adjustment as set forth herein, pay to Contributors or their designees, in cash, the amount of Eleven Million Six Hundred Fifty Thousand One Hundred Seventy-Nine and xx/100 ($11,650,179.00) Dollars (the "Cash Payment"), allocated as set forth in Schedule 2.2(a)(i); and (iii) MCRLP (and Mack-Cali where applicable) shall issue the Contributor Units (as hereinafter defined) in an amount set forth on Schedule 2.2(a)(ii) to such persons as Contributor shall direct in writing (as set forth in Section 10.2(aa)) as soon as practicable following the date hereof (the "Unit Holders").

(2) Simultaneous with MCRLP accepting the Contributors' Interests, MCRLP shall issue, subject to adjustments as set forth herein, common units of limited partnership interests in MCRLP (the "Contributor Units"), convertible into Mack-Cali common stock ("Common Stock"); provided, however, that the Unit Holders shall be issued and shall hold the Contributor Units in accordance with the provisions of Section 19.

(3) At the Closing, MCRLP shall issue to Contributors and/or the Unit Holders or their designees certificates representing the Contributor Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth on Exhibit 10.2(ee).

(4) All rights and benefits incidental to the ownership of the Contributor Units received in exchange for the Property, including, but not limited to the right to receive distributions, voting rights and the right to exchange the Contributor Units for shares of Common Stock, shall accrue for the benefit of the Unit Holders commencing on the Closing Date (as defined herein).

(5) With respect to the first Partnership Record Date (as defined in the OP Agreement (as defined below)) on or after the Closing, the Unit Holders shall receive distributions payable with respect to the Contributor Units on a pro rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held Contributor Units.

iii. Intentionally Deleted.

iv. Intentionally Deleted.

c. INSPECTION PERIOD; MCRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.

i. Prior to the Closing (the "Inspection Period"), MCRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property, the Contributors and/or Owner, including, but not limited to, soil tests and borings, ground water tests and investigations, percolation tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as MCRLP, in its sole discretion, determines is necessary or desirable in connection with the Property, the Contributors and/or Owner and may inspect the physical (including environmental) and financial condition of the Property, the Contributors and/or Owner, including but not limited to Leases, Service Contracts, contracts pursuant to which third party management fees are payable, copies of the Contributors' and Owner's Tax Returns and the Property Financials (as hereinafter defined) as of and for the years ending December 31, 1995, 1996 and 1997, engineering and environmental reports, development approval agreements, permits and approvals, which inspection shall be satisfactory to MCRLP in its sole discretion. Contributors agree to cooperate and shall cause Owner to cooperate with MCRLP in such review and inspection and, to the extent not yet delivered, shall deliver said documents and information to MCRLP within ten (10) days from the date hereof. MCRLP may terminate this Agreement for any reason, by written notice given to Contributor, prior to the expiration of the Inspection Period. In the event MCRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event MCRLP does not terminate

this Agreement by the end of the Inspection Period, then MCRLP shall be deemed to have elected not to terminate this Agreement.

ii. During the Inspection Period, MCRLP, its agents and contractors shall have unlimited access to the Property the Contributors and/or Owner and other information pertaining thereto in the possession or within the control of Contributors, during normal business hours, for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Such right of inspection and the exercise of such right shall not constitute a waiver by MCRLP of the breach of any representation or warranty of Owner or Contributors which might, or should, have been disclosed by such inspection. Contributors shall cooperate and cause Owner to cooperate with MCRLP in facilitating its due diligence inquiry and shall obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for MCRLP to perform the same.

iii. To assist MCRLP in its due diligence investigation of the Property and Owner, Contributors shall deliver to MCRLP, by the execution and delivery of this Agreement, true and correct copies of all existing Phase I environmental studies (the "Phase I Reports") in the possession or control of Contributors, Owner, its counsel or consultants, with respect to the Real Property, which Phase I Reports are set forth on Schedule 3.3 annexed hereto. In the event that MCRLP determines that it requires any new Phase I Reports or updates thereof, the cost of such reports or updates shall be borne by MCRLP. If MCRLP reasonably requires that further environmental investigations be undertaken beyond any new Phase I or updated Phase I Report, all engineering costs and expenses relating to said further environmental investigations shall be borne by Mack-Cali.

iv. Intentionally Deleted.

v. During the Inspection Period, Mack-Cali and MCRLP shall provide to Contributors and their agents and advisors reasonable access to Mack-Cali's and MCRLP's books and records, and Mack-Cali and MCRLP shall provide Contributors such other reasonable information including, without limitation, all Securities and Exchange Commission filings of MCRLP and Mack-Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit Contributors, at their sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from Owner's or Contributors' inspection or due diligence as permitted by this Section shall give rise to a right of Contributors to terminate this Agreement.

vi. Mack-Cali shall have the right, without the obligation, to terminate this Agreement if (i) at any time prior to the Closing Date, Mack-Cali determines in its sole discretion, that any of the Property is subject to materially adverse environmental conditions, including, without limitation, any environmental condition that has a material adverse affect on the

property value of any Real Property, on the current use of any Real Property, on groundwater at, on, under, about or emanating from any Real Property or on the

ability of Mack-Cali or MCRLP to finance any Real Property; or (ii) Contributor is unable to obtain the approval of any member of the Contributors to the terms of this Agreement; or (iii) Mack-Cali determines that certain of the indebtedness encumbering the Property or Owner cannot be satisfied.

d. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

i. As of the Closing Date, title to the Property shall be subject only to the following (collectively, the "Permitted Encumbrances"):

(1) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided the same are not yet due and payable, but subject to adjustment as provided herein;

(2) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants") as tenants only;

(3) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of MCRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned;

(4) any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(5) the state of facts shown on the surveys described on Schedule 4.1(e) for the property comprising the Real Property;

(6) the Service Contracts, excluding, however, any Service Contract MCRLP advises Contributor to terminate prior to Closing (as hereinafter defined);

(7) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and facilities in, over, under or upon the Real Property, provided the same do not impair, in other than a de minimis manner, the present use of the Real Property;

(8) such matters as the Title Company (as hereinafter defined) shall be willing, without special premium, to omit as exceptions to coverage; and

(9) Intentionally Deleted.

ii. Prior to the date hereof, Contributors shall have directed Land Title Guarantee Company (the "Title Company"), as agent for Chicago Title Insurance Company, to prepare a title insurance search and commitment for owner's title insurance policy for the Real Property (the "Title Commitment"). MCRLP shall cause the Title Company to promptly deliver a copy of the same to Contributors and their counsel. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitment (other than the Permitted Encumbrances) which MCRLP is not required to accept under the terms of this Agreement, Contributors may, at their election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that except as provided below, Contributors shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions, other than (i) judgments against any Contributor or Owner; (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount; and (iii) defects, objections or exceptions which can be removed by payments not to exceed $100,000.00 in the aggregate. Contributors, in their discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. If, after complying with the foregoing requirements, Contributors are unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, MCRLP shall elect either (i) to terminate this Agreement by notice given to Contributors, in which event the provisions of Section 23.2(a) shall apply, or (ii) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. Contributors and Owner agree and covenant that they shall not voluntarily place any encumbrances or restrictions on title to the Real Property from and after the date of the first issuance of the Title Commitment for said Property, except for the right to reserve easements for utilities and ingress and egress encumbering the Real Property (post-closing) for the benefit of adjacent properties owned by Owner (or any affiliate thereof) upon the written consent of MCRLP, which consent shall not be unreasonably withheld or delayed. Mack-Cali and MCRLP covenant and agree that they shall consult with Contributors prior to causing any other person or entity to request any inspection of the Real Property by any governmental entity. Contributors recognize that Mack-Cali's and

MCRLP's due diligence necessitates said inspection. Mack-Cali and MCRLP agree that they shall conduct any due diligence with such governmental entity with a view toward maintaining the confidentiality of the transaction contemplated by this Agreement.

iii. It shall be a condition to Closing that Contributors contribute and convey, and that the Title Company insures, title to the Real Property in the amount of the Exchange Consideration (at a standard rate for such insurance) in the name of MCRLP or its designees, by a standard 1992 ALTA Owner's Policy, with ALTA endorsements Form 3.1, Form 8.1, a comprehensive owner's endorsement and non-imputation endorsement, to the extent that the premium for such endorsements, with the exception of the non-imputation endorsements, is paid by MCRLP, for the Real Property and any other endorsements as reasonably required by MCRLP, free

and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that (i) the exception for taxes shall apply only to the current taxes not yet due and payable; and (ii) to the extent that the premium for such endorsements, with the exception of the non-imputation endorsements, is paid by MCRLP, (a) any Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; and (b) MCRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances. Owner and Contributor shall provide such affidavits, undertakings and indemnities as the Title Company insuring title to the Real Property may require, including without limitation indemnities relating to each non-imputation endorsement, and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

iv. Contributors shall cause one or more surveyors acceptable to MCRLP to deliver to MCRLP a survey or surveys of the Real Property acceptable to MCRLP in all respects and in conformity with ALTA standards. MCRLP shall, at MCRLP's sole cost and expense and with Contributors' cooperation and assistance, cause the surveyor to update the survey no more than thirty (30) days prior to the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured, to the extent that the premium for such endorsement is paid by MCRLP, to MCRLP.

v. Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by Contributors or Owner, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by Contributors. Owner or Contributors shall deliver to MCRLP, on the Closing Date, instruments in recordable form sufficient to discharge any such mortgages or other liens which any of the Contributors or Owner is obligated to pay and discharge pursuant to the terms of this Agreement.

vi. If the Title Commitment discloses judgments, bankruptcies or other returns against other persons or entities having names the same as or similar to that of Owner or any of the Contributors, Contributors shall, upon request, deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against Owner or any of the Contributors, or any of their affiliates. Upon request by MCRLP, Contributors shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard exceptions on the ALTA Owner's Policy.

e. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTORS.

i. In order to induce MCRLP and Mack-Cali to perform as required hereunder, Contributors hereby warrant and represent jointly and severally to MCRLP and Mack-Cali, the following with respect to the Property and Contributors' Interests:

(1) Owner is a duly organized and validly existing entity, organized and in good standing under the laws of the state of its formation, as more particularly set forth in Exhibit A hereto, is duly authorized to transact business in the State of Colorado, has all requisite power and authority to consent to the execution and delivery of this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to cause the contribution and conveyance of Contributors' Interests in accordance with the terms and conditions hereof. All necessary actions of Owner and Contributors, and the members of each, to confer such power and authority upon the persons executing this Agreement and all

documents which are contemplated by this Agreement on their behalf have been taken.

(2) Owner has the power and authority to own the Property and to conduct and transact its limited liability company business.

(3) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of each Contributor, enforceable in accordance with the terms of this Agreement. The performance by each Contributor of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of such Contributors or Owner or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator to which such Contributors or Owner is a party or by which its assets are or may be bound.

(4) Annexed hereto as Schedule 5.1 (d) is a true, complete and correct schedule of all of the Leases. The Leases are valid and bona fide obligations of the landlord and Tenants thereunder and are in full force and effect. To the best of Contributors' knowledge, no defaults exist thereunder and no condition exists which, with the passage of time or the giving of notice or both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements (other than the Leases) which confer upon any Tenant or any other person or entity any rights with respect to the Property, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such

claim been asserted by any Tenant. Contributors shall, at their sole cost and expense, obtain a certificate of occupancy for RxKinetix promptly after the Closing.

(5) Annexed hereto as Schedule 5.1(e) (the "Rent Roll") is a listing of the following, which is true, complete and correct in all respects for the Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) any written notices given by any Tenant of an intention to vacate space in the future; (vii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (viii) any arrearages of any Tenant beyond thirty (30) days.

(6) To the knowledge of Contributors, Owner has performed all of the obligations and observed all of the covenants required of it as landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future, and no continuing obligations or liabilities by Owner, as landlord under the Leases. To the knowledge of Owner and Contributors, except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by Owner within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Owner.

(7) There are no service contracts, union contracts, employment agreements or other agreements affecting the Property or the operation thereof, except the Service Contracts and other contracts and agreements set forth on Schedule 5.1(g) annexed hereto. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any material default or claim of material default by any of the parties thereto. All sums presently due and payable by Owner under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by Owner within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Owner. All of the Service Contracts may be terminated on not more than sixty (60) days notice without the payment of any fee or penalty, and the representation contained in this sentence is not subject to being modified by the limitations of Section 5.5. There are no employees of Owner, or any affiliate thereof, working at or in connection with the Real Property pursuant to any of the Service Contracts, other contracts and/or employment agreements except as set forth on Schedule 5.1(g).

(8) Except as set forth on Schedule 5.1(h) annexed hereto, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of Owner or Contributors, threatened against or related to Owner or any of the any of the Contributors or all or any part of the Property or Owner, the environmental condition thereof, or the operation thereof.

(9) Except as set forth on Schedule 5.1(i) annexed hereto, neither Owner nor any of the Contributors has received written notice of and neither has any knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Real Property or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Real Property, or (v) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. Contributors agree to furnish MCRLP with a copy of any such notice received within two (2) business days after receipt.

(10) Contributors have provided MCRLP with all reports in the possession of Owner, Contributors, its counsel or consultants, or under their control, related to the physical condition of the Real Property.

(11) Except as set forth on Schedule 5.1(k) annexed hereto, Contributors have no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property, or any violations or conditions that may give rise thereto, and have no reason to believe that any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the management, operation, use or improvement thereof (collectively, the "Governmental Authorities" or "Governmental Authority" as the context requires) contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving Owner, any of the Contributors or the Real Property. For purposes of this Agreement, the term "Governmental Authority" shall also include the Internal Revenue Service and any other federal, state, local or foreign taxing authority.

(12) There are no employees of Owner or the Contributors or any affiliates thereof working at or in connection with the Real Property except as set forth on Schedule 5.1(l).

(13) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of Owner, Contributors and MCRLP with respect to said commissions are set forth in Section 13.

(14) Neither Owner nor any of the Contributors has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Owner's or Contributor's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Owner's or Contributor's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Owner's or Contributor's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(15) Except as set forth on Schedule 5.1(o), the Personal Property is now owned and will on each of the Closing Date be owned by Owner or the Contributors free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

(16) Intentionally Deleted.

(17) Intentionally Deleted.

(18) Intentionally Deleted.

(19) Contributors have no knowledge that any part of the Real Property has been designated as wetlands or any other word of similar purport or meaning under the Federal Water Pollution Control Act, 33 U.S.C. ss.1251 et seq.; the Colorado Water Quality Control Act, Colo. Rev. Stat. Section 25-8-101 et seq; or any other applicable federal, state, county or

municipal statute, ordinance, rule, regulation, order or code.

(20) To the best of Contributors' knowledge, there are no active or inactive aboveground or underground storage tanks or vessels or associated piping at the Real Property, regardless of whether or not such tanks or vessels are regulated tanks or vessels, except as set forth on Schedule 5.1(t).

(21) Contributors have no knowledge of outstanding requirements or recommendations by (i) any insurance company currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions; or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work of a material nature to be done on the Property.

(22) The financial statements, including the income and expense statements and the balance sheets of Owner, the Contributors and their affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement, relating to Owner's ownership and operation of the Property and the related statement of income, member's capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1995, 1996 and 1997, fairly present the combined financial position of Owner and Contributors relating to the Property as of such dates and the results of operations and cash flows of Owner and the Contributors relating to the ownership and operation of the Property for such respective periods. The Property Financials from January 1, 1998, through the most recent month ending prior to the Closing Date, fairly present the combined financial position of the Property relating to the ownership and operation of the Property as of such date (subject to the normal year-end adjustments described in Schedule 5.1(v)) and with all interim financial statements of the Property heretofore delivered to MCRLP on behalf of Owner and the Contributors. Except as set forth on the Property Financials, there are no other direct or indirect indebtedness, liability, claim or loss that accrued prior to Closing, whether known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise, whether or not of a kind required by GAAP to be set forth on the Property Financials or the notes thereto, including, without limitation, indebtedness for borrowed money (collectively, "Liabilities").

(23) Except as set forth in Schedule 5.1(w), Owner does not maintain any 401(k) savings plans, pension plans, multi-employer plans (as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee benefit plans (as defined in ERISA) or employee welfare plans providing for benefits to Owner employees (each, an "Employer Plan"). From and after the date hereof, the Contributors shall not cause or permit Owner to adopt an Employer Plan. Mack-Cali shall have no liability to any current or former employees of Contributor or any affiliate thereof, including, without limitation, any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any plans or programs listed on Schedule 5.1(w), or arising under applicable Federal or state law, including, without limitation, under the Worker Adjustment and Retraining Nonfiction Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

(24) Intentionally Deleted.

(25) Except as disclosed in the Phase I Reports or otherwise set forth in Schedule 5.1(y):

(a) To the best of Contributors' knowledge, no Governmental Authority has demanded in writing, addressed to Owner, Contributors or any of its affiliates, counsel or agents, that any Contaminants (as defined herein) be cleaned up or

environmentally remediated at any Real Property, which has not been cleaned up or environmentally remediated.

(b) To the best of Contributors' knowledge, no Contaminants have been Discharged (as hereinafter defined) which would allow a Governmental Authority to demand that a cleanup be undertaken.

(c) To the best of Contributors' knowledge, no ss.104(e) informational request, issued pursuant to CERCLA (as hereinafter defined) with respect to the Real Property has been received by Contributors or Owner.

(d) To the best of Contributors' knowledge, all pre- existing aboveground and underground storage tanks and vessels, if any, at the Real Property have been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws.

(e) To the best of Contributors' knowledge, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws (as hereinafter defined) on the Real Property, except as set forth on Schedule 5.1(y).

(f) To the best of Contributor's knowledge, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property, are identified in Schedule 5.1(y) and are in compliance with all Environmental Laws.

(g) To the best of Contributors' knowledge, Owner and the Contributors have all material certificates, licenses and permits (the "Permits"), including without limitation, environmental Permits, required to operate the Real Property. To the best of Contributors' knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property, as the case may be, without additional payment by MCRLP, and shall, upon Closing, be transferred to MCRLP by Contributors and Owner.

(h) To the best of Contributors' knowledge, the Real Property has not been used during the period of Owner's ownership as solid wastes disposal sites and facilities as defined in the Colorado Solid Wastes Disposal Sites and Facilities Law, Colo. Rev. Stat. Section 30-20-100.5 et seq. and the regulations promulgated thereunder.

(i) To the best of Contributors' knowledge, there are no engineering or institutional controls at the Real Property, including without limitation, any deed notice, declaration of environmental restriction, groundwater classification exception area, well

restriction area or other notice or use limitations pursuant to Colo. Rev. Stat. Section 25-15-208 et seq. and the regulations promulgated thereunder.

(j) Neither Owner nor any of the Contributors have transported any Contaminants from the Real Property to another location in violation of Environmental Laws.

(k) To the best of Contributors' knowledge, there are no federal or state liens, as referenced under CERCLA and the regulations promulgated thereunder, or under any other applicable Environmental Law that have attached to the Real Property.

(l) Contributors and Owner have provided MCRLP with all environmental site assessments, investigations, and documents and all other Environmental Documents (as that term is defined below) in their possession or under their control and shall continue to do so after execution of this Agreement promptly upon its receipt.

(m) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(i) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(ii) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property regardless of whether the result of an intentional or unintentional action or omission.

(iii) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of Owner or the Contributors concerning the Property or its environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent,

sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental Authority.

(iv) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(26) Owner and each Contributor shall have timely paid all Taxes (as defined herein) due and payable on or prior to the Closing Date. Owner and each Contributor shall have timely filed all Tax Returns (as defined herein) required to be filed on or prior to the Closing Date. Each such Tax Return is complete and accurate in all respects. Owner and each Contributor shall have timely paid or will timely pay, or shall have provided for or will provide for a cash reserve for the payment of, all Taxes due and payable on or after the Closing Date for all taxable periods (or portions thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period" or "Pre-Closing Tax Periods"). Owner and each Contributor shall timely file all Tax Returns which relate to all Pre-Closing Tax Periods but which are required to be filed after the Closing Date. Each such Tax Return will be complete and accurate in all respects. True and complete copies of all Tax Returns filed by Owner and each Contributor for taxable periods beginning on or after January 1, 1994, and all written communications relating thereto, have been, or will be upon request, delivered to Mack-Cali. Owner has also provided, or will also provide upon request, to Mack-Cali copies of: (i) any letter ruling, determination letter or similar document issued to Owner by any Governmental Authority, and (ii) any closing or other agreement entered into by Owner with any Government Authority. Except as set forth on Schedule 5.1(z), there are no ongoing Audits or Audits pending or, to the knowledge of Owner or any Contributors against the Property, any Contributors or Owner. There are no agreements or waivers extending the statutory period of limitations with respect to any such Tax Returns or for the assessment or collection of any such Taxes. No claim has ever been made by a Governmental Authority in a jurisdiction where Owner or any Contributor does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(27) Annexed hereto as Schedule 5.1(aa) is a listing, for federal income tax purposes, of the following information, which is true, complete and correct in all aspects for each item of Property contributed through each Contributor's Interest: (i) its adjusted basis as of the first day of Owner's taxable year which includes the Closing Date; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(28) Subject to the provisions of Section 5.5, no representation or warranty made by Owner or any Contributor contained in this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary, in light of the

circumstances under which it was made, in order to make the statements herein not misleading or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(29) As used throughout this Agreement, the phrases "to Contributor's knowledge," "to the knowledge of Contributor," "to the best of Contributor's knowledge" "to Owner's knowledge," "to the knowledge of Owner," "to the best of Owner's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge of Terrence Claassen, David Goldberg, Chetter Latcham, Steve Leonard, Rich Majors, Adel Nassif, Chuck Peck and Della Wegman, without having undertaken any independent investigation of facts or legal issues without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Contributors or of any other person or entity.

(30) Annexed hereto as Schedule 5.1(dd)(i) is a true, complete and correct copy of Owner's operating agreement, as amended to date, and same shall be unchanged and in effect on the Closing Date. Annexed hereto as Schedule 5.1(dd)(ii) is a filed copy of the articles of organization of Owner.

(31) Contributors have good and marketable title to one-hundred (100%) percent of Owner and 100% of Contributors' Interests, free of all liens and encumbrances whatsoever.

(32) Contributors have the power and authority to own their respective Contributors' Interests and to conduct and transact their own business and the business of Owner.

(33) The contribution of Contributors' Interests pursuant to this Agreement is authorized and within the power of each Contributor and is legal and will not conflict with, result in any breach of any of the provisions of, or constitute a default under the provisions of Owner's operating agreement or other instrument to which any Contributor is a party or

by which any Contributor may be bound.

(34) Neither MCRLP, nor Mack-Cali shall be responsible, as a consequence of the contribution intended hereby, for any obligation (including any Taxes) of Owner or Contributor or for any liability, debt or obligation (including any Taxes) of Owner or Contributor to any third party including, without limitation, any employees of Owner or Contributor or any Employer Plan accruing during the period prior to Closing (and Contributor hereby agrees to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any such liability, debt or obligation, including any Taxes and reasonable attorney's fees), except for any obligations or liabilities of Owner or Contributor subject to which MCRLP or Mack-Cali has expressly agreed

to accept the assignment of Contributor's Interests and accruing during the period following Closing. The representations and the indemnity set forth herein shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing.

(35) After the Closing, Contributors shall not be entitled to receive from Owner any distribution or payment of indebtedness or for any other reason whatsoever, except for cash and receivables with respect to rent under the Leases for the period occurring prior to Closing to the extent Contributor is entitled to same under Article 11, as of the date of Closing, which shall be paid to Contributors.

ii. Intentionally Deleted.

iii. All representations and warranties made in this Agreement by Owner and the Contributors and those representations and warranties made by the Contributors and the Contributor Unit Holders in the certificate executed by each and delivered pursuant to Exhibit 10.2(ee) shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (c), (w), (z) and (dd) through (hh) of Section 5.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the Interest Assignments. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate (as defined below) as to any of the matters which are contained in the representations and warranties made by Owner and/or Contributors in Section 5.1(f) of this Agreement, then such representations and warranties as to such matters shall be of no further force or effect to the extent of any conflict. Apollo Real Estate Investment Fund II, L.P., a Delaware limited partnership; Pacifica Holding Company, a Colorado corporation; and Pacifica Holding Company, a Colorado limited liability company (collectively, "Guarantor"), and Contributors, jointly and severally, shall, pursuant to a separate indemnity agreement (the "Indemnity Agreement") in the form attached hereto as Exhibit 5.3, indemnify and defend MCRLP and Mack-Cali, and to hold MCRLP and Mack-Cali harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by MCRLP by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Owner and Contributors contained in this Agreement to the full extent Owner or the Contributors would be liable therefor under the terms of this Agreement. The foregoing indemnity shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing. Notwithstanding the foregoing, Steven C. Leonard IRA, Cynthia O. Leonard IRA, Steven Ohren IRA and the members of Contributors shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, except as set forth in Section 28, MCRLP and Mack-Cali shall not have a right to bring a claim against Contributors by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to MCRLP and/or Mack-Cali are reasonably expected to exceed $100,000.00, but thereafter MCRLP

and/or Mack-Cali may bring a claim against Contributors for the entire amount of its aggregate damages.

iv. Each Contributor acknowledges that it is not in a significantly disparate bargaining position with respect to MCRLP or Mack-Cali in connection with the transaction contemplated by this Agreement and that such Contributor was represented by legal counsel in connection with this transaction.

v. Mack-Cali and MCRLP each acknowledges that it has had, or will have had, as of the Closing, sufficient time to review all materials and information set forth in Schedule 5.5, and sufficient time and access to review and investigate the Property. Notwithstanding any other provision of this Agreement, except as set forth in Subsections 5.1(d), (e) and (f) as they relate to the Leases, the Estoppels and the Rent Rolls, the representations and

warranties of Owner and Contributors as set forth herein or in each Contributor's Closing Certificate are hereby modified to be made true to the extent that, as of the date hereof with respect to the representations and warranties made herein, and as of the Closing Date with respect to the representations and warranties made by Owner and each Contributor as of the Closing Date, (i) information contained in the records made available as set forth Schedule 5.5 no longer makes the subject representation or warranty not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information, or (ii) either Mack-Cali or MCRLP has knowledge that the subject representation or warranty is untrue, or (iii) Contributors have delivered or made available to any of the individuals described in Section 6.1(l) other written information disclosing that the subject representation or warranty is not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information.

f. REPRESENTATIONS AND WARRANTIES OF MACK-CALI AND MCRLP.

i. In order to induce Contributors to perform as required hereunder, Mack-Cali and MCRLP hereby jointly and severally warrant and represent the following:

(1) (i) MCRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of MCRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) Mack-Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to permit MCRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Mack-Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(2) This Agreement and the agreements and other documents to be executed and delivered by each of Mack-Cali and MCRLP hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of each of Mack-Cali and MCRLP, enforceable in accordance with the terms of this Agreement. The performance by each of Mack-Cali and MCRLP of each of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by each of them hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of each of Mack-Cali and MCRLP or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which each of Mack-Cali and MCRLP is a party or by which each of its assets are or may be bound.

(3) The Contributor Units to be issued to Contributors and/or the Unit Holders are duly authorized and, when issued by MCRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Mack-Cali upon redemption of the Contributor Units will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same will be exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(4) MCRLP has furnished to Contributors a true and complete copy of the OP Agreement, as amended to date.

(5) Mack-Cali has caused to be delivered to Contributors copies of the OP Agreement. The SEC Documents were, and those additional documents filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(6) The consolidated financial statements included in the SEC Documents have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial position of Mack-Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, "Subsidiaries" shall mean (i) any entity of which Mack-Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority of the outstanding capital stock (or other shares of beneficial interest), or (y) at least a majority of the partnership, joint venture or similar interests; and (ii) any entity in which Mack-Cali (or other specified entity) is a general partner or joint partner, including without limitation MCRLP. "Subsidiaries" shall specifically exclude Mack-Cali Services, Inc. and The Grove Street Urban Renewal Corp., which are the only non-qualified REIT subsidiaries of Mack-Cali as of the date hereof.

(7) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Mack-Cali's and MCRLP's knowledge, threatened, at law or in equity, against either of Mack-Cali or MCRLP before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either of Mack-Cali or MCRLP from performing its respective obligations pursuant to this Agreement.

(8) The execution and delivery of this Agreement and the performance by each of Mack-Cali and MCRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Mack-Cali or MCRLP, including without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Mack-Cali or MCRLP is a party or by which Mack-Cali or MCRLP is bound or affected.

(9) (1) Mack-Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1997, as a real estate investment trust ("REIT") within the meaning of Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"), (B) has complied with all applicable provisions of the Code which would have enabled it to qualify as a REIT for 1995 and 1996, (C) has operated, and intends to continue to operate, in such a manner so as to enable it to qualify as a REIT for 1998 and subsequent years, and (D) has not taken or omitted to take any action which would reasonably be expected to cause its disqualification as a REIT, and no challenge to its REIT status is pending or, to Mack-Cali's knowledge, threatened.

(2) Mack-Cali has timely filed with the appropriate Governmental Authority all Tax Returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such Tax Return is true and correct in all material respects. All Taxes shown as owed by Mack-Cali or any of its Subsidiaries on any Tax Return have been paid or accrued, except for Taxes being contested in good faith and for which adequate reserves have been established. None of Mack-Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax.

(3) To its knowledge, as of the date hereof, Mack-Cali is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code.

(10) All of Mack-Cali's real property and other material assets are owned by Mack-Cali indirectly through its ownership of MCRLP and MCRLP's Subsidiaries.

(11) Neither Mack-Cali nor MCRLP has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Mack-Cali's or MCRLP's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Mack-Cali's or MCRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Mack-Cali's or MCRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(12) As used throughout this Agreement, the phrases "to Mack-Cali's knowledge," "to the knowledge of Mack-Cali," "to the best of Mack-Cali's knowledge" "to MCRLP's knowledge," "to the knowledge of MCRLP," "to the best of MCRLP's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge Tim Jones, John DeBari, Daniel Wagner,

Andrew Greenspan, Roger W. Thomas, and Terry Noyes, without having undertaken any independent investigation of facts or legal issues without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Mack-Cali, MCRLP or of any other person or entity.

ii. Each of Mack-Cali and MCRLP acknowledges that it is not in a significantly disparate bargaining position with respect to Contributor in connection with the transaction contemplated by this Agreement and that Mack-Cali and MCRLP were represented by legal counsel in connection with this transaction.

iii. All representations and warranties made by Mack-Cali and MCRLP in this Agreement shall survive the Closing Date for a period of eighteen (18) months, except that the representations and warranties set forth in clauses (a) and (b) of Section 6.1 shall

survive the Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the Assignment of Contributor's Interest. Mack-Cali and MCRLP agree to indemnify and defend Contributors, and to hold Contributors harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Contributors by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Mack-Cali and MCRLP contained in this Agreement. Notwithstanding the foregoing, the partners and/or shareholders of MCRLP and Mack-Cali shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, Contributors shall not have a right to bring a claim against Mack-Cali or MCRLP by virtue of any of the representations or warranties being false or misleading unless and until (a) such false or misleading representation or warranty has a material adverse affect on the transactions contemplated herein; and (b) the aggregate damages to Contributors is reasonably expected to exceed $100,000.00, but thereafter Contributors may bring a claim against Mack-Cali or MCRLP for the entire amount of their aggregate damages.

g. INTERIM OPERATING COVENANTS OF CONTRIBUTORS.

i. Contributors covenant and agree that between the date hereof and the Closing Date (the "Interim Period"), they shall perform or observe or cause Owner to perform or observe the following with respect to the Real Property:

(1) Owner will complete any capital expenditure program currently in process or anticipated to be completed. Owner and Contributors will not defer taking any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(2) Owner, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without MCRLP's prior written consent; provided, however that Owner shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of MCRLP, so long as such lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which Owner currently enters into in the ordinary course of its business.

(3) Owner shall comply with and/or remedy all violations of statutes, ordinances, rules, regulations, orders, codes, directives or requirements affecting the Real Property, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities prior to the Closing, and the Real Property shall be conveyed free of any such violations, including, without limitation, violations of Environmental Laws.

(4) Neither Owner nor any Contributors shall:

(a) Enter into any agreement requiring Owner to do work for any Tenant after the Closing Date without first obtaining the prior written consent of MCRLP, unless such agreement is on market terms and conditions with bona fide third parties and is the type of agreement which Owner currently enters into in the ordinary course of its business, in which case no consent of MCRLP will be required; or

(b) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, except in its ordinary course of business on market terms, with bona fide third parties and upon prior written notice to MCRLP.

(c) Intentionally Deleted.

(5) Owner shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business. Owner and Contributors shall provide MCRLP with an updated schedule of Security Deposits at the Closing.

(6) Between the date hereof and the Closing Date, Owner will not renew, extend or modify any of the Service Contracts without the prior written consent of MCRLP unless such is done by Owner in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of MCRLP will be required.

(7) Owner and Contributors shall not remove or permit the removal of any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to MCRLP, other than expressly provided herein.

(8) Owner and Contributors shall, upon request of MCRLP at any time after the date hereof, assist MCRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as MCRLP may reasonably request, covering the period of Owner's ownership of the Real Property.

(9) Between the date hereof and the Closing Date, Owner will make all required payments under any mortgage affecting the Real Property within any applicable grace period, but without reimbursement by MCRLP therefor. Owner shall also comply with all other material terms covenants and conditions of any mortgage on the Real Property.

(10) Owner shall not cause or permit the Real Property or any interest therein (including without limitation the Improvements or the Contributors' Interests), to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(11) Owner agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining, which policies Contributors represent are sufficient to protect, to a reasonable and prudent extent, the owner of the Property, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(12) Owner and Contributors shall permit MCRLP and its authorized representatives to inspect the Books and Records of their operations at all reasonable times upon reasonable notice. All Books and Records not conveyed to MCRLP hereunder shall be maintained for MCRLP's inspection at each Contributor's address as set forth in Exhibit A hereto.

(13) Owner and Contributors shall:

(a) promptly notify MCRLP of, and promptly deliver to MCRLP, a certified true and complete copy of any notice Owner or Contributors may receive, on or before the Closing Date from any Governmental Authority concerning a violation of Environmental Laws or Discharge of Contaminants;

(b) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by Owner or its representatives, deliver to MCRLP a certified true and complete copy of all Environmental Documents; and

(c) timely provide MCRLP with drafts of any pertinent documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of Tenants and shall keep MCRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

ii. Prior to the Closing, Contributors shall deliver to MCRLP reviewed Property Financials as set forth in Section 5.1(v). Within thirty (30) days after the Closing Date, Contributors shall deliver to MCRLP Property Financials, as set forth in Section 5.1(v), through the Closing Date. The provisions of this Section 7.2 shall survive the Closing Date.

iii. Intentionally Deleted.

iv. Intentionally Deleted.

v. Owner and Contributors will timely pay all Taxes due and payable by each of them during the Interim Period. Owner and Contributors will timely file all Tax Returns required to be filed by them during the Interim Period. Each such Tax Return will be complete and accurate in all respects and will be filed on a basis consistent with past practice. A copy of all such Tax Returns shall be delivered to Mack-Cali at least three (3) days prior to such Tax Returns being filed. The obligations set forth in this Section 7.5 shall survive the expiration or earlier termination of this Agreement and/or shall survive the Closing Date for the applicable period of the statute of limitations.

h. INTENTIONALLY DELETED.

i. ESTOPPEL CERTIFICATES.

i. Contributors agree to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form annexed hereto as Exhibit 9.1 for Tenant's execution, completed to reflect Tenant's particular Lease status. Contributors agree to use commercially reasonable efforts to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, Contributors shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver the same as provided in its Lease. Contributors agree to deliver to MCRLP copies of all estoppel letters received by Tenants, in the form received by Owner or Contributors. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

ii. As a condition to the Closing, Contributors shall deliver (a) an Estoppel Certificate from all Tenants which lease space at the Real Property in excess of 10,000 square feet or more in the aggregate, and (b) Estoppel Certificates from the remaining Tenants leasing in the aggregate at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in Clause 9.2(a) above.

iii. For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

j. CLOSINGS.

i. (a) Closing. The consummation of the transactions contemplated hereunder with respect to the Property (the "Closing") shall take place at the offices of Brownstein, Hyatt, Farber & Strickland, P.C., 410 Seventeenth Street, 22nd Floor, Denver, Colorado, 80202-4437, on or about March 25, 1998 (the "Closing Date"). Upon notice to

Contributors, MCRLP may elect to accelerate the Closing Date to a date not less than five (5) days after the date of MCRLP's notice.

(2) Intentionally Deleted.

(3) Intentionally Deleted.

(4) Intentionally Deleted.

ii. On the Closing Date, except as otherwise set forth in subsections 10.2(z) and 10.2(aa), Contributor, at its sole cost and expense, will deliver or cause to be delivered to MCRLP the following documents, fully executed by all parties thereto other than MCRLP or parties claiming by, through or under MCRLP:

(1) Duly executed and acknowledged assignments from each Contributor of such Contributor's Interest (the "Interest Assignments"), in the form annexed hereto as Exhibit 10.2(a), to MCRLP or its designee, as assignee, together with all applicable and requisite consents, mortgagee consents and resolutions authorizing the assignment and transaction.

(2) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Contributors, using their best efforts, are unable to deliver originals of the same.

(3) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and Records, and certified copies of the same where Contributors, using their best efforts, are unable to deliver originals of the same.

(4) Intentionally Deleted.

(5) Intentionally Deleted.

(6) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f).

(7) Intentionally Deleted.

(8) Affidavits and indemnities required by the Title Company in connection with non-imputation title insurance endorsements and such other documents and instruments required by the Title Company, executed by Contributors certifying (i) against any work done or supplies delivered to the Real Property which might be grounds for a materialman's

or mechanic's lien under or pursuant to Colorado Lien Law, in form sufficient to enable the Title Company to affirmatively insure MCRLP against any such lien, (ii) that the signatures on the Interest Assignments are sufficient to bind Contributors and convey the Contributors' Interest to MCRLP, (iii) the Rent Roll, and (iv) that Contributors shall indemnify the Title Company against any loss resulting from the imputation of knowledge to MCRLP, or Mack-Cali through Contributors.

(9) Affidavits and other instruments, including but not limited to all organizational documents of Owner and Owner's members, as applicable, including Owner's operating agreements, filed copies of the articles of organization and good standing certificates (or its equivalent), reasonably requested by MCRLP and the Title Company evidencing the power and authority of Owner and Contributors to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(10) The original Estoppel Certificates.

(11) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit MCRLP to realize upon the same and as may be required by the issuing banks of any cash and non-cash security deposits to reflect a change in the beneficial interest of the Owner and changes in signatories to the bank accounts holding the cash and non-cash security deposits.

(12) A certificate indicating that the representations and warranties of Owner and Contributors made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(13) A Rent Roll for the Property, current as of the Closing Date, certified by Owner and Contributors as being true and correct in all material respects.

(14) All proper instruments as shall be reasonably required for the conveyance to MCRLP of all right, title and interest, if any, of Owner and Contributors in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, or Improvements or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (iii) for any taking in condemnation or eminent domain of any part of the Land and Improvements.

(15) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate which is in a form acceptable to Mack-Cali and which is signed by each Contributor (or an appropriate officer of each Contributor that is

an entity) to the effect that such Contributor is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(16) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Contributors as may be required of Contributors by law in connection with the transfer of Contributors' Interests to MCRLP, including but not limited to, Internal Revenue Service forms and the declaration required to be filed pursuant to Title 39, Article 14 of the Colorado Revised Statutes.

(17) A statement setting forth all adjustments and prorations shown thereon.

(18) A Tradenames Assignment Agreement substantially in

the form of Exhibit 10.2(r).

(19) Estoppel certificates addressed to MCRLP from the mortgagees of the mortgages, if any, in form and substance reasonably acceptable to MCRLP.

(20) An opinion of counsel from Brownstein, Hyatt, Farber & Strickland, P.C., substantially in the form of Exhibit 10.2(t) regarding the due execution, delivery, and enforceability of this Agreement, the foregoing documents and the contribution by each Contributor of its Contributor's Interest to MCRLP.

(21) Duly executed and acknowledged Indemnity Agreement substantially in the form of Exhibit 5.3.

(22) Intentionally Deleted.

(23) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(24) Intentionally Deleted.

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

(26) At least fifteen (15) days prior to the Closing Date, a schedule setting forth, with respect to each Contributor that will receive Contributor Units as part of the consideration: (i) the identity of such Contributors and the amount of Contributor Units so allocated to any such Contributor; (ii) the gross fair market value of the interest that such Contributor

is transferring to MCRLP for purposes of determining the gain or loss that will be recognized for federal income tax purposes as a result of the transfer; (iii) the adjusted basis of such interest immediately prior to the contribution; (iv) the amount of cash and Contributor Units allocated to such interest; and (v) the amount of any liability relating to such interest that MCRLP will either assume or to which such interest will be subject and which does not constitute a "qualified liability" within the meaning of Treasury Regulations Section 1.707-5(a)(6).

(27) At least fifteen (15) days prior to the Closing Date, a schedule setting forth: (i) any Contributor named for purposes of Section 10.2(z)(i) which is to receive less than the full amount of Contributor Units indicated for purposes of Section 10.2(z)(i); and (ii) the names of those persons who are to receive Contributor Units that each such Contributor would otherwise be entitled to receive and the amount of units that any such persons are to receive. At least fifteen (15) days prior to the Closing Date, each Contributor to which this Section 10.2(aa) is relevant shall issue "direction letters" to MCRLP (in the form acceptable to MCRLP), to the effect that each such Contributor authorizes the issuance by MCRLP of Contributor Units directly to such persons (and in such amounts) which are set forth for purposes of Section 10.2(aa)(ii).

(28) A letter from each applicable municipal department or agency having jurisdiction that the Property is in compliance with the laws, codes, rules, regulations and ordinances regarding (i) zoning, (ii) building, (iii) health and (iv) fire, life and safety.

(29) A computer diskette containing any closing or other documents executed in connection with this transaction and prepared by Owner, Contributors or their counsel, in WordPerfect or Microsoft Word format.

(30) All original organizational documents relating to Owner and the Contributors, and all statements of accounts, books and records and insurance policies.

(31) A certificate executed by each Contributor Unit Holder and each Contributor receiving Contributor Units, substantially in the form of Schedule 10.2(ee).

(32) A counterpart to the OP Agreement substantially in the form of Exhibit 10.2(ff), executed by each Contributor Unit Holder and each Contributor receiving Contributor Units.

iii. On the Closing Date, Mack-Cali and MCRLP, at their sole cost and expense, will deliver or cause to be delivered to Contributors the following documents, fully executed by all parties thereto other than Contributors or parties claiming by, through or under Contributors:

(1) The Cash Payment, net of adjustments and prorations.

(2) The Permanent Certificates representing, in the aggregate, the Contributor Units.

(3) Intentionally Deleted.

(4) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f) annexed hereto.

(5) A certificate indicating that the representations and warranties of Mack-Cali and MCRLP made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(6) Affidavits and other instruments, including but not limited to all organizational documents of Mack-Cali and MCRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by Contributors evidencing the power and authority of Mack-Cali and MCRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(7) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(8) Intentionally Deleted.

(9) A Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(10) Intentionally Deleted.

(11) Duly executed and acknowledged Interest Assignments in the form of Exhibit 10.2(a).

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

iv. Contributor shall pay for the premium charges and costs for title insurance policies (but not any endorsements to such policies required by Mack-Cali); all survey costs; all costs incurred to repay or satisfy any and all liens; all costs incurred with respect to non-imputation endorsements to title insurance policies obtained by MCRLP; all leasing commissions due to Tenants in connection with the initial and/or current terms of their respective Leases; all costs of tenant improvement concessions due to Tenants in connection with the initial and/or current terms

of their respective Leases; and all customary prorations and apportionments. Mack-Cali shall pay for the costs of all customary documentary and recording fees, if any; the cost of any endorsements to its title insurance policies (with the exception of any non-imputation endorsements); all due diligence investigations costs (including, without limitation, the cost of all Phase I Reports for the Property, which environmental assessment reports shall be dated no more than thirty (30) days prior to the Closing Date); and all customary prorations and apportionments. Each party shall be responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

v. The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of Contributors related to periods prior to the Closing, such claims shall be the responsibility of Contributors, and Contributors shall jointly and severally indemnify, defend and hold harmless MCRLP (and its respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

vi. Mack-Cali and MCRLP acknowledge and agree that, except as set forth in this Agreement, MCRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Contributors. Mack-Cali and MCRLP acknowledge that except for documents, reports and information related to the environmental integrity of the Real Property, neither Mack-Cali nor MCRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or sketches, financial information, projections, pro formas or statements, that may have been given by or made by or on behalf of Contributors with respect to the Property. MCRLP and Mack-Cali further acknowledge that all materials relating to the Property which have been

provided by Contributors, including but not limited to, the Phase I Reports, have been provided without any warranty or representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and neither MCRLP nor Mack-Cali shall have any recourse against Contributors or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

Contributors do not warrant or make any representation, express or implied, as to the merchantability, quantity, quality, condition, suitability or fitness of the Property for any purpose whatsoever, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the Super Fund Amendments and Reauthorization Act ("SARA"), the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances. MCRLP also acknowledges and agrees that (i) the representations and warranties of Contributors in Section 5 of this Agreement and (ii) provisions in this Agreement for delivery of existing Phase I Reports and inspection and investigation of the Property are adequate to enable MCRLP to make MCRLP's own

determination with respect to the suitability or fitness of the Property, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and SARA, the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances.

Except to the extent (a) caused by a breach of any of Contributors' representations hereunder; (b) related to claims by or liabilities to third parties unrelated to Mack-Cali or MCRLP; or (c) as otherwise expressly set forth herein, including, without limitation, as indemnified under the Indemnity Agreement, MCRLP and Mack-Cali, for themselves and their successors and assigns, hereby release each of the Contributors, and their agents, employees, partners, officers, directors, members, managers, contractors, consultants and representatives from, and waive any and all causes of action or claims against any of such persons for (i) any and all liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under or about the Property of any materials the release or storage of which is regulated by law; (ii) any and all liability resulting from the failure of the Property to comply with any applicable laws; and (iii) any liabilities, damages or injury arising from, connected with or otherwise caused by statements, opinions or information obtained from any of such persons with respect to the Property.

k. ADJUSTMENTS.

i. The following items under (a) through (g) with respect to the Real Property are to be apportioned as of midnight on the date preceding the Closing:

(1) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to MCRLP and shall be applied by MCRLP to current rents and other charges under the Leases. After application of such moneys to current rents and charges, MCRLP agrees to remit to Contributors any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing.

(2) A cashier's or certified check or wire transfer to the order of MCRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of MCRLP, such amount may be allotted to MCRLP as a credit against the Cash Payment.

(3) Utility charges payable by Owner, including without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Contributors will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date.

(4) Amounts payable under the Service Contracts other than those Service Contracts which MCRLP has elected not to assume.

(5) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(6) The value of fuel stored at any of the Real Property, at Owner's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by Owner's supplier.

(7) Intentionally Deleted.

ii. Intentionally Deleted.

iii. At the Closing, Contributors shall deliver to MCRLP a list of additional rent, however characterized, under all Leases, including without limitation, real estate taxes, electrical charges, utility costs and operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1998 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by Owner on account of the components of Additional Rent for calendar year 1998. Upon the reconciliation by MCRLP of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1998, Contributors and MCRLP shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1998. Notwithstanding the foregoing, the calculation of real estate taxes, and the collection of Additional Rents from Tenants attributable to such real estate taxes, as reflected on the closing statement related hereto, shall be final as of the Closing Date.

iv. Intentionally Deleted.

v. If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by Contributors on the Closing Date.

vi. Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of Colorado.

vii. Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

viii. The provisions of this Section 11 shall survive the Closing Date.

l. CONDITIONS PRECEDENT TO CLOSING.

i. The obligations of Contributors to deliver the Contributors' Interests and to perform the other covenants and obligations to be performed by Contributors on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Contributor):

(1) The representations and warranties made by MCRLP and Mack-Cali herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by Contributors hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein.

(2) MCRLP and Mack-Cali shall have executed and delivered to Contributors all of the documents provided herein for said delivery.

(3) Intentionally Deleted.

(4) Mack-Cali and MCRLP shall have performed all covenants and obligations undertaken by Mack-Cali and MCRLP herein in all material respects and complied with all material conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

ii. The obligations of Mack-Cali and MCRLP to deliver the Permanent Certificates to Contributor Unit Holders and to accept the Contributors' Interests and Mack-Cali's and MCRLP's obligation to perform the other covenants and obligations to be performed by Mack-Cali and MCRLP on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Mack-Cali or MCRLP):

(1) Subject to Section 5.5(a) the representations and warranties made by Owner and Contributors herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by Owner and Contributors

herein shall be inapplicable.

(2) Contributors shall have performed all covenants and obligations undertaken by Contributors herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(3) The Title Company is unconditionally prepared to issue to MCRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(4) The Real Property shall be in compliance with all Environmental Laws.

(5) Contributors shall have executed and delivered to MCRLP all of the documents or other requisite documents provided for herein for said delivery.

m. INTENTIONALLY DELETED.

n. LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Contributor. MCRLP shall be credited at Closing as set forth on Schedules 5.1(f) and 5.1(m) respectively with respect to certain tenant improvement and leasing commission obligations, but Contributors shall remain liable for any amounts due and owing in excess of such credits. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by MCRLP. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

o. ASSIGNMENT.

This Agreement may not be assigned by Mack-Cali or MCRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Mack-Cali or MCRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Mack-Cali or MCRLP shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Mack-Cali or MCRLP may assign the Contributors' Interests to various entities, provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this

Agreement to be performed by Mack-Cali or MCRLP with respect to the portion of the Real Property, in form reasonably satisfactory to counsel for Contributors, shall be delivered to the attorneys for Contributors prior to the Closing, and in any event, no such assignment shall relieve Mack-Cali and MCRLP from their obligations under this Agreement.

p. BROKER.

Mack-Cali, MCRLP, and Contributors represent that, with the exception of Sonnenblick Goldman Ltd. , Conning Asset Management, Inc. and Pacifica Holding Company LLC (collectively, "Brokers") they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. Notwithstanding the foregoing, Contributors shall pay in full any commission, fee or other compensation due the Brokers pursuant to separate agreements, and Guarantor and Contributors agree to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any and all loss, cost, damage, liability, or expense, including reasonable attorneys' fees, which MCRLP or Mack-Cali may sustain, incur or be exposed to by reason of Contributor's failure to pay in full the Brokers pursuant to such separate agreements. The provisions of this Section shall survive the Closing and/or other termination of this Agreement.

q. CASUALTY LOSS.

i. Subject to Section 7.1(h), Owner and Contributors shall continue to maintain, or cause any Tenant to maintain, in all material respects,

the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires, which obligation shall survive the Closing.

ii. If at any time prior to the Closing Date, all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), Contributors shall promptly give written notice ("Casualty Notice") thereof to MCRLP. Within ten (10) days after the receipt of the Casualty Notice, MCRLP and Mack-Cali shall have the right, at their sole option, to terminate this Agreement with respect to said Property by written notice to Contributors. Notwithstanding the foregoing, MCRLP and Mack-Cali shall not have the right to terminate this Agreement, if (a) Contributors' insurance fully covers the damage resulting from the Casualty; (b) the proceeds of any insurance, together with a credit equal to Contributors' deductible under the Insurance Policies, shall be paid to MCRLP at the time of the Closing; and (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to MCRLP at the Closing without in any manner affecting the Exchange Consideration hereunder. Contributor represents that the insurance maintained by it is customary and prudent for the assets owned by it.

iii. If the Property is the subject of a Casualty but MCRLP does not terminate this Agreement pursuant to the provisions of this Section, then Contributors shall, prior to the Closing Date, cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety; provided, however, that any such repairs shall first be approved by MCRLP. Contributors shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

r. CONDEMNATION.

In the event of a material taking (as defined in this Section 18), MCRLP and Mack-Cali shall have the right, at their sole option, to either (a) terminate this Agreement by giving Contributors written notice to such effect at any time after its receipt of written notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should MCRLP or Mack-Cali so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event MCRLP and Mack-Cali shall not elect to cancel this Agreement, Contributors shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to MCRLP, and the same shall be MCRLP's sole property, and MCRLP shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which involve (a) the taking of a portion of Real Property such that ingress and egress to such Real Property is impaired, (b) the taking of a portion of the parking spaces of a Real Property such that after such taking the Real Property will not be in compliance with local zoning regulations regarding adequate parking, or (c) the taking of any part of a Building.

s. TRANSFER RESTRICTIONS.

i. Contributors hereby agree that the Contributor Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively, "Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the Contributor Units and/or the shares of Common Stock underlying the Contributor Units (the "Underlying Shares") may only be transferred (i) privately in accordance with the terms of the OP Agreement and this Section 19, or (ii) publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 150,000 shares of Common Stock or less, in any single day. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not apply to (i) pledges or encumbrances of all or a portion of the Contributor Units to an institutional lender, or (ii) Transfers of all or any portion of the Contributor Units to permitted transferees as set forth in the OP Agreement (the "Permitted Transferees"). Any holder of Contributor Units pursuant to (i) or (ii) of the preceding sentence shall be subject to the terms and conditions of the OP Agreement.

ii. If any of the Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its Contributor Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the "Purchaser"), unless prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the

"Disposition Notice") of such Proposed Disposition to MCRLP. The Disposition Notice shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and all other terms and conditions, if any, of the Proposed Disposition.

iii. Mack-Cali shall not sell the Property within four (4) years from the date of the Closing (the "Restricted Period") without the prior written consent of Contributors, other than (1) in connection with a transaction which does not result in recognition of gain by the Contributors; (2) a sale of any of the Property set forth in Schedule 19.3 hereto; (3) as determined by the Board of Directors of Mack-Cali (the "Board") as necessary to satisfy any material monetary default on any mortgage secured by the Property; (4) as determined by the Board as necessary to satisfy any material, unsecured debt, judgment or liability of Mack-Cali when the same becomes due (at maturity or otherwise); (5) in connection with the sale of all or substantially all of the properties owned by Mack-Cali under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Mack-Cali and its public stockholders; and/or (6) sales of the Property which do not result in material and adverse tax consequences for the Contributors. Mack-Cali may dispose of any or all of the Property in its sole discretion, and without the consent of Contributors, upon the expiration of the Restricted Period. Notwithstanding any of the foregoing language to the contrary, Mack-Cali shall not distribute the Property for a period of seven (7) years if the distribution of such Property would result in the recognition of income by Contributor pursuant to Sections 704(c)(1)(B) or 737 of the Code, except as otherwise permitted in clauses (1) through (7) above.

t. INTENTIONALLY DELETED.

u. TAX MATTERS.

i. (a) Contributors will timely pay or provide for the payment of all Taxes which are attributable to all Pre-Closing Tax Periods, but which are not due and payable until after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which either MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. To the extent allowed by law, Contributors will timely file all Tax Returns which are required to be filed in connection with the ownership and/or operation of the Property (by them or

any predecessor entities) or their businesses for all Pre-Closing Tax Periods but which are not required to be filed until after the Closing Date and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate. Contributors will provide Mack-Cali with a copy of all such Tax Returns promptly after such Tax Returns are filed. All Taxes imposed in connection with the ownership and/or operation of the Property during any taxable periods which begin on or before the Closing Date and end after the Closing Date ("Straddle Periods" or "Straddle Period") shall be allocated between Contributors and MCRLP in accordance with their respective periods of ownership of the Property. Contributors will timely pay all Taxes with respect to their businesses for any Straddle Period (and any other taxable period) for which either MCRLP (or any of its direct to indirect partners) could be held directly or indirectly liable or a claim could be made against the Property.

(2) Contributors shall cause Owner to provide Mack-Cali with a copy of its Federal income tax returns which reflect (in whole or in part) any of the transactions contemplated hereunder and which reflect (in whole or in part) any of the gain or loss recognized in respect of such transactions.

ii. Owner and Contributors shall pay any and all Taxes including without limitation, Taxes imposed with respect to the operation of its business and the ownership or operation of the Property or Owner for all taxable periods (or portions thereof) ending on or prior to the Closing imposed upon MCRLP based, in whole or in part, upon the failure to comply with the bulk sales laws.

iii. Contributors are hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property as set forth on Schedule 21.3 and to litigate or settle the same in Contributors' discretion. MCRLP is hereby authorized by Contributors, in MCRLP's sole discretion, to file any applicable proceeding for the 1997 and/or 1998 fiscal year for the reduction of the assessed valuation of the Property. The net refund of taxes, if any, for any tax year for which Contributors or MCRLP shall be entitled to share in the refund shall be divided between Contributors and MCRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by Contributors and MCRLP in proportion to their ownership period of the asset in question.

iv. For purposes of this Agreement:

(1) "Taxes" or "Tax" means all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment,

unemployment compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

(2) "Tax Returns" or "Tax Return" means all original and amended Federal, state, local and foreign tax returns, declarations, statements, reports, schedules, forms, information returns and other filings relating to Taxes.

(3) "Audits" or "Audit" means any audit, assessment of Taxes, any other examination or claim by any Governmental Authority, judicial, administrative or other proceeding or litigation (including any appeal of any such judicial, administrative or other proceeding or litigation) relating to Taxes and/or Tax Returns.

v. The provisions of this Section shall survive the Closing Date.

v. PUBLICATION.

i. MCRLP shall have the exclusive right to make such public announcements or filings with respect to the exchange as MCRLP may deem reasonably prudent and, upon advice of counsel, as may be necessary or required by law.

w. REMEDIES.

i. If the conditions set forth in Section 12.2 with respect to the Closing have been satisfied (unless the failure or inability to be so satisfied is due to Mack-Cali or MCRLP) and if MCRLP or Mack-Cali is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a material default of MCRLP or Mack-Cali or MCRLP's or Mack-Cali's material failure to comply with any material representation, warranty, covenant or agreement set forth herein with respect to the Closing, then Contributors, subject to the limitations set forth in this Agreement, including, without limitation, those set forth in Section 6.3, shall have the right as their sole and exclusive remedy to either (i) terminate this Agreement upon written notice to MCRLP, in which event neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) maintain an action for either (A) specific performance, or (B) monetary damages.

ii. If the conditions set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to Owner or any Contributor), and if Contributors are not ready, willing and able to perform their obligations hereunder on the Closing Date, or in the event of any material default on the part of any of the Contributors, or Owner or any

Contributors' failure to comply with any material representation, warranty, covenant or agreement set forth herein, MCRLP shall be entitled to either (i) terminate this Agreement upon notice to Contributors following which neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) commence an action against Contributors seeking either (A) monetary damages, or (B) specific performance of Contributors' obligations under this Agreement.

iii. The acceptance of the Assignment of Interest by MCRLP shall be deemed a full performance and discharge of every agreement and obligation of Contributors to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

x. INTENTIONALLY DELETED.

y. NOTICE.

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight

delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: or MCRLP	c/o Mack-Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016 Attn: Roger W. Thomas, Esq. (908) 272-8000 (tele.) (908) 272-6755 (fax)
with a copy to:	Pryor, Cashman, Sherman & Flynn 410 Park Avenue New York, New York 10022 Attn: Wayne B. Heicklen, Esq. (212) 326-0425 (tele.) (212) 326-0806 (fax)
If to Owner: or Contributors	c/o Pacifica Holding Company, LLC 5975 South Quebec Street, Suite 100 Englewood, Colorado 80111 Attn: Mr. Steven Leonard (303) 220-5565 (tele.)

	(303) 220-5585 (fax)
with a copy to:	Brownstein, Hyatt, et al. 410 17th Street, 22nd Floor Denver, Colorado 80202 Attn: Edward N. Barad, Esq. (303) 534-6335 (tele.) (303) 623-1956 (fax)
and a copy to:	Apollo Real Estate Advisors 1301 Avenue of the Americas, 38th Floor New York, NY 10019 Attn: Mr. Richard Mack (212) 261-4065 (tele.) (212) 261-4060 (fax)

or to such other address as either party may from time to time designate by written notice to the other. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch, and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided the same is sent prior to 4:00 p.m. Eastern Time on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

z. DEPRECIATION METHOD.

Mack-Cali, as the general partner of MCRLP, covenants and agrees that MCRLP and its affiliates will use the "traditional method with curative allocations" (as defined in Treasury Regulations Section 1.704-3(c)) of allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property in accordance with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(iv)(f), 1.704-1(b)(2)(iv)(g) and 1.704-3(a)(6).

aa. MISCELLANEOUS.

i. Intentionally Deleted.

ii. This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

iii. This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

iv. This Agreement shall be interpreted and governed by the laws of the State of Colorado, without regard to conflicts of laws principles, and shall be binding upon the parties hereto and their respective successors and assigns.

v. The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. The, feminine or masculine gender, when used herein, shall include the other gender and the use of the singular shall include the plural.

vi. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

vii. Each party shall, from time to time, execute, acknowledge and deliver to the other party such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contributors and MCRLP or Mack-Cali. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Contributors, MCRLP or Mack-Cali or the party whose counsel drafted this Agreement.

viii. This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

ix. All references herein to any Section, Exhibit, or Schedule shall be to the Sections of this Agreement and to the Exhibits and Schedules annexed hereto unless the context clearly dictates otherwise. All of the Exhibits and Schedules annexed hereto are, by this reference, incorporated herein.

x. In the event that Owner or Contributors, and MCRLP or Mack-Cali enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for the payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 25th day of March, 1998, by and among the parties set forth on Exhibit A annexed hereto and made a part hereof (jointly and severally, "Contributors", and each individually, a "Contributor"), each having an address c/o Pacifica Holding Company, 5975 South Quebec Street, Suite 100, Englewood, Colorado, MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP") and MACK-CALI REALTY CORPORATION, a Maryland corporation ("Mack-Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

9. Contributors are, collectively, the owners of all the membership and/or other ownership interests in and to 67 Inverness, LLC, a Colorado limited liability company ("Owner"). Each Contributor owns the respective membership and/or ownership interest in Owner set forth on Exhibit B annexed hereto and made a part hereof.

10. Owner owns various commercial properties located throughout the Denver, Colorado metropolitan area. Mack-Cali, through MCRLP and certain affiliated entities of MCRLP, similarly own various commercial properties located throughout New Jersey, New York, Pennsylvania, Nebraska, Iowa, California, Florida, Arizona, Connecticut and Texas.

11. In order to effectuate their contribution and exchange of assets as herein provided, each Contributor hereby agrees to contribute all of its membership and/or ownership interests in and to Owner and certain other assets to MCRLP and Mack-Cali, and MCRLP and Mack-Cali hereby agree to accept the contribution of the Contributors' Interest and certain other assets on, and subject to, the terms, covenants and conditions set forth herein.

12. Contributors, MCRLP and Mack-Cali have determined that the transactions contemplated hereby are in the respective parties' best interests.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and for ten dollars ($10.00) and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do agree as follows:

a. SUBJECT OF CONTRIBUTION.

i. Upon, and subject to the terms, covenants and conditions of this Agreement, on the Closing Date (as hereinafter defined), each of the Contributors shall contribute, convey or otherwise transfer to certain designees of MCRLP 100% of said Contributor's

right, title and interest (collectively, "Contributors' Interests, each individually, a "Contributor's Interest") in and to Owner.

ii. From and after the Closing, Owner shall be the sole and exclusive owner of the following:

(1) that certain real property situate, lying and being in the State of Colorado and being more particularly described on Schedule 1(a) (the "Land") and all of the improvements located on the Land (individually, a "Building" and collectively, the "Improvements");

(2) all rights, privileges, grants and easements appurtenant to Owner's interest in the Land and Improvements, if any, including without limitation, all of Contributor's and/or Owner's rights, title and interests in and to all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes collectively referred to herein as the "Real Property");

(3) except as set forth on Schedule 1(c) all personal property, artwork, fixtures, equipment, inventory and computer programming and software owned by Owner and located on any of the Real Property or used at any of the management and corporate offices of Owner or Contributor (the "Personal Property");

(4) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto (the "Leases") and any guaranties provided thereunder, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of security for the performance of the Tenant's (as defined herein) obligations thereunder;

(5) Intentionally Deleted.

(6) all assignable permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of Owner's right, title and interest in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters of Owner (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(7) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, market studies, keys, plans, specifications, reports, tests and other materials of any kind owned by or in the possession of Owner which are or may be used in the use and operation of the Real Property or Personal Property (collectively, the "Books and Records"); and

(8) all other rights, privileges and appurtenances owned by Owner, if any, and in any way related to the rights and interests described above in this Section 1.

The Real Property, the Personal Property, the Leases, the Intangible Property, the Books and Records and the other property interests are hereinafter collectively referred to as the "Property".

b. CONSIDERATION.

i. Total Exchange Consideration. The aggregate consideration for the Contributor's Interests (the "Exchange Consideration") is Six Million Two Hundred Twenty Thousand Seven Hundred Twenty-Seven and xx/100 ($6,220,727.00) Dollars, to be paid by MCRLP in accordance with Section 2.2.

ii. The Property. (a) At the Closing (as hereinafter defined), and upon satisfaction of the terms and conditions herein (i) Contributors shall contribute, convey or otherwise transfer to MCRLP or its Permitted Assignees (as hereinafter defined), all of Contributors' Interests and (ii) MCRLP (and Mack-Cali where applicable) shall, subject to adjustment as set forth herein, pay to Contributors or their designees, in cash, the amount of Six Million Two Hundred Twenty Thousand Seven Hundred Twenty-Seven and xx/100 ($6,220,727.00) Dollars (the "Cash Payment"), allocated as set forth in Schedule 2.2(a)(i); and (iii) MCRLP (and Mack-Cali where applicable) shall issue the Contributor Units (as hereinafter defined) in an amount set forth on Schedule 2.2(a)(ii) to such persons as Contributor shall direct in writing (as set forth in Section 10.2(aa)) as soon as practicable following the date hereof (the "Unit Holders").

(2) Simultaneous with MCRLP accepting the Contributors' Interests, MCRLP shall issue, subject to adjustments as set forth herein, common units of limited partnership interests in MCRLP (the "Contributor Units"), convertible into Mack-Cali common stock ("Common Stock"); provided, however, that the Unit Holders shall be issued and shall hold the Contributor Units in accordance with the provisions of Section 19.

(3) At the Closing, MCRLP shall issue to Contributors and/or the Unit Holders or their designees certificates representing the Contributor Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth on Exhibit 10.2(ee).

(4) All rights and benefits incidental to the ownership of the Contributor Units received in exchange for the Property, including, but not limited to the right to receive distributions, voting rights and the right to exchange the Contributor Units for shares of Common Stock, shall accrue for the benefit of the Unit Holders commencing on the Closing Date (as defined herein).

(5) With respect to the first Partnership Record Date (as defined in the OP Agreement (as defined below)) on or after the Closing, the Unit Holders shall receive distributions payable with respect to the Contributor Units on a pro rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held Contributor Units.

iii. Intentionally Deleted.

iv. Intentionally Deleted.

c. INSPECTION PERIOD; MCRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.

i. Prior to the Closing (the "Inspection Period"), MCRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property, the Contributors and/or Owner, including, but not limited to, soil tests and borings, ground water tests and investigations, percolation tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as MCRLP, in its sole discretion, determines is necessary or desirable in connection with the Property, the Contributors and/or Owner and may inspect the physical (including environmental) and financial condition of the Property, the Contributors and/or Owner, including but not limited to Leases, Service Contracts, contracts pursuant to which third party management fees are payable, copies of the Contributors' and Owner's Tax Returns and the Property Financials (as hereinafter defined) as of and for the years ending December 31, 1995, 1996 and 1997, engineering and environmental reports, development approval agreements, permits and approvals, which inspection shall be satisfactory to MCRLP in its sole discretion. Contributors agree to cooperate and shall cause Owner to cooperate with MCRLP in such review and inspection and, to the extent not yet delivered, shall deliver said documents and information to MCRLP within ten (10) days from the date hereof. MCRLP may terminate this Agreement for any reason, by written notice given to Contributor, prior to the expiration of the Inspection Period. In the event MCRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event MCRLP does not terminate

this Agreement by the end of the Inspection Period, then MCRLP shall be deemed to have elected not to terminate this Agreement.

ii. During the Inspection Period, MCRLP, its agents and contractors shall have unlimited access to the Property the Contributors and/or Owner and other information pertaining thereto in the possession or within the control of Contributors, during normal business hours, for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Such right of inspection and the exercise of such right shall not constitute a waiver by MCRLP of the breach of any representation or warranty of Owner or Contributors which might, or should, have been disclosed by such inspection. Contributors shall cooperate and cause Owner to cooperate with MCRLP in facilitating its due diligence inquiry and shall obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for MCRLP to perform the same.

iii. To assist MCRLP in its due diligence investigation of the Property and Owner, Contributors shall deliver to MCRLP, by the execution and delivery of this Agreement, true and correct copies of all existing Phase I environmental studies (the "Phase I Reports") in the possession or control of Contributors, Owner, its counsel or consultants, with respect to the Real Property, which Phase I Reports are set forth on Schedule 3.3 annexed hereto. In the event that MCRLP determines that it requires any new Phase I Reports or updates thereof, the cost of such reports or updates shall be borne by MCRLP. If MCRLP reasonably requires that further environmental investigations be undertaken beyond any new Phase I or updated Phase I Report, all engineering costs and expenses relating to said further environmental investigations shall be borne by Mack-Cali.

iv. Intentionally Deleted.

v. During the Inspection Period, Mack-Cali and MCRLP shall provide to Contributors and their agents and advisors reasonable access to Mack-Cali's and MCRLP's books and records, and Mack-Cali and MCRLP shall provide Contributors such other reasonable information including, without limitation, all Securities and Exchange Commission filings of MCRLP and Mack-Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit Contributors, at their sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from Owner's or Contributors' inspection or due diligence as permitted by this Section shall give rise to a right of Contributors to terminate this Agreement.

vi. Mack-Cali shall have the right, without the obligation, to terminate this Agreement if (i) at any time prior to the Closing Date, Mack-Cali determines in its sole discretion, that any of the Property is subject to materially adverse environmental conditions, including, without limitation, any environmental condition that has a material adverse affect on the

property value of any Real Property, on the current use of any Real Property, on groundwater at, on, under, about or emanating from any Real Property or on the ability of Mack-Cali or MCRLP to finance any Real Property; or (ii) Contributor

is unable to obtain the approval of any member of the Contributors to the terms of this Agreement; or (iii) Mack-Cali determines that certain of the indebtedness encumbering the Property or Owner cannot be satisfied.

d. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

i. As of the Closing Date, title to the Property shall be subject only to the following (collectively, the "Permitted Encumbrances"):

(1) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided the same are not yet due and payable, but subject to adjustment as provided herein;

(2) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants") as tenants only;

(3) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of MCRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned;

(4) any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(5) the state of facts shown on the surveys described on Schedule 4.1(e) for the property comprising the Real Property;

(6) the Service Contracts, excluding, however, any Service Contract MCRLP advises Contributor to terminate prior to Closing (as hereinafter defined);

(7) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and facilities in, over, under or upon the Real Property, provided the same do not impair, in other than a de minimis manner, the present use of the Real Property;

(8) such matters as the Title Company (as hereinafter defined) shall be willing, without special premium, to omit as exceptions to coverage; and

(9) Intentionally Deleted.

ii. Prior to the date hereof, Contributors shall have directed Land Title Guarantee Company (the "Title Company"), as agent for Chicago Title Insurance Company, to prepare a title insurance search and commitment for owner's title insurance policy for the Real Property (the "Title Commitment"). MCRLP shall cause the Title Company to promptly deliver a copy of the same to Contributors and their counsel. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitment (other than the Permitted Encumbrances) which MCRLP is not required to accept under the terms of this Agreement, Contributors may, at their election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that except as provided below, Contributors shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions, other than (i) judgments against any Contributor or Owner; (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount; and (iii) defects, objections or exceptions which can be removed by payments not to exceed $100,000.00 in the aggregate. Contributors, in their discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. If, after complying with the foregoing requirements, Contributors are unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, MCRLP shall elect either (i) to terminate this Agreement by notice given to Contributors, in which event the provisions of Section 23.2(a) shall apply, or (ii) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. Contributors and Owner agree and covenant that they shall not voluntarily place any encumbrances or restrictions on title to the Real Property from and after the date of the first issuance of the Title Commitment for said Property, except for the right to reserve easements for utilities and ingress and egress encumbering the Real Property (post-closing) for the benefit of adjacent properties owned by Owner (or any affiliate thereof) upon the written consent of MCRLP, which consent shall not be unreasonably withheld or delayed. Mack-Cali and MCRLP covenant and agree that they shall consult with Contributors prior to causing any other person or entity to request any inspection of the Real Property by any governmental entity. Contributors recognize that

Mack-Cali's and MCRLP's due diligence necessitates said inspection. Mack-Cali and MCRLP agree that they shall conduct any due diligence with such governmental entity with a view toward maintaining the confidentiality of the transaction contemplated by this Agreement.

iii. It shall be a condition to Closing that Contributors contribute and convey, and that the Title Company insures, title to the Real Property in the amount of the Exchange Consideration (at a standard rate for such insurance) in the name of MCRLP or its designees, by a standard 1992 ALTA Owner's Policy, with ALTA endorsements Form 3.1, Form 8.1, a comprehensive owner's endorsement and non-imputation endorsement, to the extent that the premium for such endorsements, with the exception of the non-imputation endorsements, is paid by MCRLP, for the Real Property and any other endorsements as reasonably required by MCRLP, free

and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that (i) the exception for taxes shall apply only to the current taxes not yet due and payable; and (ii) to the extent that the premium for such endorsements, with the exception of the non-imputation endorsements, is paid by MCRLP, (a) any Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; and (b) MCRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances. Owner and Contributor shall provide such affidavits, undertakings and indemnities as the Title Company insuring title to the Real Property may require, including without limitation indemnities relating to each non-imputation endorsement, and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

iv. Contributors shall cause one or more surveyors acceptable to MCRLP to deliver to MCRLP a survey or surveys of the Real Property acceptable to MCRLP in all respects and in conformity with ALTA standards. MCRLP shall, at MCRLP's sole cost and expense and with Contributors' cooperation and assistance, cause the surveyor to update the survey no more than thirty (30) days prior to the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured, to the extent that the premium for such endorsement is paid by MCRLP, to MCRLP.

v. Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by Contributors or Owner, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by Contributors. Owner or Contributors shall deliver to MCRLP, on the Closing Date, instruments in recordable form sufficient to discharge any such mortgages or other liens which any of the Contributors or Owner is obligated to pay and discharge pursuant to the terms of this Agreement.

vi. If the Title Commitment discloses judgments, bankruptcies or other returns against other persons or entities having names the same as or similar to that of Owner or any of the Contributors, Contributors shall, upon request, deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against Owner or any of the Contributors, or any of their affiliates. Upon request by MCRLP, Contributors shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard exceptions on the ALTA Owner's Policy.

e. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTORS.

i. In order to induce MCRLP and Mack-Cali to perform as required hereunder, Contributors hereby warrant and represent jointly and severally to MCRLP and Mack-Cali, the following with respect to the Property and Contributors' Interests:

(1) Owner is a duly organized and validly existing entity, organized and in good standing under the laws of the state of its formation, as more particularly set forth in Exhibit A hereto, is duly authorized to transact business in the State of Colorado, has all requisite power and authority to consent to the execution and delivery of this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to cause the contribution and conveyance of Contributors' Interests in accordance with the terms and conditions hereof. All

necessary actions of Owner and Contributors, and the members of each, to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on their behalf have been taken.

(2) Owner has the power and authority to own the Property and to conduct and transact its limited liability company business.

(3) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of each Contributor, enforceable in accordance with the terms of this Agreement. The performance by each Contributor of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of such Contributors or Owner or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator to which such Contributors or Owner is a party or by which its assets are or may be bound.

(4) Annexed hereto as Schedule 5.1 (d) is a true, complete and correct schedule of all of the Leases. The Leases are valid and bona fide obligations of the landlord and Tenants thereunder and are in full force and effect. To the best of Contributors' knowledge, no defaults exist thereunder and no condition exists which, with the passage of time or the giving of notice or both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements (other than the Leases) which confer upon any Tenant or any other person or entity any rights with respect to the Property, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim been asserted by any Tenant.

(5) Annexed hereto as Schedule 5.1(e) (the "Rent Roll") is a listing of the following, which is true, complete and correct in all respects for the Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) any written notices given by any Tenant of an intention to vacate space in the future; (vii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (viii) any arrearages of any Tenant beyond thirty (30) days.

(6) To the knowledge of Contributors, Owner has performed all of the obligations and observed all of the covenants required of it as landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future, and no continuing obligations or liabilities by Owner, as landlord under the Leases. To the knowledge of Owner and Contributors, except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by Owner within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Owner.

(7) There are no service contracts, union contracts, employment agreements or other agreements affecting the Property or the operation thereof, except the Service Contracts and other contracts and agreements set forth on Schedule 5.1(g) annexed hereto. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any material default or claim of material default by any of the parties thereto. All sums presently due and payable by Owner under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by Owner within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Owner. All of the Service Contracts may be terminated on not more than sixty (60) days notice without the payment of any fee or penalty, and the representation contained in this sentence is not subject to being modified by the limitations of Section 5.5. There are no employees of Owner, or any affiliate thereof, working at or in connection with the Real Property pursuant to any of the Service Contracts, other contracts and/or employment agreements except as set forth on Schedule 5.1(g).

(8) Except as set forth on Schedule 5.1(h) annexed

hereto, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the

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knowledge of Owner or Contributors, threatened against or related to Owner or any of the any of the Contributors or all or any part of the Property or Owner, the environmental condition thereof, or the operation thereof.

(9) Except as set forth on Schedule 5.1(i) annexed hereto, neither Owner nor any of the Contributors has received written notice of and neither has any knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or

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which may affect the Real Property or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Real Property, or (v) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. Contributors agree to furnish MCRLP with a copy of any such notice received within two (2) business days after receipt.

(10) Contributors have provided MCRLP with all reports in the possession of Owner, Contributors, its counsel or consultants, or under their control, related to the physical condition of the Real Property.

(11) Except as set forth on Schedule 5.1(k) annexed hereto, Contributors have no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property, or any violations or conditions that may give rise thereto, and have no reason to believe that any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the management, operation, use or improvement thereof (collectively, the "Governmental Authorities" or "Governmental Authority" as the context requires) contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving Owner, any of the Contributors or the Real Property. For purposes of this Agreement, the term "Governmental Authority" shall also include the Internal Revenue Service and any other federal, state, local or foreign taxing authority.

(12) There are no employees of Owner or the Contributors or any affiliates thereof working at or in connection with the Real Property except as set forth on Schedule 5.1(l).

(13) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of Owner, Contributors and MCRLP with respect to said commissions are set forth in Section 13.

(14) Neither Owner nor any of the Contributors has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Owner's or Contributor's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Owner's or Contributor's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Owner's or Contributor's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

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(15) Except as set forth on Schedule 5.1(o), the Personal Property is now owned and will on each of the Closing Date be owned by Owner or the Contributors free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

(16) Intentionally Deleted.

(17) Intentionally Deleted.

(18) Intentionally Deleted.

(19) Contributors have no knowledge that any part of the Real Property has been designated as wetlands or any other word of

similar purport or meaning under the Federal Water Pollution Control Act, 33 U.S.C. ss.1251 et seq.; the Colorado Water Quality Control Act, Colo. Rev. Stat. Section 25-8-101 et seq; or any other applicable federal, state, county or municipal statute, ordinance, rule, regulation, order or code.

(20) To the best of Contributors' knowledge, there are no active or inactive aboveground or underground storage tanks or vessels or associated piping at the Real Property, regardless of whether or not such tanks or vessels are regulated tanks or vessels, except as set forth on Schedule 5.1(t).

(21) Contributors have no knowledge of outstanding requirements or recommendations by (i) any insurance company currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions; or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work of a material nature to be done on the Property.

(22) The financial statements, including the income and expense statements and the balance sheets of Owner, the Contributors and their affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement, relating to Owner's ownership and operation of the Property and the related statement of income, member's capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1995, 1996 and 1997, fairly present the combined financial position of Owner and Contributors relating to the Property as of such dates and the results of operations and cash flows of Owner and the Contributors relating to the ownership and operation of the Property for such respective periods. The Property Financials from January 1, 1998, through the most recent month ending prior to the Closing Date, fairly present the combined financial position of the Property relating to the ownership and operation of the Property as of such date (subject to the normal year-end adjustments described in Schedule 5.1(v)) and with all interim financial statements of the Property heretofore delivered to MCRLP on behalf of Owner and the

Contributors. Except as set forth on the Property Financials, there are no other direct or indirect indebtedness, liability, claim or loss that accrued prior to Closing, whether known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise, whether or not of a kind required by GAAP to be set forth on the Property Financials or the notes thereto, including, without limitation, indebtedness for borrowed money (collectively, "Liabilities").

(23) Except as set forth in Schedule 5.1(w), Owner does not maintain any 401(k) savings plans, pension plans, multi-employer plans (as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee benefit plans (as defined in ERISA) or employee welfare plans providing for benefits to Owner employees (each, an "Employer Plan"). From and after the date hereof, the Contributors shall not cause or permit Owner to adopt an Employer Plan. Mack-Cali shall have no liability to any current or former employees of Contributor or any affiliate thereof, including, without limitation, any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any plans or programs listed on Schedule 5.1(w), or arising under applicable Federal or state law, including, without limitation, under the Worker Adjustment and Retraining Nonfiction Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

(24) Intentionally Deleted.

(25) Except as disclosed in the Phase I Reports or otherwise set forth in Schedule 5.1(y):

(a) To the best of Contributors' knowledge, no Governmental Authority has demanded in writing, addressed to Owner, Contributors or any of its affiliates, counsel or agents, that any Contaminants (as defined herein) be cleaned up or environmentally remediated at any Real Property, which has not been cleaned up or environmentally remediated.

(b) To the best of Contributors' knowledge, no Contaminants have been Discharged (as hereinafter defined) which would allow a Governmental Authority to demand that a cleanup be undertaken.

(c) To the best of Contributors' knowledge, no ss.104(e) informational request, issued pursuant to CERCLA (as hereinafter defined) with respect to the Real Property has been received by Contributors or Owner.

(d) To the best of Contributors' knowledge, all pre-existing aboveground and underground storage tanks and vessels, if any, at the Real Property have

been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws.

(e) To the best of Contributors' knowledge, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws (as hereinafter defined) on the Real Property, except as set forth on Schedule 5.1(y).

(f) To the best of Contributor's knowledge, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property, are identified in Schedule 5.1(y) and are in compliance with all Environmental Laws.

(g) To the best of Contributors' knowledge, Owner and the Contributors have all material certificates, licenses and permits (the "Permits"), including without limitation, environmental Permits, required to operate the Real Property. To the best of Contributors' knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property, as the case may be, without additional payment by MCRLP, and shall, upon Closing, be transferred to MCRLP by Contributors and Owner.

(h) To the best of Contributors' knowledge, the Real Property has not been used during the period of Owner's ownership as solid wastes disposal sites and facilities as defined in the Colorado Solid Wastes Disposal Sites and Facilities Law, Colo. Rev. Stat. Section 30-20-100.5 et seq. and the regulations promulgated thereunder.

(i) To the best of Contributors' knowledge, there are no engineering or institutional controls at the Real Property, including without limitation, any deed notice, declaration of environmental restriction, groundwater classification exception area, well restriction area or other notice or use limitations pursuant to Colo. Rev. Stat. Section 25-15-208 et seq. and the regulations promulgated thereunder.

(j) Neither Owner nor any of the Contributors have transported any Contaminants from the Real Property to another location in violation of Environmental Laws.

(k) To the best of Contributors' knowledge, there are no federal or state liens, as referenced under CERCLA and the regulations promulgated thereunder, or under any other applicable Environmental Law that have attached to the Real Property.

(l) Contributors and Owner have provided MCRLP with all environmental site assessments, investigations, and documents and all other Environmental Documents (as that term is defined below) in their possession or under their control and shall continue to do so after execution of this Agreement promptly upon its receipt.

(m) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(i) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(ii) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property regardless of whether the result of an intentional or unintentional action or omission.

(iii) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of Owner or the Contributors concerning the Property or its environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment

plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent, sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental Authority.

(iv) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(26) Owner and each Contributor shall have timely paid all Taxes (as defined herein) due and payable on or prior to the Closing Date. Owner and each Contributor shall have timely filed all Tax Returns (as defined herein) required to be filed on or prior

to the Closing Date. Each such Tax Return is complete and accurate in all respects. Owner and each Contributor shall have timely paid or will timely pay, or shall have provided for or will provide for a cash reserve for the payment of, all Taxes due and payable on or after the Closing Date for all taxable periods (or portions thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period" or "Pre-Closing Tax Periods"). Owner and each Contributor shall timely file all Tax Returns which relate to all Pre-Closing Tax Periods but which are required to be filed after the Closing Date. Each such Tax Return will be complete and accurate in all respects. True and complete copies of all Tax Returns filed by Owner and each Contributor for taxable periods beginning on or after January 1, 1994, and all written communications relating thereto, have been, or will be upon request, delivered to Mack-Cali. Owner has also provided, or will also provide upon request, to Mack-Cali copies of: (i) any letter ruling, determination letter or similar document issued to Owner by any Governmental Authority, and (ii) any closing or other agreement entered into by Owner with any Government Authority. Except as set forth on Schedule 5.1(z), there are no ongoing Audits or Audits pending or, to the knowledge of Owner or any Contributors against the Property, any Contributors or Owner. There are no agreements or waivers extending the statutory period of limitations with respect to any such Tax Returns or for the assessment or collection of any such Taxes. No claim has ever been made by a Governmental Authority in a jurisdiction where Owner or any Contributor does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(27) Annexed hereto as Schedule 5.1(aa) is a listing, for federal income tax purposes, of the following information, which is true, complete and correct in all aspects for each item of Property contributed through each Contributor's Interest: (i) its adjusted basis as of the first day of Owner's taxable year which includes the Closing Date; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(28) Subject to the provisions of Section 5.5, no representation or warranty made by Owner or any Contributor contained in this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary, in light of the circumstances under which it was made, in order to make the statements herein not misleading or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(29) As used throughout this Agreement, the phrases "to Contributor's knowledge," "to the knowledge of Contributor," "to the best of Contributor's knowledge" "to Owner's knowledge," "to the knowledge of Owner," "to the best of Owner's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge of Terrence Claassen, David Goldberg, Chetter Latcham, Steve Leonard, Rich Majors, Adel Nassif, Chuck Peck and Della Wegman, without having undertaken any independent investigation of facts or legal issues without having any duty to do so, and without imputing to the aforementioned persons

the knowledge of any employee, agent, representative or affiliate of Contributors or of any other person or entity.

(30) Annexed hereto as Schedule 5.1(dd)(i) is a true, complete and correct copy of Owner's operating agreement, as amended to date, and same shall be unchanged and in effect on the Closing Date. Annexed hereto as Schedule 5.1(dd)(ii) is a filed copy of the articles of organization of Owner.

(31) Contributors have good and marketable title to one-hundred (100%) percent of Owner and 100% of Contributors' Interests, free of all liens and encumbrances whatsoever.

(32) Contributors have the power and authority to own their respective Contributors' Interests and to conduct and transact their own business and the business of Owner.

(33) The contribution of Contributors' Interests pursuant to this Agreement is authorized and within the power of each Contributor and is legal and will not conflict with, result in any breach of any of the provisions of, or constitute a default under the provisions of Owner's operating agreement or other instrument to which any Contributor is a party or by which any Contributor may be bound.

(34) Neither MCRLP, nor Mack-Cali shall be responsible, as a consequence of the contribution intended hereby, for any obligation (including any Taxes) of Owner or Contributor or for any liability, debt or obligation (including any Taxes) of Owner or Contributor to any third party including, without limitation, any employees of Owner or Contributor or any Employer Plan accruing during the period prior to Closing (and Contributor hereby agrees to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any such liability, debt or obligation, including any Taxes and reasonable attorney's fees), except for any obligations or liabilities of Owner or Contributor subject to which MCRLP or Mack-Cali has expressly agreed to accept the assignment of Contributor's Interests and accruing during the period following Closing. The representations and the indemnity set forth herein shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing.

(35) After the Closing, Contributors shall not be entitled to receive from Owner any distribution or payment of indebtedness or for any other reason whatsoever, except for cash and receivables with respect to rent under the Leases for the period occurring prior to Closing to the extent Contributor is entitled to same under Article 11, as of the date of Closing, which shall be paid to Contributors.

ii. Intentionally Deleted.

iii. All representations and warranties made in this Agreement by Owner and the Contributors and those representations and warranties made by the Contributors and the Contributor Unit Holders in the certificate executed by each and delivered pursuant to Exhibit 10.2(ee) shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (c), (w), (z) and (dd) through (hh) of Section 5.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the Interest Assignments. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate (as defined below) as to any of the matters which are contained in the representations and warranties made by Owner and/or Contributors in Section 5.1(f) of this Agreement, then such representations and warranties as to such matters shall be of no further force or effect to the extent of any conflict. Apollo Real Estate Investment Fund II, L.P., a Delaware limited partnership; Pacifica Holding Company, a Colorado corporation; and Pacifica Holding Company, a Colorado limited liability company (collectively, "Guarantor"), and Contributors, jointly and severally, shall, pursuant to a separate indemnity agreement (the "Indemnity Agreement") in the form attached hereto as Exhibit 5.3, indemnify and defend MCRLP and Mack-Cali, and to hold MCRLP and Mack-Cali harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by MCRLP by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Owner and Contributors contained in this Agreement to the full extent Owner or the Contributors would be liable therefor under the terms of this Agreement. The foregoing indemnity shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing. Notwithstanding the foregoing, Steven C. Leonard IRA, Cynthia O. Leonard IRA, Steven Ohren IRA and the members of Contributors shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, except as set forth in Section 28, MCRLP and Mack-Cali shall not have a right to bring a claim against Contributors by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to MCRLP and/or Mack-Cali are reasonably expected to exceed $100,000.00, but thereafter MCRLP and/or Mack-Cali may bring a claim against Contributors for the entire amount of its aggregate damages.

iv. Each Contributor acknowledges that it is not in a significantly disparate bargaining position with respect to MCRLP or Mack-Cali in connection with the transaction contemplated by this Agreement and that such Contributor was represented by legal counsel in connection with this transaction.

v. Mack-Cali and MCRLP each acknowledges that it has had, or will have had, as of the Closing, sufficient time to review all

materials and information set forth in Schedule 5.5, and sufficient time and access to review and investigate the Property. Notwithstanding any other provision of this Agreement, except as set forth in Subsections 5.1(d),

(e) and (f) as they relate to the Leases, the Estoppels and the Rent Rolls, the representations and warranties of Owner and Contributors as set forth herein or in each Contributor's Closing Certificate are hereby modified to be made true to the extent that, as of the date hereof with respect to the representations and warranties made herein, and as of the Closing Date with respect to the representations and warranties made by Owner and each Contributor as of the Closing Date, (i) information contained in the records made available as set forth Schedule 5.5 no longer makes the subject representation or warranty not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information, or (ii) either Mack-Cali or MCRLP has knowledge that the subject representation or warranty is untrue, or (iii) Contributors have delivered or made available to any of the individuals described in Section 6.1(l) other written information disclosing that the subject representation or warranty is not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information.

f. REPRESENTATIONS AND WARRANTIES OF MACK-CALI AND MCRLP.

i. In order to induce Contributors to perform as required hereunder, Mack-Cali and MCRLP hereby jointly and severally warrant and represent the following:

(1) (i) MCRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of MCRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) Mack-Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to permit MCRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Mack-Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(2) This Agreement and the agreements and other documents to be executed and delivered by each of Mack-Cali and MCRLP hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of each of Mack-Cali and MCRLP, enforceable in accordance with the terms of this Agreement. The performance by each of

Mack-Cali and MCRLP of each of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by each of them hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of each of Mack-Cali and MCRLP or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which each of Mack-Cali and MCRLP is a party or by which each of its assets are or may be bound.

(3) The Contributor Units to be issued to Contributors and/or the Unit Holders are duly authorized and, when issued by MCRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Mack-Cali upon redemption of the Contributor Units will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same will be exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(4) MCRLP has furnished to Contributors a true and complete copy of the OP Agreement, as amended to date.

(5) Mack-Cali has caused to be delivered to

Contributors copies of the OP Agreement. The SEC Documents were, and those additional documents filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(6) The consolidated financial statements included in the SEC Documents have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial position of Mack-Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, "Subsidiaries" shall mean (i) any entity of which Mack-Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority of the outstanding capital stock (or other shares of beneficial interest), or (y) at least a majority of the partnership, joint venture or similar interests; and (ii) any entity in which Mack-Cali (or other specified entity) is a general partner or joint partner, including without limitation MCRLP. "Subsidiaries" shall specifically exclude Mack-Cali Services, Inc. and The Grove Street Urban

Renewal Corp., which are the only non-qualified REIT subsidiaries of Mack-Cali as of the date hereof.

(7) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Mack-Cali's and MCRLP's knowledge, threatened, at law or in equity, against either of Mack-Cali or MCRLP before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either of Mack-Cali or MCRLP from performing its respective obligations pursuant to this Agreement.

(8) The execution and delivery of this Agreement and the performance by each of Mack-Cali and MCRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Mack-Cali or MCRLP, including without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Mack-Cali or MCRLP is a party or by which Mack-Cali or MCRLP is bound or affected.

(9) (1) Mack-Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1997, as a real estate investment trust ("REIT") within the meaning of Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"), (B) has complied with all applicable provisions of the Code which would have enabled it to qualify as a REIT for 1995 and 1996, (C) has operated, and intends to continue to operate, in such a manner so as to enable it to qualify as a REIT for 1998 and subsequent years, and (D) has not taken or omitted to take any action which would reasonably be expected to cause its disqualification as a REIT, and no challenge to its REIT status is pending or, to Mack-Cali's knowledge, threatened.

(2) Mack-Cali has timely filed with the appropriate Governmental Authority all Tax Returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such Tax Return is true and correct in all material respects. All Taxes shown as owed by Mack-Cali or any of its Subsidiaries on any Tax Return have been paid or accrued, except for Taxes being contested in good faith and for which adequate reserves have been established. None of Mack-Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax.

(3) To its knowledge, as of the date hereof, Mack-Cali is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code.

(10) All of Mack-Cali's real property and other material assets are owned by Mack-Cali indirectly through its ownership of MCRLP and MCRLP's Subsidiaries.

(11) Neither Mack-Cali nor MCRLP has made a

general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Mack-Cali's or MCRLP's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Mack-Cali's or MCRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Mack-Cali's or MCRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(12) As used throughout this Agreement, the phrases "to Mack-Cali's knowledge," "to the knowledge of Mack-Cali," "to the best of Mack-Cali's knowledge" "to MCRLP's knowledge," "to the knowledge of MCRLP," "to the best of MCRLP's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge Tim Jones, John DeBari, Daniel Wagner, Andrew Greenspan, Roger W. Thomas, and Terry Noyes, without having undertaken any independent investigation of facts or legal issues without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Mack-Cali, MCRLP or of any other person or entity.

ii. Each of Mack-Cali and MCRLP acknowledges that it is not in a significantly disparate bargaining position with respect to Contributor in connection with the transaction contemplated by this Agreement and that Mack-Cali and MCRLP were represented by legal counsel in connection with this transaction.

iii. All representations and warranties made by Mack-Cali and MCRLP in this Agreement shall survive the Closing Date for a period of eighteen (18) months, except that the representations and warranties set forth in clauses (a) and (b) of Section 6.1 shall survive the Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the Assignment of Contributor's Interest. Mack-Cali and MCRLP agree to indemnify and defend Contributors, and to hold Contributors harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Contributors by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Mack-Cali and MCRLP contained in this Agreement. Notwithstanding the foregoing, the partners and/or shareholders of MCRLP and Mack-Cali shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, Contributors shall not have a right to bring a claim against Mack-Cali or MCRLP by virtue of any of the representations or warranties being false or misleading unless and until (a) such false or misleading representation or

warranty has a material adverse affect on the transactions contemplated herein; and (b) the aggregate damages to Contributors is reasonably expected to exceed $100,000.00, but thereafter Contributors may bring a claim against Mack-Cali or MCRLP for the entire amount of their aggregate damages.

g. INTERIM OPERATING COVENANTS OF CONTRIBUTORS.

i. Contributors covenant and agree that between the date hereof and the Closing Date (the "Interim Period"), they shall perform or observe or cause Owner to perform or observe the following with respect to the Real Property:

(1) Owner will complete any capital expenditure program currently in process or anticipated to be completed. Owner and Contributors will not defer taking any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(2) Owner, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without MCRLP's prior written consent; provided, however that Owner shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of MCRLP, so long as such lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which Owner currently enters into in the ordinary course of its business.

(3) Owner shall comply with and/or remedy all violations of statutes, ordinances, rules, regulations, orders, codes, directives or requirements affecting the Real Property, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities prior to the Closing, and the Real Property shall be conveyed free of any such violations, including, without limitation, violations of Environmental Laws.

(4) Neither Owner nor any Contributors shall:

(a) Enter into any agreement requiring Owner to do work for any Tenant after the Closing Date without first obtaining the prior written consent of MCRLP, unless such agreement is on market terms and conditions with bona fide third parties and is the type of agreement which Owner currently enters into in the ordinary course of its business, in which case no consent of MCRLP will be required; or

(b) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, except in its ordinary course of business on market terms, with bona fide third parties and upon prior written notice to MCRLP.

(c) Intentionally Deleted.

(5) Owner shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business. Owner and Contributors shall provide MCRLP with an updated schedule of Security Deposits at the Closing.

(6) Between the date hereof and the Closing Date, Owner will not renew, extend or modify any of the Service Contracts without the prior written consent of MCRLP unless such is done by Owner in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of MCRLP will be required.

(7) Owner and Contributors shall not remove or permit the removal of any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to MCRLP, other than expressly provided herein.

(8) Owner and Contributors shall, upon request of MCRLP at any time after the date hereof, assist MCRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as MCRLP may reasonably request, covering the period of Owner's ownership of the Real Property.

(9) Between the date hereof and the Closing Date, Owner will make all required payments under any mortgage affecting the Real Property within any applicable grace period, but without reimbursement by MCRLP therefor. Owner shall also comply with all other material terms covenants and conditions of any mortgage on the Real Property.

(10) Owner shall not cause or permit the Real Property or any interest therein (including without limitation the Improvements or the Contributors' Interests), to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(11) Owner agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining, which policies Contributors represent are sufficient to protect, to a reasonable and prudent extent, the owner of the Property, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(12) Owner and Contributors shall permit MCRLP and its authorized representatives to inspect the Books and Records of their operations at all reasonable

times upon reasonable notice. All Books and Records not conveyed to MCRLP hereunder shall be maintained for MCRLP's inspection at each Contributor's address as set forth in Exhibit A hereto.

(13) Owner and Contributors shall:

(a) promptly notify MCRLP of, and promptly deliver to MCRLP, a certified true and complete copy of any notice Owner or Contributors may receive, on or before the Closing Date from any Governmental Authority concerning a violation of Environmental Laws or Discharge of Contaminants;

(b) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by Owner or its representatives, deliver to MCRLP a certified true and complete copy of all

Environmental Documents; and

(c) timely provide MCRLP with drafts of any pertinent documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of Tenants and shall keep MCRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

ii. Prior to the Closing, Contributors shall deliver to MCRLP reviewed Property Financials as set forth in Section 5.1(v). Within thirty (30) days after the Closing Date, Contributors shall deliver to MCRLP Property Financials, as set forth in Section 5.1(v), through the Closing Date. The provisions of this Section 7.2 shall survive the Closing Date.

iii. Intentionally Deleted.

iv. Intentionally Deleted.

v. Owner and Contributors will timely pay all Taxes due and payable by each of them during the Interim Period. Owner and Contributors will timely file all Tax Returns required to be filed by them during the Interim Period. Each such Tax Return will be complete and accurate in all respects and will be filed on a basis consistent with past practice. A copy of all such Tax Returns shall be delivered to Mack-Cali at least three (3) days prior to such Tax Returns being filed. The obligations set forth in this Section 7.5 shall survive the expiration or earlier termination of this Agreement and/or shall survive the Closing Date for the applicable period of the statute of limitations.

h. INTENTIONALLY DELETED.

i. ESTOPPEL CERTIFICATES.

i. Contributors agree to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form annexed hereto as Exhibit 9.1 for Tenant's execution, completed to reflect Tenant's particular Lease status. Contributors agree to use commercially reasonable efforts to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, Contributors shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver the same as provided in its Lease. Contributors agree to deliver to MCRLP copies of all estoppel letters received by Tenants, in the form received by Owner or Contributors. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

ii. As a condition to the Closing, Contributors shall deliver (a) an Estoppel Certificate from all Tenants which lease space at the Real Property in excess of 10,000 square feet or more in the aggregate, and (b) Estoppel Certificates from the remaining Tenants leasing in the aggregate at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in Clause 9.2(a) above.

iii. For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

j. CLOSINGS.

i. (a) Closing. The consummation of the transactions contemplated hereunder with respect to the Property (the "Closing") shall take place at the offices of Brownstein, Hyatt, Farber & Strickland, P.C., 410 Seventeenth Street, 22nd Floor, Denver, Colorado, 80202-4437, on or about March 25, 1998 (the "Closing Date"). Upon notice to Contributors, MCRLP may elect to accelerate the Closing Date to a date not less than five (5) days after the date of MCRLP's notice.

(2) Intentionally Deleted.

(3) Intentionally Deleted.

(4) Intentionally Deleted.

ii. On the Closing Date, except as otherwise set forth in subsections 10.2(z) and 10.2(aa), Contributor, at its sole cost and expense, will deliver or cause to

be delivered to MCRLP the following documents, fully executed by all parties thereto other than MCRLP or parties claiming by, through or under MCRLP:

(1) Duly executed and acknowledged assignments from each Contributor of such Contributor's Interest (the "Interest Assignments"), in the form annexed hereto as Exhibit 10.2(a), to MCRLP or its designee, as assignee, together with all applicable and requisite consents, mortgagee consents and resolutions authorizing the assignment and transaction.

(2) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Contributors, using their best efforts, are unable to deliver originals of the same.

(3) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and Records, and certified copies of the same where Contributors, using their best efforts, are unable to deliver originals of the same.

(4) Intentionally Deleted.

(5) Intentionally Deleted.

(6) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f).

(7) Intentionally Deleted.

(8) Affidavits and indemnities required by the Title Company in connection with non-imputation title insurance endorsements and such other documents and instruments required by the Title Company, executed by Contributors certifying (i) against any work done or supplies delivered to the Real Property which might be grounds for a materialman's or mechanic's lien under or pursuant to Colorado Lien Law, in form sufficient to enable the Title Company to affirmatively insure MCRLP against any such lien, (ii) that the signatures on the Interest Assignments are sufficient to bind Contributors and convey the Contributors' Interest to MCRLP, (iii) the Rent Roll, and (iv) that Contributors shall indemnify the Title Company against any loss resulting from the imputation of knowledge to MCRLP, or Mack-Cali through Contributors.

(9) Affidavits and other instruments, including but not limited to all organizational documents of Owner and Owner's members, as applicable, including Owner's operating agreements, filed copies of the articles of organization and good standing certificates (or its equivalent), reasonably requested by MCRLP and the Title Company evidencing

the power and authority of Owner and Contributors to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(10) The original Estoppel Certificates.

(11) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit MCRLP to realize upon the same and as may be required by the issuing banks of any cash and non-cash security deposits to reflect a change in the beneficial interest of the Owner and changes in signatories to the bank accounts holding the cash and non-cash security deposits.

(12) A certificate indicating that the representations and warranties of Owner and Contributors made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(13) A Rent Roll for the Property, current as of the Closing Date, certified by Owner and Contributors as being true and correct in all material respects.

(14) All proper instruments as shall be reasonably required for the conveyance to MCRLP of all right, title and interest, if any, of Owner and Contributors in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, or Improvements or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (iii) for any taking in condemnation or eminent domain of any part of the Land and Improvements.

(15) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate which is in a form acceptable to Mack-Cali and which is signed by each

Contributor (or an appropriate officer of each Contributor that is an entity) to the effect that such Contributor is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(16) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Contributors as may be required of Contributors by law in connection with the transfer of Contributors' Interests to MCRLP, including but not limited to, Internal Revenue Service forms and the declaration required to be filed pursuant to Title 39, Article 14 of the Colorado Revised Statutes.

(17) A statement setting forth all adjustments and prorations shown thereon.

(18) A Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(19) Estoppel certificates addressed to MCRLP from the mortgagees of the mortgages, if any, in form and substance reasonably acceptable to MCRLP.

(20) An opinion of counsel from Brownstein, Hyatt, Farber & Strickland, P.C., substantially in the form of Exhibit 10.2(t) regarding the due execution, delivery, and enforceability of this Agreement, the foregoing documents and the contribution by each Contributor of its Contributor's Interest to MCRLP.

(21) Duly executed and acknowledged Indemnity Agreement substantially in the form of Exhibit 5.3.

(22) Intentionally Deleted.

(23) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(24) Intentionally Deleted.

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

(26) At least fifteen (15) days prior to the Closing Date, a schedule setting forth, with respect to each Contributor that will receive Contributor Units as part of the consideration: (i) the identity of such Contributors and the amount of Contributor Units so allocated to any such Contributor; (ii) the gross fair market value of the interest that such Contributor is transferring to MCRLP for purposes of determining the gain or loss that will be recognized for federal income tax purposes as a result of the transfer; (iii) the adjusted basis of such interest immediately prior to the contribution; (iv) the amount of cash and Contributor Units allocated to such interest; and (v) the amount of any liability relating to such interest that MCRLP will either assume or to which such interest will be subject and which does not constitute a "qualified liability" within the meaning of Treasury Regulations Section 1.707-5(a)(6).

(27) At least fifteen (15) days prior to the Closing Date, a schedule setting forth: (i) any Contributor named for purposes of Section 10.2(z)(i) which is to receive less than the full amount of Contributor Units indicated for purposes of Section 10.2(z)(i); and (ii) the names of those persons who are to receive Contributor Units that each such Contributor would otherwise be entitled to receive and the amount of units that any such persons are to receive.

At least fifteen (15) days prior to the Closing Date, each Contributor to which this Section 10.2(aa) is relevant shall issue "direction letters" to MCRLP (in the form acceptable to MCRLP), to the effect that each such Contributor authorizes the issuance by MCRLP of Contributor Units directly to such persons (and in such amounts) which are set forth for purposes of Section 10.2(aa)(ii).

(28) A letter from each applicable municipal department or agency having jurisdiction that the Property is in compliance with the laws, codes, rules, regulations and ordinances regarding (i) zoning, (ii) building, (iii) health and (iv) fire, life and safety.

(29) A computer diskette containing any closing or other documents executed in connection with this transaction and prepared by Owner, Contributors or their counsel, in WordPerfect or Microsoft Word format.

(30) All original organizational documents

relating to Owner and the Contributors, and all statements of accounts, books and records and insurance policies.

(31) A certificate executed by each Contributor Unit Holder and each Contributor receiving Contributor Units, substantially in the form of Schedule 10.2(ee).

(32) A counterpart to the OP Agreement substantially in the form of Exhibit 10.2(ff), executed by each Contributor Unit Holder and each Contributor receiving Contributor Units.

iii. On the Closing Date, Mack-Cali and MCRLP, at their sole cost and expense, will deliver or cause to be delivered to Contributors the following documents, fully executed by all parties thereto other than Contributors or parties claiming by, through or under Contributors:

(1) The Cash Payment, net of adjustments and prorations.

(2) The Permanent Certificates representing, in the aggregate, the Contributor Units.

(3) Intentionally Deleted.

(4) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f) annexed hereto.

(5) A certificate indicating that the representations and warranties of Mack-Cali and MCRLP made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(6) Affidavits and other instruments, including but not limited to all organizational documents of Mack-Cali and MCRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by Contributors evidencing the power and authority of Mack-Cali and MCRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(7) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(8) Intentionally Deleted.

(9) A Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(10) Intentionally Deleted.

(11) Duly executed and acknowledged Interest Assignments in the form of Exhibit 10.2(a).

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

iv. Contributor shall pay for the premium charges and costs for title insurance policies (but not any endorsements to such policies required by Mack-Cali); all survey costs; all costs incurred to repay or satisfy any and all liens; all costs incurred with respect to non-imputation endorsements to title insurance policies obtained by MCRLP; all leasing commissions due to Tenants in connection with the initial and/or current terms of their respective Leases; all costs of tenant improvement concessions due to Tenants in connection with the initial and/or current terms of their respective Leases; and all customary prorations and apportionments. Mack-Cali shall pay for the costs of all customary documentary and recording fees, if any; the cost of any endorsements to its title insurance policies (with the exception of any non-imputation endorsements); all due diligence investigations costs (including, without limitation, the cost of all Phase I Reports for the Property, which environmental assessment reports shall be dated no more than thirty (30) days prior to the Closing Date); and all customary prorations and apportionments. Each party shall be responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

v. The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of Contributors related to periods prior to the Closing, such claims shall be the responsibility of Contributors, and Contributors shall jointly and severally indemnify, defend and hold harmless

MCRLP (and its respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

vi. Mack-Cali and MCRLP acknowledge and agree that, except as set forth in this Agreement, MCRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Contributors. Mack-Cali and MCRLP acknowledge that except for documents, reports and information related to the environmental integrity of the Real Property, neither Mack-Cali nor MCRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or sketches, financial information, projections, pro formas or statements, that may have been given by or made by or on behalf of Contributors with respect to the Property. MCRLP and Mack-Cali further acknowledge that all materials relating to the Property which have been provided by Contributors, including but not limited to, the Phase I Reports, have been provided without any warranty or representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and neither MCRLP nor Mack-Cali shall have any recourse against Contributors or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

Contributors do not warrant or make any representation, express or implied, as to the merchantability, quantity, quality, condition, suitability or fitness of the Property for any purpose whatsoever, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the Super Fund Amendments and Reauthorization Act ("SARA"), the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances. MCRLP also acknowledges and agrees that (i) the representations and warranties of Contributors in Section 5 of this Agreement and (ii) provisions in this Agreement for delivery of existing Phase I Reports and inspection and investigation of the Property are adequate to enable MCRLP to make MCRLP's own determination with respect to the suitability or fitness of the Property, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and SARA, the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances.

Except to the extent (a) caused by a breach of any of Contributors' representations hereunder; (b) related to claims by or liabilities to third parties unrelated to Mack-Cali or MCRLP; or (c) as otherwise expressly set forth herein, including, without limitation, as indemnified under the Indemnity Agreement, MCRLP and Mack-Cali, for themselves and their successors and assigns, hereby release each of the Contributors, and their agents, employees, partners, officers, directors, members, managers, contractors, consultants and representatives from, and waive any and all causes of action or claims against any of such persons for (i) any and all

liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under or about the Property of any materials the release or storage of which is regulated by law; (ii) any and all liability resulting from the failure of the Property to comply with any applicable laws; and (iii) any liabilities, damages or injury arising from, connected with or otherwise caused by statements, opinions or information obtained from any of such persons with respect to the Property.

k. ADJUSTMENTS.

i. The following items under (a) through (g) with respect to the Real Property are to be apportioned as of midnight on the date preceding the Closing:

(1) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to MCRLP and shall be applied by MCRLP to current rents and other charges under the Leases. After application of such moneys to current rents and charges, MCRLP agrees to remit to Contributors any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing.

(2) A cashier's or certified check or wire transfer to the order of MCRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of MCRLP, such amount may be allotted to MCRLP as a credit against the Cash Payment.

(3) Utility charges payable by Owner, including without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Contributors will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date.

(4) Amounts payable under the Service Contracts other than those Service Contracts which MCRLP has elected not to assume.

(5) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(6) The value of fuel stored at any of the Real Property, at Owner's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by Owner's supplier.

(7) Intentionally Deleted.

ii. Intentionally Deleted.

iii. At the Closing, Contributors shall deliver to MCRLP a list of additional rent, however characterized, under all Leases, including without limitation, real estate taxes, electrical charges, utility costs and operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1998 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by Owner on account of the components of Additional Rent for calendar year 1998. Upon the reconciliation by MCRLP of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1998, Contributors and MCRLP shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1998. Notwithstanding the foregoing, the calculation of real estate taxes, and the collection of Additional Rents from Tenants attributable to such real estate taxes, as reflected on the closing statement related hereto, shall be final as of the Closing Date.

iv. Intentionally Deleted.

v. If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by Contributors on the Closing Date.

vi. Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of Colorado.

vii. Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

viii. The provisions of this Section 11 shall survive the Closing Date.

l. CONDITIONS PRECEDENT TO CLOSING.

i. The obligations of Contributors to deliver the Contributors' Interests and to perform the other covenants and obligations to be performed by Contributors on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Contributor):

(1) The representations and warranties made by MCRLP and Mack-Cali herein shall be true and correct in all material respects with the same force and effect

as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by Contributors hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein.

(2) MCRLP and Mack-Cali shall have executed and delivered to Contributors all of the documents provided herein for said delivery.

(3) Intentionally Deleted.

(4) Mack-Cali and MCRLP shall have performed all covenants and obligations undertaken by Mack-Cali and MCRLP herein in all material respects and complied with all material conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

ii. The obligations of Mack-Cali and MCRLP to deliver the Permanent Certificates to Contributor Unit Holders and to accept the Contributors' Interests and Mack-Cali's and MCRLP's obligation to perform the other covenants and obligations to be performed by Mack-Cali and MCRLP on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Mack-Cali or MCRLP):

(1) Subject to Section 5.5(a) the representations and warranties made by Owner and Contributors herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by Owner and Contributors herein shall be inapplicable.

(2) Contributors shall have performed all covenants and obligations undertaken by Contributors herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(3) The Title Company is unconditionally prepared to issue to MCRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(4) The Real Property shall be in compliance with all Environmental Laws.

(5) Contributors shall have executed and delivered to MCRLP all of the documents or other requisite documents provided for herein for said delivery.

m. INTENTIONALLY DELETED.

n. LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Contributor. MCRLP shall be credited at Closing as set forth on Schedules 5.1(f) and 5.1(m) respectively with respect to certain tenant improvement and leasing commission obligations, but Contributors shall remain liable for any amounts due and owing in excess of such credits. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by MCRLP. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

o. ASSIGNMENT.

This Agreement may not be assigned by Mack-Cali or MCRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Mack-Cali or MCRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Mack-Cali or MCRLP shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Mack-Cali or MCRLP may assign the Contributors' Interests to various entities, provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this Agreement to be performed by Mack-Cali or MCRLP with respect to the portion of the Real Property, in form reasonably satisfactory to counsel for Contributors, shall be delivered to the attorneys for Contributors prior to the Closing, and in any event, no such assignment shall relieve Mack-Cali and MCRLP from their obligations under this Agreement.

p. BROKER.

Mack-Cali, MCRLP, and Contributors represent that, with the exception of Sonnenblick Goldman Ltd. , Conning Asset Management, Inc. and Pacifica Holding Company LLC (collectively, "Brokers") they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all

loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. Notwithstanding the foregoing, Contributors shall pay in full any

commission, fee or other compensation due the Brokers pursuant to separate agreements, and Guarantor and Contributors agree to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any and all loss, cost, damage, liability, or expense, including reasonable attorneys' fees, which MCRLP or Mack-Cali may sustain, incur or be exposed to by reason of Contributor's failure to pay in full the Brokers pursuant to such separate agreements. The provisions of this Section shall survive the Closing and/or other termination of this Agreement.

q. CASUALTY LOSS.

i. Subject to Section 7.1(h), Owner and Contributors shall continue to maintain, or cause any Tenant to maintain, in all material respects, the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires, which obligation shall survive the Closing.

ii. If at any time prior to the Closing Date, all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), Contributors shall promptly give written notice ("Casualty Notice") thereof to MCRLP. Within ten (10) days after the receipt of the Casualty Notice, MCRLP and Mack-Cali shall have the right, at their sole option, to terminate this Agreement with respect to said Property by written notice to Contributors. Notwithstanding the foregoing, MCRLP and Mack-Cali shall not have the right to terminate this Agreement, if (a) Contributors' insurance fully covers the damage resulting from the Casualty; (b) the proceeds of any insurance, together with a credit equal to Contributors' deductible under the Insurance Policies, shall be paid to MCRLP at the time of the Closing; and (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to MCRLP at the Closing without in any manner affecting the Exchange Consideration hereunder. Contributor represents that the insurance maintained by it is customary and prudent for the assets owned by it.

iii. If the Property is the subject of a Casualty but MCRLP does not terminate this Agreement pursuant to the provisions of this Section, then Contributors shall, prior to the Closing Date, cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety; provided, however, that any such repairs shall first be approved by MCRLP. Contributors shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

r. CONDEMNATION.

In the event of a material taking (as defined in this Section 18), MCRLP and Mack-Cali shall have the right, at their sole option, to either (a) terminate this Agreement by giving Contributors written notice to such effect at any time after its receipt of written

notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should MCRLP or Mack-Cali so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event MCRLP and Mack-Cali shall not elect to cancel this Agreement, Contributors shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to MCRLP, and the same shall be MCRLP's sole property, and MCRLP shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which involve (a) the taking of a portion of Real Property such that ingress and egress to such Real Property is impaired, (b) the taking of a portion of the parking spaces of a Real Property such that after such taking the Real Property will not be in compliance with local zoning regulations regarding adequate parking, or (c) the taking of any part of a Building.

s. TRANSFER RESTRICTIONS.

i. Contributors hereby agree that the Contributor Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively, "Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the Contributor Units and/or the shares of Common Stock underlying the Contributor Units (the

"Underlying Shares") may only be transferred (i) privately in accordance with the terms of the OP Agreement and this Section 19, or (ii) publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 150,000 shares of Common Stock or less, in any single day. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not apply to (i) pledges or encumbrances of all or a portion of the Contributor Units to an institutional lender, or (ii) Transfers of all or any portion of the Contributor Units to permitted transferees as set forth in the OP Agreement (the "Permitted Transferees"). Any holder of Contributor Units pursuant to (i) or (ii) of the preceding sentence shall be subject to the terms and conditions of the OP Agreement.

ii. If any of the Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its Contributor Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the "Purchaser"), unless prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the "Disposition Notice") of such Proposed Disposition to MCRLP. The Disposition Notice shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and all other terms and conditions, if any, of the Proposed Disposition.

iii. Mack-Cali shall not sell the Property within four (4) years from the date of the Closing (the "Restricted Period") without the prior written consent of Contributors, other than (1) in connection with a transaction which does not result in recognition of gain by the Contributors; (2) a sale of any of the Property set forth in Schedule 19.3 hereto; (3) as determined by the Board of Directors of Mack-Cali (the "Board") as necessary to satisfy any material monetary default on any mortgage secured by the Property; (4) as determined by the Board as necessary to satisfy any material, unsecured debt, judgment or liability of Mack-Cali when the same becomes due (at maturity or otherwise); (5) in connection with the sale of all or substantially all of the properties owned by Mack-Cali under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Mack-Cali and its public stockholders; and/or (6) sales of the Property which do not result in material and adverse tax consequences for the Contributors. Mack-Cali may dispose of any or all of the Property in its sole discretion, and without the consent of Contributors, upon the expiration of the Restricted Period. Notwithstanding any of the foregoing language to the contrary, Mack-Cali shall not distribute the Property for a period of seven (7) years if the distribution of such Property would result in the recognition of income by Contributor pursuant to Sections 704(c)(1)(B) or 737 of the Code, except as otherwise permitted in clauses (1) through (7) above.

t. INTENTIONALLY DELETED.

u. TAX MATTERS.

i. (a) Contributors will timely pay or provide for the payment of all Taxes which are attributable to all Pre-Closing Tax Periods, but which are not due and payable until after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which either MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. To the extent allowed by law, Contributors will timely file all Tax Returns which are required to be filed in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for all Pre-Closing Tax Periods but which are not required to be filed until after the Closing Date and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate. Contributors will provide Mack-Cali with a copy of all such Tax Returns promptly after such Tax Returns are filed. All Taxes imposed in connection with the ownership and/or operation of the Property during any taxable periods which begin on or before the Closing Date and end after the Closing Date ("Straddle Periods" or "Straddle Period") shall be allocated between Contributors and MCRLP in accordance with their respective periods of ownership of the Property. Contributors will timely pay all Taxes with respect to their businesses for any Straddle Period (and any other taxable period) for which either MCRLP (or any of its direct to indirect partners) could be held directly or indirectly liable or a claim could be made against the Property.

(2) Contributors shall cause Owner to provide Mack-Cali with a copy of its Federal income tax returns which reflect (in whole

or in part) any of the transactions contemplated hereunder and which reflect (in whole or in part) any of the gain or loss recognized in respect of such transactions.

ii. Owner and Contributors shall pay any and all Taxes including without limitation, Taxes imposed with respect to the operation of its business and the ownership or operation of the Property or Owner for all taxable periods (or portions thereof) ending on or prior to the Closing imposed upon MCRLP based, in whole or in part, upon the failure to comply with the bulk sales laws.

iii. Contributors are hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property as set forth on Schedule 21.3 and to litigate or settle the same in Contributors' discretion. MCRLP is hereby authorized by Contributors, in MCRLP's sole discretion, to file any applicable proceeding for the 1997 and/or 1998 fiscal year for the reduction of the assessed valuation of the Property. The net refund of taxes, if any, for any tax year for which Contributors or MCRLP shall be entitled to share in the refund shall be divided between Contributors and MCRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by Contributors and MCRLP in proportion to their ownership period of the asset in question.

iv. For purposes of this Agreement:

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

(2) "Tax Returns" or "Tax Return" means all original and amended Federal, state, local and foreign tax returns, declarations, statements, reports, schedules, forms, information returns and other filings relating to Taxes.

(3) "Audits" or "Audit" means any audit, assessment of Taxes, any other examination or claim by any Governmental Authority, judicial, administrative or

other proceeding or litigation (including any appeal of any such judicial, administrative or other proceeding or litigation) relating to Taxes and/or Tax Returns.

v. The provisions of this Section shall survive the Closing Date.

v. PUBLICATION.

i. MCRLP shall have the exclusive right to make such public announcements or filings with respect to the exchange as MCRLP may deem reasonably prudent and, upon advice of counsel, as may be necessary or required by law.

w. REMEDIES.

i. If the conditions set forth in Section 12.2 with respect to the Closing have been satisfied (unless the failure or inability to be so satisfied is due to Mack-Cali or MCRLP) and if MCRLP or Mack-Cali is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a material default of MCRLP or Mack-Cali or MCRLP's or Mack-Cali's material failure to comply with any material representation, warranty, covenant or agreement set forth herein with respect to the Closing, then Contributors, subject to the limitations set forth in this Agreement, including, without limitation, those set forth in Section 6.3, shall have the right as their sole and exclusive remedy to either (i) terminate this Agreement upon written notice to MCRLP, in which event neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) maintain an action for either (A) specific performance, or (B) monetary damages.

ii. If the conditions set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to Owner or any Contributor), and if Contributors are not ready, willing and able to perform their obligations hereunder on the Closing Date, or in the event of any material default on the part of any of the Contributors, or Owner or any

Contributors' failure to comply with any material representation, warranty, covenant or agreement set forth herein, MCRLP shall be entitled to either (i) terminate this Agreement upon notice to Contributors following which neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) commence an action against Contributors seeking either (A) monetary damages, or (B) specific performance of Contributors' obligations under this Agreement.

iii. The acceptance of the Assignment of Interest by MCRLP shall be deemed a full performance and discharge of every agreement and obligation of Contributors to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

x. INTENTIONALLY DELETED.

y. NOTICE.

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: or MCRLP
c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
(908) 272-8000 (tele.)
(908) 272-6755 (fax)

with a copy to:
Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Wayne B. Heicklen, Esq.
(212) 326-0425 (tele.)
(212) 326-0806 (fax)

If to Owner: or Contributors
c/o Pacifica Holding Company, LLC
5975 South Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steven Leonard
(303) 220-5565 (tele.)
(303) 220-5585 (fax)

with a copy to:
Brownstein, Hyatt, et al.
410 17th Street, 22nd Floor
Denver, Colorado 80202
Attn: Edward N. Barad, Esq.
(303) 534-6335 (tele.)
(303) 623-1956 (fax)

and a copy to:
Apollo Real Estate Advisors
1301 Avenue of the Americas, 38th Floor
New York, NY 10019

Attn: Mr. Richard Mack
(212) 261-4065 (tele.)
(212) 261-4060 (fax)

or to such other address as either party may from time to time designate by written notice to the other. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch, and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided the same is sent prior to 4:00 p.m. Eastern Time on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

z. DEPRECIATION METHOD.

Mack-Cali, as the general partner of MCRLP, covenants and agrees that MCRLP and its affiliates will use the "traditional method with curative allocations" (as defined in Treasury Regulations Section 1.704-3(c)) of

allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property in accordance with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(iv)(f), 1.704-1(b)(2)(iv)(g) and 1.704-3(a)(6).

aa. MISCELLANEOUS.

i. Intentionally Deleted.

ii. This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

iii. This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

iv. This Agreement shall be interpreted and governed by the laws of the State of Colorado, without regard to conflicts of laws principles, and shall be binding upon the parties hereto and their respective successors and assigns.

v. The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. The, feminine or masculine gender, when used herein, shall include the other gender and the use of the singular shall include the plural.

vi. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

vii. Each party shall, from time to time, execute, acknowledge and deliver to the other party such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contributors and MCRLP or Mack-Cali. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Contributors, MCRLP or Mack-Cali or the party whose counsel drafted this Agreement.

viii. This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

ix. All references herein to any Section, Exhibit, or Schedule shall be to the Sections of this Agreement and to the Exhibits and Schedules annexed hereto unless the context clearly dictates otherwise. All of the Exhibits and Schedules annexed hereto are, by this reference, incorporated herein.

x. In the event that Owner or Contributors, and MCRLP or Mack-Cali enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for the payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 25th day of March, 1998, by and between APOLLO/PACIFICA PYRAMID, LLC ("Contributor"), a Delaware limited liability company with an address c/o Pacifica Holding Company, 5975 South Quebec Street, Suite 100, Englewood, Colorado 80111, MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP") and MACK-CALI REALTY CORPORATION, a Maryland corporation ("Mack-Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

A. Contributor owns various commercial properties located throughout the Denver, Colorado metropolitan area. Mack-Cali, through MCRLP and certain affiliated entities of MCRLP, similarly owns various commercial properties located throughout New Jersey, New York, Pennsylvania, Nebraska, Iowa, California, Florida, Arizona, Connecticut and Texas.

B. Contributor, MCRLP and Mack-Cali have determined that the transactions contemplated hereby are in the respective parties' best interests.

NOW, THEREFORE, in consideration of ten dollars ($10.00), the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. SUBJECT OF CONVEYANCE.

In accordance with the terms and conditions of this Agreement, on the Closing Date (as defined herein), Contributor agrees to contribute, convey or otherwise transfer to certain designees of MCRLP all of Contributor's right, title and interest in and to the assets set forth in paragraphs (a) through (h) of this Section 1:

(a) that certain real property situate, lying and being in the State of Colorado and being more particularly described on Schedule 1(a) (the "Land"), which Schedule 1(a) sets forth the name, state of organization and type of entity of Contributor of a parcel of Land and all of the improvements located on the Land (individually, a "Building" and collectively, the "Improvements");

(b) all rights, privileges, grants and easements appurtenant to Contributor's interests in the Land and Improvements, if any, including without limitation, all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and

rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes collectively referred to herein as the "Real Property");

(c) except as set forth on Schedule 1(c) all personal property, artwork, fixtures, equipment, inventory and computer programming and software owned by Contributor and located on any of the Real Property or used at any of the management and corporate offices of Contributor (the "Personal Property");

(d) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto (each a "Lease" and collectively, the "Leases") and any guaranties provided thereunder, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of security for the performance of the Tenant's (as defined herein) obligations thereunder;

(e) Intentionally Deleted.

(f) all permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of Contributor's rights, titles and interests in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters of Contributor (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(g) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, market studies, keys, plans, specifications, reports, tests and other materials of any kind owned by or in the possession of Contributor which are or may be used by Contributor in the use and operation of the Real Property or Personal Property (collectively, the "Books and Records"); and

(h) all other rights, privileges and appurtenances owned by Contributor, if any, and in any way related to the rights and interests described above in

this Section.

The Real Property, the Personal Property, the Leases, the Intangible Property, the Books and Records and the other property interests being conveyed hereunder are hereinafter collectively referred to as the "Property".

For all purposes herein, unless the context clearly dictates otherwise, any reference herein to "Contributor" shall be deemed to be a reference to the entity which is to convey any assets hereunder to MCRLP or its designees.

2. PAYMENT TERMS.

2.1 Total Exchange Consideration. The aggregate consideration for the Property (the "Exchange Consideration") is Thirteen Million Seven Hundred Fifty Thousand and xx/100 ($13,750,000.00) Dollars, to be paid by MCRLP in accordance with Section 2.2.

2.2 The Property. (a) At the Closing (as defined herein), and upon satisfaction of the terms and conditions provided herein, Contributor agrees to contribute the Property to MCRLP or its Permitted Assignees (hereinafter defined), and MCRLP (and Mack-Cali where applicable) agrees, subject to adjustment as set forth herein, (i) to pay to Contributor or its designees, in cash, the amount of Thirteen Million Seven Hundred Fifty Thousand and xx/100 ($13,750,000.00) Dollars (the "Cash Payment") and (ii) to issue the Contributor Units (hereinafter defined) in an amount set forth in Subsection 2.2(b) to such persons as Contributor shall direct in writing (as set forth in Section 10.2(aa)) as soon as practicable following the date hereof (the "Unit Holders").

(b) Simultaneous with MCRLP accepting the Property, MCRLP shall issue, subject to adjustments as set forth herein, _____ common units of limited partnership interests in MCRLP (the "Contributor Units") convertible into Mack-Cali Common Stock ("Common Stock"); provided, however, that the Unit Holders shall be issued and shall hold the Contributor Units in accordance with the provisions of Section 19.

(c) At the Closing, MCRLP shall issue to Contributor and/or the Unit Holders or their designees certificates representing in the aggregate _____ Contributor Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth on Exhibit 10.2(ee).

(d) All rights and benefits incidental to the ownership of the Contributor Units received in exchange for the Property, including, but not limited to the right to receive distributions, voting rights and the right to exchange the Contributor Units for shares of Common Stock, shall accrue for the benefit of the Unit Holders commencing on the Closing Date (as defined herein).

(e) With respect to the first Partnership Record Date (as defined in the OP Agreement (as defined below)) on or after the Closing, the Unit Holders shall receive distributions payable with respect to the Contributor Units on a pro rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held Contributor Units.

2.3 Intentionally Deleted.

2.4 Intentionally Deleted.

3. INSPECTION PERIOD; MCRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.

3.1 Prior to the Closing (the "Inspection Period"), time being of the essence as to each such date, MCRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property, including, but not limited to, soil tests and borings, ground water tests and investigations, percolation tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as MCRLP, in its sole discretion, determines is necessary or desirable in connection with the Property and may inspect the physical (including environmental) and financial condition of the Property, including but not limited to Leases, Service Contracts, copies of Contributor's Tax Returns and the Property Financials (as hereinafter defined) as of and for the years ending December 31, 1995, 1996 and 1997, engineering and environmental reports, development approval agreements, permits and approvals, which inspection shall be satisfactory to MCRLP in its sole discretion. Contributor agrees to cooperate with MCRLP in such review and inspection and, to the extent not yet delivered, shall deliver said documents and information to MCRLP within ten (10) days from the date hereof. MCRLP may terminate this Agreement for any reason, by written notice given to Contributor, prior to the expiration of the

Inspection Period. In the event MCRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event MCRLP does not terminate this Agreement by the end of the Inspection Period, then MCRLP shall be deemed to have elected not to terminate this Agreement.

3.2 During the Inspection Period, MCRLP, its agents and contractors shall have unlimited access to the Property and other information pertaining thereto in the possession or within the control of Contributor, during normal business hours, for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Such right of inspection and the exercise of such right shall not constitute a waiver by MCRLP of the breach of any representation or warranty of Contributor which might, or should, have been disclosed by such inspection. Contributor shall cooperate with MCRLP in facilitating its due diligence inquiry and shall obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for MCRLP to perform the same.

3.3 To assist MCRLP in its due diligence investigation of the Property, Contributor shall deliver to MCRLP, by the execution and delivery of this Agreement, true and correct copies of all existing Phase I environmental studies (the "Phase I Reports") in the possession or control of Contributor with respect to the Real Property, which Phase I Reports are set forth on Schedule 3.3 annexed hereto. In the event that MCRLP determines that it requires any new Phase I Reports or updates thereof, the cost of such reports or updates shall be borne by MCRLP. If MCRLP reasonably requires that further environmental investigations be undertaken beyond any new Phase I or updated Phase I Report, all engineering costs and expenses relating to said further environmental investigations shall be borne by Mack-Cali.

3.4 Intentionally Deleted.

3.5 During the Inspection Period, Mack-Cali and MCRLP shall provide to Contributor and its agents and advisors reasonable access to Mack-Cali's and MCRLP's books and records, and Mack-Cali and MCRLP shall provide Contributor such other reasonable information including, without limitation, all Securities and Exchange Commission filings of MCRLP and Mack-Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit Contributor, at its sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from Contributor's inspection or due diligence as permitted by this Section shall give rise to a right of Contributor to terminate this Agreement.

3.6 Mack-Cali shall have the right, without the obligation, to terminate this Agreement if (i) at any time prior to the Closing Date, Mack-Cali determines in its sole discretion, that any of the Property is subject to materially adverse environmental conditions, including, without limitation, any environmental condition that has a material adverse affect on the property value of any Real Property, on the current use of any Real Property, on groundwater at, on, under, about or emanating from any Real Property or on the ability of Mack-Cali or MCRLP to finance any Real Property; or (ii) Contributor is unable to obtain the approval of any third-party partner of the Contributors to the terms of this Agreement; or (iii) Mack-Cali determines that certain of the indebtedness encumbering the Property cannot be satisfactorily satisfied or restructured.

4. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

4.1 As of the Closing Date, title to the Property shall be subject only to the following (collectively, the "Permitted Encumbrances"):

(a) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided the same are not yet due and payable, but subject to adjustment as provided herein;

(b) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants") as tenants only;

(c) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of MCRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned;

(d) any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(e) the state of facts shown on the surveys described on Schedule 4.1(e) for each of the individual properties comprising the Real Property and the Earnout Properties;

(f) the Service Contracts;

(g) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and facilities in, over, under or upon the Real Property, provided the same do not impair, in other than a de minimis manner, the present use of the Real Property;

(h) such matters as the Title Company (as hereinafter defined) shall be willing, without special premium, to omit as exceptions to coverage;

(i) the lien of the Mortgages (but on the terms and conditions of this Agreement).

4.2 Prior to the date hereof, Contributor shall have directed Land Title Guarantee Company (the "Title Company"), as agent for Chicago Title Insurance Company, to prepare a title insurance search and commitment for owner's title insurance policy for the Real Property (the "Title Commitment"). MCRLP shall cause the Title Company to promptly deliver a copy of the same to Contributor and its counsel. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitment (other than the Permitted Encumbrances) which MCRLP is not required to accept under the terms of this Agreement, Contributor may, at its election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that except as provided below, Contributor shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions, other than (i) judgments against Contributor; (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount, other than the Mortgages; and (iii) defects, objections or exceptions which can be removed by payments not to exceed $100,000.00 per Building in the aggregate. Contributor, in its discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. If, after complying with the foregoing requirements, Contributor is unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, MCRLP shall elect either (i) to terminate this Agreement by notice given to Contributor, in which event the provisions of Section 23.2(a) shall apply, or (ii) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. Contributor agrees and covenants that it shall not voluntarily place any encumbrances or restrictions on title to the Real Property from and after the date of the first issuance of the Title Commitment for said Property, except for the right to reserve easements for utilities and ingress and egress encumbering the Real Property (post-closing) for the benefit of adjacent properties owned by Contributor (or any affiliate thereof) upon the written consent of MCRLP, which consent shall not

be unreasonably withheld or delayed; and so long as the mortgagees of the Mortgages shall consent to the reservation of the same. Mack-Cali and MCRLP covenant and agree that they shall consult with Contributor prior to causing any other person or entity to request any inspection of the Real Property by any governmental entity. Contributor recognizes that Mack-Cali's and MCRLP's due diligence necessitates said inspection. Mack-Cali and MCRLP agree that they shall conduct any due diligence with such governmental entity with a view toward maintaining the confidentiality of the transaction contemplated by this Agreement.

4.3 It shall be a condition to Closing that Contributor conveys, and that the Title Company insures, title to the Real Property in the amount of the Allocated Property Value thereof (at a standard rate for such insurance) in the name of MCRLP or its designees, after delivery of the Deed (as hereinafter defined) by a standard 1992 ALTA Owner's Policy, with ALTA endorsements, to the extent that the premium for such endorsements is paid by MCRLP, for the Real Property as required by MCRLP attached, free and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that (i) the exception for taxes shall apply only to the current taxes not yet due and payable; and (ii) to the extent that the premium for such endorsements is paid by MCRLP, (a) any Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; and (b) MCRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances. Contributor shall provide such affidavits and undertakings as the Title Company insuring title to the Real Property may require and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is insurable at standard rates (without special premium) by the

Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

4.4 Contributor shall cause one or more surveyors acceptable to MCRLP to deliver to MCRLP a survey or surveys of the Real Property acceptable to MCRLP in all respects and in conformity with ALTA standards. MCRLP shall, at MCRLP's sole cost and expense and with Contributor's cooperation and assistance, cause the surveyor to update the survey no more than thirty (30) days prior to the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured, to the extent that the premium for such endorsement is paid by MCRLP, to MCRLP.

4.5 Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by Contributor, which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by Contributor. Contributor shall deliver to MCRLP, on the Closing Date, instruments in recordable form sufficient

to discharge any such mortgages or other liens which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement.

4.6 If the Title Commitment discloses judgments, bankruptcies or other returns against other persons or entities having names the same as or similar to that of Contributor, Contributor shall, upon request, deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against Contributor, or any of its affiliates. Upon request by MCRLP, Contributor shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard exceptions on the ALTA Owner's Policy.

5. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTOR.

5.1 In order to induce MCRLP and Mack-Cali to perform as required hereunder, Contributor hereby warrants and represents to MCRLP and Mack-Cali the following with respect to the Property:

(a) Contributor is a duly organized and validly existing entity, organized and in good standing under the laws of the state of its formation, as more particularly set forth in Exhibit A hereto, is duly authorized to transact business in the State of Colorado, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Property in accordance with the terms and conditions hereof. All necessary actions of the partners, members, shareholders and/or principals of Contributor to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) Intentionally Deleted.

(c) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Contributor, enforceable in accordance with the terms of this Agreement. The performance by Contributor of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of Contributor or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator to which Contributor is a party or by which its assets are or may be bound.

(d) Annexed hereto as Schedule 5.1 (d) is a true, complete and correct schedule of all of the Leases. The Leases are valid and bona fide obligations of the landlord and Tenants thereunder and are in full force and effect. To the best of Contributor's knowledge, no defaults exist thereunder and no condition exists which, with the passage of time or the giving of

notice or both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements (other than the Leases) which confer upon any Tenant or any other person or entity any rights with respect to the Property, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim been asserted by any Tenant.

(e) Annexed hereto as Schedule 5.1(e) (the "Rent Roll") is a listing of the following, which is true, complete and correct in all respects for each Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) any written notices given by any Tenant of an intention to vacate space in the future; (vii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (viii) any arrearages of any Tenant beyond thirty (30) days.

(f) To the knowledge of Contributor, Contributor has performed all of the obligations and observed all of the covenants required of it as landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future. To the knowledge of Contributor, except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor.

(g) There are no service contracts, union contracts, employment agreements or other agreements affecting the Property or the operation thereof, except the Service Contracts and other contracts and agreements set forth on Schedule 5.1(g) annexed hereto. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any material default or claim of material default by any of the parties thereto. All sums presently due and payable by Contributor under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor. All of the Service Contracts may be terminated on not more than sixty (60) days notice without the payment of any fee or penalty, and the representation contained in this sentence is not subject to being modified by the limitations of Section 5.5. There are no employees of Contributor, or an affiliate of Contributor, working at or in connection with the

Real Property pursuant to any of the Service Contracts, other contracts and employment agreements, except as set forth on Schedule 5.1(g).

(h) Except as set forth on Schedule 5.1(h) annexed hereto, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of Contributor, threatened against Contributor (with respect to the Property being sold) or all or any part of the Property, the environmental condition thereof, or the operation thereof.

(i) Except as set forth on Schedule 5.1(i) annexed hereto, Contributor has received no written notice and has no knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Real Property or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Real Property, or (v) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. Contributor agrees to furnish MCRLP with a copy of any such notice received within two (2) business days after receipt.

(j) Contributor has provided MCRLP with all reports in Contributor's possession or under its control related to the physical condition of the Real Property.

(k) Except as set forth on Schedule 5.1(k) annexed hereto, Contributor has no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property, or any violations or conditions that may give rise thereto, and has no reason to believe that any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the management, operation, use or improvement thereof (collectively, the "Governmental

Authorities" or "Governmental Authority" as the context requires) contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving Contributor or the Real Property. For purposes of this Agreement, the term "Governmental Authority" shall also include the Internal Revenue Service and any other federal, state, local or foreign taxing authority.

(l) There are no employees of Contributor or any affiliates of Contributor working at or in connection with the Real Property except as set forth on Schedule 5.1(l).

(m) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of Contributor and MCRLP with respect to said commissions are set forth in Section 14.

(n) Contributor has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Contributor's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Contributor's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Contributor's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(o) Except for the Mortgages and otherwise as set forth on Schedule 5.1(o), the Personal Property is now owned and will on each of the Closing Date be owned by Contributor free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

(p) To Contributor's knowledge, Contributor is not in default under the Mortgages. True, correct and complete copies of the Loan Documents have been delivered to MCRLP. The Loan Documents will not be amended or modified except as required by Mack-Cali prior to the Closing Date.

(q) Intentionally Deleted.

(r) Intentionally Deleted.

(s) Contributor has no knowledge that any part of the Real Property has been designated as wetlands or any other word of similar purport or meaning under the Federal Water Pollution Control Act, 33 U.S.C. ss.1251 et seq.; the Colorado Water Quality Control Act, Colo. Rev. Stat. Section 25-8-101 et seq; or any other applicable federal, state, county or municipal statute, ordinance, rule, regulation, order or code.

(t) To the best of Contributor's knowledge, there are no aboveground or underground storage tanks or vessels at the Real Property, regardless of whether or not such tanks or vessels are regulated tanks or vessels, except as set forth on Schedule 5.1(t).

(u) Contributor has no knowledge of outstanding requirements or recommendations by (i) any insurance company currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions; or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work of a material nature to be done on the Property.

(v) The financial statements, including the income and expense statements and the balance sheets of Contributor and its affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement, relating to Contributor's ownership and operation of the Property and the related statement of income, partners' capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1995, 1996 and 1997, fairly present the financial position of Contributor

relating to the Property as of such dates and the results of operations and cash flows of Contributor relating to the ownership and operation of the Property for such respective periods. The Property Financials from January 1, 1998, through the most recent month ending prior to the Closing Date, fairly present the financial position of the Property relating to the ownership and operation of the Property as of such date (subject to the normal year-end adjustments described in Schedule 5.1(v)) and with all interim financial statements of the Property heretofore delivered to MCRLP on behalf of Contributor.

(w) Except as set forth in Schedule 5.1(w), Contributor does not maintain any 401(k) savings plans, pension plans, multi-employer plans (as

defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee benefit plans (as defined in ERISA) or employee welfare plans providing for benefits to Contributor's employees (each, a "Contributor Plan"). From and after the date hereof, Contributor shall not adopt a Contributor Plan. Mack-Cali shall have no liability to any current or former employees of Contributor or any affiliate thereof, including, without limitation, any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any plans or programs listed on Schedule 5.1(w), or arising under applicable federal or state law, including, without limitation, under the Worker Adjustment and Retraining Nonfiction Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

(x) Intentionally Deleted.

(y) Except as disclosed in the Phase I Reports or otherwise set forth in Schedule 5.1(y):

(i) To the best of Contributor's knowledge, no Governmental Authority has demanded in writing, addressed to Contributor or any of its affiliates, counsel or agents, that any Contaminants (as defined herein) be cleaned up or environmentally remediated at any Real Property, which has not been cleaned up or environmentally remediated.

(ii) To the best of Contributor's knowledge, no Contaminants have been Discharged (as hereinafter defined) which would allow a Governmental Authority to demand that a cleanup be undertaken.

(iii) To the best of Contributor's knowledge, no ss.104(e) informational request, issued pursuant to CERCLA (as hereinafter defined) with respect to the Real Property has been received by Contributor.

(iv) To the best of Contributor's knowledge, all pre-existing aboveground and underground storage tanks and vessels, if any, at the Real Property have been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws.

(v) To the best of Contributor's knowledge, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws (as hereinafter defined) on the Real Property, except as set forth on Schedule 5.1(y).

(vi) To the best of Contributor's knowledge, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property, are identified in Schedule 5.1(y) and are in compliance with all Environmental Laws.

(vii) To the best of Contributor's knowledge, Pacifica has all material certificates, licenses and permits (the "Permits"), including without limitation, environmental Permits, required to operate the Real Property. To the best of Contributor's knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property, as the case may be, without additional payment by MCRLP, and shall, upon closing, be transferred to MCRLP by Contributor.

(viii) To the best of Contributor's knowledge, the Real Property has not been used during the period of Contributor's ownership as solid wastes disposal sites and facilities as defined in the Colorado Solid Wastes Disposal Sites and Facilities Law, Colo. Rev. Stat. Section 30-20-100.5 et seq. and the regulations promulgated thereunder.

(ix) To the best of Contributor's knowledge, there are no engineering or institutional controls at the Real Property, including without limitation, any deed notice, declaration of environmental restriction, groundwater classification exception area, well restriction area or other notice or use limitations pursuant to Colo. Rev. Stat. Section 25-15-208 et seq. and the regulations promulgated thereunder.

(x) Contributor has not transported any Contaminants from the Real Property to another location in violation of Environmental Laws.

(xi) To the best of Contributor's knowledge, there are no federal or state liens, as referenced under CERCLA and the regulations promulgated thereunder, or under any other applicable Environmental Law that have attached to the Real Property.

(xii) Contributor has provided MCRLP with all environmental site assessments, investigations, and documents and all other Environmental Documents (as that term is defined below) in its possession or under its control and shall continue to do so after execution of this Agreement

promptly upon its receipt.

(xiii) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(A) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(B) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property regardless of whether the result of an intentional or unintentional action or omission.

(C) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of Contributor concerning the Property or its environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent, sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental Authority.

(D) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(z) Contributor and its affiliated entities shall have timely paid all Taxes (as defined herein) due and payable on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall have timely filed all Tax Returns (as defined herein) required to be filed on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return is complete and accurate in all respects. Contributor and its affiliated entities shall have timely paid or will timely pay, or shall have provided for or will provide for a cash reserve for

the payment of, all Taxes due and payable on or after the Closing Date for all taxable periods (or portions thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period" or "Pre-Closing Tax Periods"), and in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall timely file all Tax Returns which relate to all Pre-Closing Tax Periods but which are required to be filed after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate in all respects. True and complete copies of all Tax Returns filed by Contributor for taxable periods beginning on or after January 1, 1994, and all written communications relating thereto, have been, or will be upon request, delivered to Mack-Cali. Contributor has also provided, or will also provide upon request, to Mack-Cali copies of: (i) any letter ruling, determination letter or similar document issued to Contributor by any Governmental Authority, and (ii) any closing or other agreement entered into by Contributor with any Government Authority. Except as set forth on Schedule 5.1(z), there are no ongoing Audits or Audits pending or, to the knowledge of Contributor and each of its affiliated

entities, threatened with respect to the ownership and/or operation of the Property (by Contributor, its affiliated entities or any of their predecessor entities) or the businesses of Contributor or any of its affiliated entities, which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. There are no agreements or waivers extending the statutory period of limitations with respect to any such Tax Returns or for the assessment or collection of any such Taxes. No claim has ever been made by a Governmental Authority in a jurisdiction where Contributor does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(aa) Annexed hereto as Schedule 5.1(aa) is a listing, for federal income tax purposes, of the following information, which is true, complete and correct in all aspects for each item of Property: (i) its adjusted basis as of the first day of Contributor's taxable year which includes the Closing Date; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(bb) Subject to the provisions of Section 5.5, no representation or warranty made by Contributor contained in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(cc) As used throughout this Agreement, the phrases "to Contributor's knowledge," "to the knowledge of Contributor," "to the best of Contributor's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge of Terrence Claassen,

David Goldberg, Chetter Latcham, Steve Leonard, Rich Majors, Adel Nassif, Chuck Peck and Della Wegman, without having undertaken any independent investigation of facts or legal issues, without any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Contributor or of any other person or entity.

5.2 Intentionally Deleted.

5.3 All representations and warranties made hereunder by Contributor and in this Agreement shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (c), (w) and (z) of Section 5.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate (as defined below) as to any of the matters which are contained in the representations and warranties made by Contributor in Section 5.1(f) of this Agreement, then Contributor's representations and warranties as to such matters shall be of no force or effect to the extent of any conflict. Pacifica Holding Company, a Colorado corporation; and Pacifica Holding Company, a Colorado limited liability company (collectively, "Guarantor"); and Contributor, jointly and severally, shall, pursuant to a separate indemnity agreement (the "Indemnity Agreement") in the form attached hereto as Schedule 5.3, indemnify and defend Mack-Cali and MCRLP, and to hold Mack-Cali and MCRLP harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Mack-Cali or MCRLP by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Contributor contained in this Agreement to the full extent that Contributor would otherwise have been liable therefor under the provisions of this Agreement. The foregoing indemnity shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing. Notwithstanding the foregoing, the members of Contributor shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, except as set forth in Section 28, MCRLP shall not have a right to bring a claim against Contributor by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to MCRLP and/or Mack-Cali are reasonably expected to exceed $100,000.00, but thereafter MCRLP and/or Mack-Cali may bring a claim against Contributor for the entire amount of its aggregate damages.

5.4 Contributor acknowledges that it is not in a significantly disparate bargaining position with respect to MCRLP or Mack-Cali in connection with the transaction contemplated by this Agreement and that Contributor was represented by legal counsel in connection with this transaction.

5.5 Mack-Cali and MCRLP each acknowledges that it has had, or will have had, as of the Closing, sufficient time to review all materials and information set forth in Schedule 5.5,

and sufficient time and access to review and investigate the Property. Notwithstanding any other provision of this Agreement, except as set forth in Subsections 5.1(d), (e) and (f), as they relate to the Leases, the Estoppels and the Rent Rolls, the representations and warranties of Contributor as set forth herein or in Contributor's Closing Certificate are hereby modified to be made true to the extent that, as of the date hereof with respect to the representations and warranties made herein, and as of the Closing Date with respect to the representations and warranties made by Contributor as of the Closing Date, (i) information contained in the records made available as set forth Schedule 5.5 no longer makes the subject representation or warranty not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information, or (ii) either Mack-Cali or MCRLP has knowledge that the subject representation or warranty is untrue, or (iii) Contributor has delivered or made available to any of the individuals described in Section 6.1(l) other written information disclosing that the subject representation or warranty is not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information.

6. REPRESENTATIONS AND WARRANTIES OF MACK-CALI AND MCRLP.

6.1 In order to induce Contributor to perform as required hereunder, Mack-Cali and MCRLP hereby jointly and severally warrant and represent the following:

(a) (i) MCRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of MCRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(ii) Mack-Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to permit MCRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Mack-Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) This Agreement and the agreements and other documents to be executed and delivered by each of Mack-Cali and MCRLP hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of each of Mack-Cali and MCRLP, enforceable in accordance with the terms of this Agreement. The performance by each of Mack-Cali and MCRLP of each of its duties and obligations under this Agreement and the documents and

instruments to be executed and delivered by each of them hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of each of Mack-Cali and MCRLP or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which each of Mack-Cali and MCRLP is a party or by which each of its assets are or may be bound.

(c) The Contributor Units to be issued to Contributor and/or the Contributor Unit Holders are duly authorized and, when issued by MCRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Mack-Cali upon redemption of the Contributor Units will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same will be exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(d) MCRLP has furnished to Contributor a true and complete copy of the OP Agreement, as amended to date.

(e) Mack-Cali has caused to be delivered to Contributor copies of the OP Agreement. The SEC Documents were, and those additional documents

filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(f) The consolidated financial statements included in the SEC Documents have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial position of Mack-Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, "Subsidiaries" shall mean (i) any entity of which Mack-Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority of the outstanding capital stock (or other shares of beneficial interest), or (y) at least a majority of the partnership, joint venture or similar interests; and (ii) any entity in which Mack-Cali (or other specified entity) is a general partner or joint partner, including without limitation MCRLP. "Subsidiaries" shall specifically exclude Mack-Cali Services, Inc. and The Grove Street Urban Renewal Corp., which are the only non-qualified REIT subsidiaries of Mack-Cali as of the date hereof.

(g) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Mack-Cali's and MCRLP's knowledge, threatened, at law or in equity, against either of Mack-Cali or MCRLP before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either of Mack-Cali or MCRLP from performing its respective obligations pursuant to this Agreement.

(h) The execution and delivery of this Agreement and the performance by each of Mack-Cali and MCRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Mack-Cali or MCRLP, including without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Mack-Cali or MCRLP is a party or by which Mack-Cali or MCRLP is bound or affected.

(i) (1) Mack-Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1997, as a real estate investment trust ("REIT") within the meaning of Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"), (B) has complied with all applicable provisions of the Code which would have enabled it to qualify as a REIT for 1995 and 1996, (C) has operated, and intends to continue to operate, in such a manner so as to enable it to qualify as a REIT for 1998 and subsequent years, and (D) has not taken or omitted to take any action which would reasonably be expected to cause its disqualification as a REIT, and no challenge to its REIT status is pending or, to Mack-Cali's knowledge, threatened.

(2) Mack-Cali has timely filed with the appropriate Governmental Authority all Tax Returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such Tax Return is true and correct in all material respects. All Taxes shown as owed by Mack-Cali or any of its Subsidiaries on any Tax Return have been paid or accrued, except for Taxes being contested in good faith and for which adequate reserves have been established. None of Mack-Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax.

(3) To its knowledge, as of the date hereof, Mack-Cali is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code.

(j) All of Mack-Cali's real property and other material assets are owned by Mack-Cali indirectly through its ownership of MCRLP and MCRLP's Subsidiaries.

(k) Neither Mack-Cali nor MCRLP has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Mack-Cali's or MCRLP's creditors, suffered the appointment of a

receiver to take possession of all, or substantially all, of Mack-Cali's or MCRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Mack-Cali's or MCRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(l) As used throughout this Agreement, the phrases "to Mack-Cali's knowledge," "to the knowledge of Mack-Cali", "to the best of Mack-Cali's knowledge", to MCRLP's knowledge," "to the knowledge of MCRLP", "to the best of MCRLP's knowledge" or any similar derivations thereof, shall mean the actual (not constructive) knowledge of Tim Jones, John DeBari, Daniel Wagner, Andrew Greenspan, Roger W. Thomas and Terry Noyes, without having undertaken any independent investigation of facts or legal issues, without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Mack-Cali, MCRLP or of any other person or entity.

6.2 Each of Mack-Cali and MCRLP acknowledges that it is not in a significantly disparate bargaining position with respect to Contributor in connection with the transaction contemplated by this Agreement and that Mack-Cali and MCRLP were represented by legal counsel in connection with this transaction.

6.3 All representations and warranties made by Mack-Cali and MCRLP in this Agreement shall survive the Closing Date for a period of eighteen (18) months, except that the representations and warranties set forth in clauses (a) and (b) of Section 6.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Mack-Cali and MCRLP agree to indemnify and defend Contributor, and to hold Contributor harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Contributor by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Mack-Cali and MCRLP contained in this Agreement. Notwithstanding the foregoing, the partners of MCRLP and the shareholders of Mack-Cali shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, Contributor shall not have a right to bring a claim against Mack-Cali or MCRLP by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to Contributor is reasonably expected to exceed $100,000.00, but thereafter Contributor may bring a claim against Mack-Cali or MCRLP for the entire amount of its aggregate damages.

INTERIM OPERATING COVENANTS OF CONTRIBUTOR.

7.1 Contributor covenants and agrees that between the date hereof and the Closing Date (the "Interim Period"), it shall perform or observe the following with respect to the Real Property:

(a) Contributor will complete any capital expenditure program currently in process or anticipated to be completed. Contributor will not defer taking any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(b) Contributor, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without MCRLP's prior written consent; provided, however that Contributor shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of MCRLP, so long as such lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which Contributor currently enters into in the ordinary course of its business.

(c) Contributor shall comply with and/or remedy all violations of statutes, ordinances, rules, regulations, orders, codes, directives or requirements affecting the Real Property, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities prior to the Closing, and the Real Property shall be conveyed free of any such violations, including, without limitation, violations of Environmental Laws.

(d) Contributor shall not:

(i) Enter into any agreement requiring Contributor to do work for any Tenant after the Closing Date without first obtaining the prior written consent of MCRLP, unless such agreement is on market terms and conditions with bona fide third parties and is the type of agreement which Contributor currently enters into in the ordinary course of its business, in which case no consent of MCRLP will be required; or

(ii) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, except in its

ordinary course of business on market terms, with bona fide third parties and upon prior written notice to MCRLP.

(iii) Intentionally Deleted.

(e) Contributor shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business. Contributor shall provide MCRLP with an updated schedule of Security Deposits at the Closing or the Earnout Closing.

(f) Between the date hereof and the Closing Date, Contributor will not renew, extend or modify any of the Service Contracts without the prior written consent of MCRLP unless such is done by Contributor in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of MCRLP will be required.

(g) Contributor shall not remove or permit the removal of any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to MCRLP, other than expressly provided herein.

(h) Contributor shall, upon request of MCRLP at any time after the date hereof, assist MCRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as MCRLP may reasonably request, covering the period of Contributor's ownership of the Real Property.

(i) Between the date hereof and the Closing Date, Contributor will make all required payments under any mortgage affecting the Real Property within any applicable grace period, but without reimbursement by MCRLP therefor. Contributor shall also comply with all other material terms covenants and conditions of any mortgage on the Real Property.

(j) Contributor shall not cause or permit the Real Property, or any interest therein, to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(k) Contributor agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining, which policies Contributor represents are sufficient to protect, to a reasonable and prudent extent, the owner of the Property, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(l) Contributor shall permit MCRLP and its authorized representatives to inspect the Books and Records of its operations at all reasonable times upon reasonable notice. All Books and Records not conveyed to MCRLP hereunder shall be maintained for MCRLP's inspection at Contributor's address as set forth in Exhibit A hereto.

(m) Contributor shall:

(i) promptly notify MCRLP of, and promptly deliver to MCRLP, a certified true and complete copy of any notice Contributor may receive, on or before the Closing

Date from any Governmental Authority concerning a violation of Environmental Laws or Discharge of Contaminants;

(ii) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by Contributor or its representatives, deliver to MCRLP a certified true and complete copy of all Environmental Documents; and

(iii) timely provide MCRLP with drafts of any pertinent documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of Tenants and shall keep MCRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

7.2 Prior to the Closing, Contributor shall deliver to MCRLP reviewed Property Financials as set forth in Section 5.1(v). Within thirty (30) days after the Closing Date, Contributor shall deliver to MCRLP Property Financials, as set forth in Section 5.1(v), through the Closing Date. The

provisions of this Section 7.2 shall survive the Closing Date.

7.3 Intentionally Deleted.

7.4 Intentionally Deleted.

7.5 Contributor and its affiliated entities will timely pay all Taxes due and payable during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities will timely file all Tax Returns required to be filed during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate in all respects and will be filed on a basis consistent with past practice. A copy of all such Tax Returns shall be delivered to Mack-Cali at least three (3) days prior to such Tax Returns being filed. The obligations set forth in this Section 7.5 shall survive the expiration or earlier termination of this Agreement and/or shall survive the Closing Date for the applicable period of the statute of limitations.

8. INTENTIONALLY DELETED.

9. ESTOPPEL CERTIFICATES.

9.1 Contributor agrees to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form annexed hereto as Exhibit 9.1 for Tenant's execution, completed to reflect Tenant's particular Lease status. Contributor agrees to use commercially reasonable efforts

to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, Contributor shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver the same as provided in its Lease. Contributor agrees to deliver to MCRLP copies of all estoppel letters received by Tenants, in the form received by Contributor. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

9.2 As a condition to the Closing, Contributor shall deliver (a) an Estoppel Certificate from all Tenants which lease space at the Real Property in excess of 10,000 square feet or more in the aggregate, and (b) Estoppel Certificates from the remaining Tenants leasing at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in Clause 9.2(a) above.

9.3 For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

10. CLOSINGS.

10.1 (a) Closing. The consummation of the transactions contemplated hereunder with respect to the Property (the "Closing") shall take place at the offices of Brownstein, Hyatt, Farber & Strickland, P.C., 410 Seventeenth Street, 22nd Floor, Denver, Colorado, 80202-4437, on or about March 25, 1998 (the "Closing Date"). Upon notice to Contributor, MCRLP may elect to accelerate the Closing Date to a date not less than five (5) days after the date of MCRLP's notice.

(b) Intentionally Deleted.

(c) Intentionally Deleted.

(d) Intentionally Deleted.

10.2 On the Closing Date, except as otherwise set forth in Subsections 10.2(z) and 10.2(aa), Contributor, at its sole cost and expense, will deliver or cause to be delivered to MCRLP the following documents, fully executed by all parties thereto other than MCRLP or parties claiming by, through or under MCRLP:

(a) Special Warranty Deeds (the "Deeds") with covenants in proper statutory form for recording so as to convey to MCRLP good and marketable title to the Land being conveyed, free and clear of all liens and encumbrances, except the Permitted Encumbrances. The delivery of the Deeds shall also be deemed to constitute a transfer of the Personal Property

associated with the Land conveyed by the Deeds; the delivery of all of the Deeds shall be deemed to constitute a transfer of the balance of the Personal Property to MCRLP.

(b) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Contributor, using its best efforts, is unable to deliver originals of the same.

(c) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and Records, and certified copies of the same where Contributor, using its best efforts, is unable to deliver originals of the same.

(d) A letter to Tenants advising the Tenants of the sale hereunder and directing that rent and other payments thereafter be sent to MCRLP or its designee, as MCRLP shall so direct.

(e) Intentionally Deleted.

(f) Duly executed and acknowledged omnibus assignment in the form of Exhibit 10.2(f) annexed hereto ("Omnibus Assignment").

(g) Duly executed Asset Purchase Agreement in the form of Exhibit 10.2(g) annexed hereto.

(h) An affidavit, and such other document or instruments required by the Title Company, executed by Contributor certifying (i) against any work done or supplies delivered to the Real Property which might be grounds for a materialman's or mechanic's lien under or pursuant to Colorado Lien Law, in form sufficient to enable the Title Company to affirmatively insure MCRLP against any such lien, (ii) that the signatures on the Deeds are sufficient to bind Contributor and convey the Property to MCRLP, and (iii) the Rent Roll.

(i) Affidavits and other instruments, including but not limited to all organizational documents of Contributor and Contributor's general partners, as applicable, including operating agreements, filed copies of limited liability certificates, articles of organization, and good standing certificates, reasonably requested by MCRLP and the Title Company evidencing the power and authority of Contributor to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(j) The original Estoppel Certificates.

(k) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit MCRLP to realize upon the same.

(l) A certificate indicating that the representations and warranties of Contributor made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(m) A Rent Roll for each Real Property, current as of the Closing Date, certified by Contributor as being true and correct in all material respects.

(n) All proper instruments as shall be reasonably required for the conveyance to MCRLP of all right, title and interest, if any, of Contributor in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, or Improvements or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (iii) for any taking in condemnation or eminent domain of any part of the Land and Improvements.

(o) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate which is in a form acceptable to Mack-Cali and which is signed by the appropriate officer of Contributor, to the effect that Contributor is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(p) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Contributor as may be required of Contributor by law in connection with the conveyance of the Property to MCRLP, including but not limited to, Internal Revenue Service forms and the declaration required to be filed pursuant to Title 39, Article 14 of the Colorado Revised Statutes.

(q) A statement setting forth all adjustments and prorations

shown thereon.

(r) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r) attached hereto.

(s) Estoppel certificate addressed to MCRLP from the mortgagees of the Mortgages in form and substance reasonably acceptable to MCRLP.

(t) An opinion of counsel from Brownstein, Hyatt, Farber & Strickland, P.C., substantially in the form of Exhibit 10.2(t) regarding the due execution, delivery and enforceability of this Agreement and the foregoing documents.

(u) Intentionally Deleted.

(v) Duly executed and acknowledged Indemnity Agreement from Guarantor and Contributor as set forth in Section 5.3.

(w) Intentionally Deleted.

(x) Intentionally Deleted.

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

(z) At least fifteen (15) days prior to the Closing Date, a schedule setting forth, with respect to each item of the Property for which Contributor Units will be received as part of the consideration: (i) those Contributors of such item of the Property that are allocated Contributor Units and the amount of Contributor Units so allocated to any such Contributor; (ii) the gross fair market value of such item of the Property for purposes of determining the gain or loss that will be recognized for federal income tax purposes as a result of the contribution; (iii) the adjusted basis of such item of the Property immediately prior to the contribution; (iv) the amount of cash and Contributor Units allocated to the item of the Property; and (v) the amount of any liability relating to such item of the Property that MCRLP will either assume or to which such item will be subject and which does not constitute a "qualified liability" within the meaning of Treasury Regulations Section 1.707-5(a)(6).

(aa) At least fifteen (15) days prior to the Closing Date, a schedule setting forth: (i) any Contributor named for purposes of Section 10.2(z)(i) which is to receive less than the full amount of Contributor Units indicated for purposes of Section 10.2(z)(i); and (ii) the names of those persons who are to receive Contributor Units that each such Contributor would otherwise be entitled to receive and the amount of units that any such persons are to receive. At least fifteen (15) days prior to the Closing Date, each Contributor to which this Section 10.2(aa) is relevant shall issue "direction letters" to MCRLP (in the form acceptable to MCRLP), to the effect that each such Contributor authorizes the issuance by MCRLP of Contributor Units directly to such persons (and in such amounts) which are set forth for purposes of Section 10.2(aa)(ii).

(bb) A letter from each applicable municipal department or agency having jurisdiction that the Property is in compliance with the laws, codes, rules, regulations and ordinances regarding (i) zoning, (ii) building, (iii) health and (iv) fire, life and safety.

(cc) A computer diskette containing any closing or other documents executed in connection with this transaction and prepared by Contributor or its counsel, in WordPerfect or Microsoft Word format.

(dd) All original organizational documents relating to the Contributor, and all statements of accounts, books and records and insurance policies.

(ee) a certificate executed by each Contributor Unit Holder and each Contributor receiving Contributor Units, substantially in the form of Exhibit 10.2(ee).

10.3 On the Closing Date, Mack-Cali and MCRLP, at their sole cost and expense, will deliver or cause to be delivered to Contributor the following documents, fully executed by all parties thereto other than Contributor or parties claiming by, through or under Contributor:

(a) The Cash Payment, net of adjustments and prorations.

(b) The Permanent Certificates representing, in the aggregate, the Contributor Units.

(c) Intentionally Deleted.

(d) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f) annexed hereto.

(e) A certificate indicating that the representations and warranties of Mack-Cali and MCRLP made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(f) Affidavits and other instruments, including but not limited to all organizational documents of Mack-Cali and MCRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by Contributor evidencing the power and authority of Mack-Cali and MCRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(g) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(h) Amendment to OP Agreement substantially in the form of Exhibit 10.3(h) reflecting admission of the Contributor Unit Holders as limited partners.

(i) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(j) Intentionally Deleted.

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

10.4 Contributor shall pay for the premium charges and costs for title insurance policies (but not any endorsements to such policies required by Mack-Cali); all survey costs; all costs incurred to repay or satisfy any and all liens; all administrative and legal costs associated with the assumption by MCRLP of the mortgages to which this transaction is subject (other than the fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided); all leasing commissions due to Tenants in connection with the initial terms of their respective Leases; all costs of tenant improvement concessions due to Tenants in connection with the initial terms of their respective Leases; and all customary prorations and apportionments. Mack-Cali shall pay for the costs of all customary documentary and recording fees; (including, without limitation, the "documentary fee" imposed by Article 13 of the Colorado Revised Statutes); the cost of any endorsements to its title insurance policies; all due diligence investigations costs (including, without limitation, the cost of all Phase I Reports for the Property, which environmental assessment reports shall be dated no more than thirty (30) days prior to the Closing Date); any fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided and all customary prorations and apportionments. Each party shall be responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

10.5 The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of Contributor related to periods prior to the Closing, such claims shall be the responsibility of Contributor, and Contributor shall jointly and severally indemnify, defend and hold harmless MCRLP (and its respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

10.6 Mack-Cali and MCRLP acknowledge and agree that, except as set forth in this Agreement, MCRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Contributor. Mack-Cali and MCRLP acknowledge that, except as set forth in this Agreement, and except for documents, reports and information related to the environmental integrity of the Real Property, neither Mack-Cali nor MCRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or sketches, financial information, projections, pro formas or statements, that may have been given by or made by or on behalf of Contributor with respect to the Property. MCRLP

and Mack-Cali further acknowledge that all materials relating to the Property which have been provided by Contributor, including but not limited to, the Phase I Reports, have been provided without any warranty or representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and, except as expressly provided herein, neither MCRLP nor Mack-Cali shall have any recourse against Contributor or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

Contributor does not warrant or make any representation, express or implied, as to the merchantability, quantity, quality, condition, suitability or fitness of the Property for any purpose whatsoever, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the Super Fund Amendments and Reauthorization Act (SARA), the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances. MCRLP also acknowledges and agrees that (i) the Contributor's representations and warranties set forth in Section 5 and (ii) the provisions in this Agreement for delivery of existing Phase I Reports and inspection and investigation of the Property are adequate to enable MCRLP to make MCRLP's own determination with respect to the suitability or fitness of the Property, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the SARA, the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances.

Except to the extent (a) caused by a breach of any of Contributors' representations hereunder; (b) related to claims by or liabilities to third parties unrelated to Mack-Cali or MCRLP; or (c) as otherwise expressly set forth herein, including, without limitation, as indemnified pursuant to the Indemnity Agreement, MCRLP and Mack-Cali, for themselves and their successors and assigns, hereby release each of the Contributors, and their agents, employees, partners, officers, directors, members, managers, contractors, consultants and representatives from, and waive any and all causes of action or claims against any of such persons for (i) any and all liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under or about the Property of any materials the release or storage of which is regulated by law; (ii) any and all liability resulting from the failure of the Property to comply with any applicable laws; and (iii) any liabilities, damages or injury arising from, connected with or otherwise caused by statements, opinions or information obtained from any of such persons with respect to the Property.

ADJUSTMENTS.

11.1 The following items under (a) through (g) with respect to the Real Property are to be apportioned as of midnight on the date preceding the Closing:

(a) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to MCRLP and shall be applied by MCRLP to current rents and other charges under the Leases. After application of such moneys to current rents and charges, MCRLP agrees to remit to Contributor any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing.

(b) A cashier's or certified check or wire transfer to the order of MCRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of MCRLP, such amount may be allotted to MCRLP as a credit against the Cash Payment.

(c) Utility charges payable by Contributor, including without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Contributor will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date.

(d) Amounts payable under the Service Contracts other than those Service Contracts which MCRLP has elected not to assume.

(e) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(f) The value of fuel stored at any of the Real Property, at Contributor's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by Contributor's supplier.

(g) Intentionally Deleted.

11.2 Intentionally Deleted.

11.3 At the Closing, Contributor shall deliver to MCRLP a list of additional rent, however characterized, under all Leases, including without limitation, real estate taxes, electrical charges, utility costs and operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1997 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by Contributor on account of the components of Additional Rent for calendar year 1997. Upon the reconciliation by MCRLP of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1997, Contributor and MCRLP shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1997. Notwithstanding the foregoing, the calculation of real estate

taxes and the collection of Additional Rents from Tenants attributable to such real estate taxes, as reflected on the closing statement related hereto, shall be final as of the Closing Date.

11.4 All amounts due and owing under the Mortgages other than the outstanding principal balance thereof, including by way of example accrued and unpaid interest, deferred interest, late charges, default interest, prepayment fees or penalties, and other fees and charges, shall be paid by Contributor on or before the Closing. Notwithstanding any language to the contrary in this Agreement, from and after the Closing, MCRLP shall be entitled to any payment by Evolving Systems, Inc. of any or all of the Allowance Repayment (as defined in the Lease).

11.5 If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by Contributor on the Closing Date.

11.6 Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of Colorado.

11.7 Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

11.8 The provisions of this Section 11 shall survive the Closing Date.

12. CONDITIONS PRECEDENT TO CLOSING.

12.1 The obligations of Contributor to deliver title to the Real Property and to perform the other covenants and obligations to be performed by Contributor on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Contributor):

(a) The representations and warranties made by MCRLP and Mack-Cali herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by Contributor hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein.

(b) MCRLP and Mack-Cali shall have executed and delivered to Contributor all of the documents provided herein for said delivery.

(c) Intentionally Deleted.

(d) Mack-Cali and MCRLP shall have performed all covenants and obligations undertaken by Mack-Cali and MCRLP herein in all material respects and complied with all material conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

12.2 The obligations of Mack-Cali and MCRLP to accept title to the Property and Mack-Cali's and MCRLP's obligation to perform the other covenants and obligations to be performed by Mack-Cali and MCRLP on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Mack-Cali or MCRLP):

(a) Subject to Section 5.5(a) the representations and warranties made by Contributor herein shall be true and correct in all material

respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by Contributor herein shall be inapplicable.

(b) Contributor shall have performed all covenants and obligations undertaken by Contributor herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(c) The Title Company is unconditionally prepared to issue to MCRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(d) The Real Property shall be in compliance with all Environmental Laws.

13. INTENTIONALLY DELETED.

LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Contributor. MCRLP shall be credited at Closing as set forth on Schedules 5.1(f) and 5.1(m) respectively with respect to certain tenant improvement and leasing commission obligations, but Contributors shall remain liable for any amounts due and owing in excess of such credits. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by MCRLP. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

15. ASSIGNMENT.

This Agreement may not be assigned by Mack-Cali or MCRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Mack-Cali or MCRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Mack-Cali or MCRLP shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Mack-Cali or MCRLP may assign the right to purchase individual portions of the Property to various entities, provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this Agreement to be performed by Mack-Cali or MCRLP with respect to the portion of the Real Property, in form reasonably satisfactory to counsel for Contributor, shall be delivered to the attorneys for Contributor prior to the Closing, and in any event, no such assignment shall relieve Mack-Cali and MCRLP from their obligations under this Agreement.

16. BROKER.

Mack-Cali, MCRLP, and Contributor represent that, with the exception of Sonnenblick Goldman Ltd. and Pacifica Holding Company LLC (collectively, "Brokers") they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. Notwithstanding the foregoing, Contributor shall pay in full any commission, fee or other compensation due the Brokers pursuant to separate agreements, and Guarantor and Contributor agree to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any and all loss, cost, damage, liability, or expense, including reasonable attorneys' fees, which MCRLP or Mack-Cali may sustain, incur or be exposed to by reason of Contributor's failure to pay in full the Brokers pursuant to such separate agreements. The provisions of this Section shall survive the Closing and/or other termination of this Agreement.

17. CASUALTY LOSS.

17.1 Contributor shall continue to maintain, in all material respects, the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires, which obligation shall survive the Closing.

17.2 If at any time prior to the Closing Date, all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), Contributor shall promptly give written notice ("Casualty Notice") thereof to MCRLP. Within ten (10) days after the receipt of the Casualty Notice, MCRLP and Mack-Cali shall have the right, at its sole option, to terminate this Agreement with respect to said Property by written notice to Contributor. Notwithstanding the foregoing, MCRLP and Mack-Cali shall not have the right to terminate this Agreement if (a) Contributor's insurance fully covers the damage resulting from the Casualty; and (b) the proceeds of any insurance, together with a credit equal to Contributor's deductible under the Insurance Policies, shall be paid to MCRLP and Mack-Cali at the time of the Closing; and (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to MCRLP and Mack-Cali at the Closing without in any manner affecting the Exchange Consideration hereunder.

17.3 If the Property is the subject of a Casualty but MCRLP or Mack-Cali does not terminate this Agreement pursuant to the provisions of this Section, then Contributor shall, prior to the Closing Date, cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety; provided, however, that any such repairs shall first be approved by MCRLP or Mack-Cali. Contributor shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

18. CONDEMNATION.

In the event of a material taking (as defined in this Section 18), MCRLP and Mack-Cali shall have the right, at its sole option, to either (a) terminate this Agreement by giving Contributor written notice to such effect at any time after its receipt of written notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should MCRLP or Mack-Cali so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event MCRLP or Mack-Cali shall not elect to cancel this Agreement, Contributor shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to MCRLP or Mack-Cali, and the same shall be MCRLP's or Mack-Cali's sole property, and MCRLP or Mack-Cali shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which involve (a) the taking of a portion of Real Property such that ingress and egress to such Real Property is impaired, (b) the taking of a portion of the parking spaces of a Real Property such that after such taking the Real Property will not be in compliance with local zoning regulations regarding adequate parking, or (c) the taking of any part of a Building.

19. TRANSFER RESTRICTIONS.

19.1 Contributor hereby agrees that the Contributor Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively,

"Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the Contributor Units and/or the shares of Common Stock underlying the Contributor Units (the "Underlying Shares") may only be transferred (i) privately in accordance with the terms of the OP Agreement and this Section 19, or (ii) publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 150,000 Common Stock shares in any single day. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not apply to (i) pledges or encumbrances of all or a portion of the Contributor Units to an institutional lender, or (ii) Transfers of all or any portion of the Contributor Units to permitted transferees as set forth in the OP Agreement (the "Permitted Transferees"). Any holder of Contributor Units pursuant to (i) or (ii) of the preceding sentence shall be subject to the terms and conditions of the OP Agreement.

19.2 If any of the Contributor Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its Contributor Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the "Purchaser"), unless prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the "Disposition Notice") of such Proposed Disposition to MCRLP. The Disposition Notice shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and

all other terms and conditions, if any, of the Proposed Disposition.

19.3 Mack-Cali shall not sell the Property within four (4) years from the date of the Closing (the "Restricted Period") without the prior written consent of Contributor, other than (1) in connection with a transaction which does not result in recognition of gain by Pacifica; (2) a sale of any of the Property set forth in Schedule 19.3 hereto; (3) as determined by the Board of Directors of Mack-Cali (the "Board") as necessary to satisfy any material monetary default on any mortgage secured by the Property; (4) as determined by the Board as necessary to satisfy any material, unsecured debt, judgment or liability of Mack-Cali when the same becomes due (at maturity or otherwise); (5) in connection with the sale of all or substantially all of the properties owned by Mack-Cali under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Mack-Cali and its public stockholders; and/or (6) sales of the Property which do not result in material and adverse tax consequences for Pacifica. Mack-Cali may dispose of any or all of the Property in its sole discretion, and without the consent of Contributor, upon the expiration of the Restricted Period. Notwithstanding any of the foregoing language to the contrary, Mack-Cali shall not distribute the Property for a period of seven (7) years if the distribution of such Property would result in the recognition of income by Contributor pursuant to Sections 704(c)(1)(B) or 737 of the Code, except as otherwise permitted in clauses (1) through (7) above.

20. INTENTIONALLY DELETED.

21. TAX MATTERS.

21.1 (a) Contributor will timely pay or provide for the payment of all Taxes which are attributable to all Pre-Closing Tax Periods, but which are not due and payable until after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which either MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. To the extent allowed by law, Contributor will timely file all Tax Returns which are required to be filed in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for all Pre-Closing Tax Periods but which are not required to be filed until after the Closing Date and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate. Contributor will provide Mack-Cali with a copy of all such Tax Returns promptly after such Tax Returns are filed. All Taxes imposed in connection with the ownership and/or operation of the Property during any taxable periods which begin on or before the Closing Date and end after the Closing Date ("Straddle Periods" or "Straddle Period") shall be allocated between Contributor and MCRLP in accordance with their respective periods of ownership of the Property. Contributor will timely pay all Taxes with respect to their businesses for any Straddle Period (and any other taxable period) for which either MCRLP (or any of its direct to indirect partners) could be held directly or indirectly liable or a claim could be made against the Property.

(b) Contributor shall provide Mack-Cali with a copy of its Federal income tax returns which reflect (in whole or in part) any of the transactions contemplated hereunder and which reflect (in whole or in part) any of the gain or loss recognized in respect of such transactions.

21.2 Contributor shall pay any and all Taxes including without limitation, Taxes imposed with respect to the operation of its business and the ownership or operation of the Property for all taxable periods (or portions thereof) ending on or prior to the Closing imposed upon MCRLP based, in whole or in part, upon the failure to comply with the sales laws.

21.3 Contributor is hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property as set forth on Schedule 21.3 and to litigate or settle the same in Contributor's discretion. MCRLP is hereby authorized by Contributor, in MCRLP's sole discretion, to file any applicable proceeding for the 1997 fiscal year for the reduction of the assessed valuation of the Property. The net refund of taxes, if any, for any tax year for which Contributor or MCRLP shall be entitled to share in the refund shall be divided between Contributor and MCRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by Contributor and MCRLP in proportion to their ownership period of the asset in question.

21.4 For purposes of this Agreement:

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

(b) "Tax Returns" or "Tax Return" means all original and amended Federal, state, local and foreign tax returns, declarations, statements, reports, schedules, forms, information returns and other filings relating to Taxes.

(c) "Audits" or "Audit" means any audit, assessment of Taxes, any other examination or claim by any Governmental Authority, judicial, administrative or other proceeding or litigation (including any appeal of any such judicial, administrative or other proceeding or litigation) relating to Taxes and/or Tax Returns.

21.5 The provisions of this Section shall survive the Closing Date.

22. PUBLICATION.

22.1 MCRLP shall have the exclusive right to make such public announcements or filings with respect to the exchange as MCRLP may deem reasonably prudent and, upon advice of counsel, as may be necessary or required by law.

23. REMEDIES.

23.1 If the conditions set forth in Section 12.2 with respect to the Closing have been satisfied (unless the failure or inability to be so satisfied is due to Mack-Cali or MCRLP) and if MCRLP is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a material default of MCRLP or Mack-Cali or MCRLP's or Mack-Cali's material failure to comply with any material representation, warranty, covenant or agreement set forth herein with respect to the Closing, then Contributor shall have the right as its sole and exclusive remedy to either (i) terminate this Agreement upon written notice to MCRLP, in which event neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) maintain an action for either (A) specific performance, or (B) monetary damages.

23.2 If the conditions set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to Contributor), and if Contributor is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of any material default on the part of Contributor, or Contributor's failure to comply with any material representation, warranty, covenant or agreement set forth herein, MCRLP shall be entitled to either (i) terminate this Agreement upon notice to Contributor following which neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) commence an action against Contributor seeking either (A) monetary damages, or (B) specific performance of Contributor's obligations under this Agreement.

23.3 The acceptance of the Deed by MCRLP shall be deemed a full performance and discharge of every agreement and obligation of Contributor to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

24. INTENTIONALLY DELETED.

25. NOTICE.

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: or MCRLP
c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
(908) 272-8000 (tele.)
(908) 272-6755 (fax)

with a copy to: Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Wayne B. Heicklen, Esq.
(212) 326-0425 (tele.)
(212) 326-0806 (fax)

If to Contributor: Pacifica Holding Company, LLC
5975 South Quebec Street, Suite 100
Englewood, Colorado 80111

Attn: Mr. Steven Leonard
(303) 220-5565 (tele.)
(303) 220-5585 (fax)

with a copy to: Brownstein, Hyatt, et al.
410 17th Street, 22nd Floor
Denver, Colorado 80202
Attn: Edward Barad, Esq.
(303) 534-6335 (tele.)
(303) 623-1956 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch, and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided the same is sent prior to 4:00 p.m. Eastern Time on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

26. DEPRECIATION METHOD.

Mack-Cali, as the general partner of MCRLP, covenants and agrees that MCRLP and its affiliates will use the "traditional method with curative allocations" (as defined in Treasury Regulations Section 1.704-3(c)) of allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property in accordance with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(iv)(f), 1.704-1(b)(2)(iv)(g) and 1.704-3(a)(6).

27. MISCELLANEOUS.

27.1 Intentionally Deleted.

27.2 This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

27.3 This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

27.4 This Agreement shall be interpreted and governed by the laws of the State of Colorado, without regard to conflicts of laws principles, and shall be binding upon the parties hereto and their respective successors and assigns.

27.5 The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. The, feminine or masculine gender, when used herein, shall each include the other gender and the use of the singular shall include the plural.

27.6 If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

27.7 Each party shall, from time to time, execute, acknowledge and deliver to the other party such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the

intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contributor and MCRLP or Mack-Cali. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Contributor, MCRLP, Mack-Cali or the party whose counsel drafted this Agreement.

27.8 This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

27.9 All references herein to any Section, Exhibit, or Schedule shall be to the Sections of this Agreement and to the Exhibits and Schedules annexed hereto unless the context clearly dictates otherwise. All of the Exhibits and Schedules annexed hereto are, by this reference, incorporated herein.

27.10 In the event that Contributor and MCRLP or Mack-Cali enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for the payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

Exhib. No. 10.155

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 25th day of March, 1998, by and between PACIFICA 384 INVERNESS PARTNERSHIP ("Contributor"), a Colorado general partnership with an address c/o Pacifica Holding Company, 5975 South Quebec Street, Suite 100, Englewood, Colorado 80111, MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP") and MACK-CALI REALTY CORPORATION, a Maryland corporation ("Mack-Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

A. Contributor owns various commercial properties located throughout the Denver, Colorado metropolitan area. Mack-Cali, through MCRLP and certain affiliated entities of MCRLP, similarly owns various commercial properties located throughout New Jersey, New York, Pennsylvania, Nebraska, Iowa, California, Florida, Arizona, Connecticut and Texas.

B. Contributor, MCRLP and Mack-Cali have determined that the transactions contemplated hereby are in the respective parties' best interests.

NOW, THEREFORE, in consideration of ten dollars ($10.00), the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. SUBJECT OF CONVEYANCE.

In accordance with the terms and conditions of this Agreement, on the Closing Date (as defined herein), Contributor agrees to contribute, convey or otherwise transfer to certain designees of MCRLP all of Contributor's right, title and interest in and to the assets set forth in paragraphs (a) through (h) of this Section 1:

(a) that certain real property situate, lying and being in the State of Colorado and being more particularly described on Schedule 1(a) (the "Land"), which Schedule 1(a) sets forth the name, state of organization and type of entity of Contributor of a parcel of Land and all of the improvements located on the Land (individually, a "Building" and collectively, the "Improvements");

(b) all rights, privileges, grants and easements appurtenant to Contributor's interests in the Land and Improvements, if any, including without limitation, all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes collectively referred to herein as the "Real Property");

(c) except as set forth on Schedule 1(c) all personal property, artwork, fixtures, equipment, inventory and computer programming and software owned by Contributor and located on any of the Real Property or used at any of the management and corporate offices of Contributor (the "Personal Property");

(d) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto (each a "Lease" and collectively, the "Leases") and any guaranties provided thereunder, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of security for the performance of the Tenant's (as defined herein) obligations thereunder;

(e) Intentionally Deleted.

(f) all permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of Contributor's rights, titles and interests in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters of Contributor (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(g) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, market studies, keys, plans, specifications, reports, tests and other materials of any kind owned by or in the possession of Contributor which are or may be used by Contributor in the use and operation of the Real Property or Personal Property

(collectively, the "Books and Records"); and

(h) all other rights, privileges and appurtenances owned by Contributor, if any, and in any way related to the rights and interests described above in this Section.

The Real Property, the Personal Property, the Leases, the Intangible Property, the Books and Records and the other property interests being conveyed hereunder are hereinafter collectively referred to as the "Property".

For all purposes herein, unless the context clearly dictates otherwise, any reference herein to "Contributor" shall be deemed to be a reference to the entity which is to convey any assets hereunder to MCRLP or its designees.

2. PAYMENT TERMS.

2.1 Total Exchange Consideration. The aggregate consideration for the Property (the "Exchange Consideration") is Four Million Four Hundred Ten Thousand and xx/100 ($4,410,000.00) Dollars, to be paid by MCRLP in accordance with Section 2.2.

2.2 The Property. (a) At the Closing (as defined herein), and upon satisfaction of the terms and conditions provided herein, Contributor agrees to contribute the Property to MCRLP or its Permitted Assignees (hereinafter defined), and MCRLP (and Mack-Cali where applicable) agrees, subject to adjustment as set forth herein, (i) to pay to Contributor or its designees, in cash, the amount of Four Million Four Hundred Ten Thousand and xx/100 ($4,410,000.00) Dollars (the "Cash Payment") and (ii) to issue the Contributor Units (hereinafter defined) in an amount set forth in Subsection 2.2(b) to such persons as Contributor shall direct in writing (as set forth in Section 10.2(aa)) as soon as practicable following the date hereof (the "Unit Holders").

(b) Simultaneous with MCRLP accepting the Property, MCRLP shall issue, subject to adjustments as set forth herein, _____ common units of limited partnership interests in MCRLP (the "Contributor Units") convertible into Mack-Cali Common Stock ("Common Stock"); provided, however, that the Unit Holders shall be issued and shall hold the Contributor Units in accordance with the provisions of Section 19.

(c) At the Closing, MCRLP shall issue to Contributor and/or the Unit Holders or their designees certificates representing in the aggregate _____ Contributor Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth on Exhibit 10.2(ee).

(d) All rights and benefits incidental to the ownership of the Contributor Units received in exchange for the Property, including, but not limited to the right to receive distributions, voting rights and the right to exchange the Contributor Units for shares of Common Stock, shall accrue for the benefit of the Unit Holders commencing on the Closing Date (as defined herein).

(e) With respect to the first Partnership Record Date (as defined in the OP Agreement (as defined below)) on or after the Closing, the Unit Holders shall receive distributions payable with respect to the Contributor Units on a pro rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held Contributor Units.

2.3 Intentionally Deleted.

2.4 Intentionally Deleted.

3. INSPECTION PERIOD; MCRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.

3.1 Prior to the Closing (the "Inspection Period"), time being of the essence as to each such date, MCRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property, including, but not limited to, soil tests and borings, ground water tests and investigations, percolation tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as MCRLP, in its sole

discretion, determines is necessary or desirable in connection with the Property and may inspect the physical (including environmental) and financial condition of the Property, including but not limited to Leases, Service Contracts, copies of Contributor's Tax Returns and the Property Financials (as hereinafter defined) as of and for the years ending December 31, 1995, 1996 and 1997, engineering and environmental reports, development approval agreements, permits

and approvals, which inspection shall be satisfactory to MCRLP in its sole discretion. Contributor agrees to cooperate with MCRLP in such review and inspection and, to the extent not yet delivered, shall deliver said documents and information to MCRLP within ten (10) days from the date hereof. MCRLP may terminate this Agreement for any reason, by written notice given to Contributor, prior to the expiration of the Inspection Period. In the event MCRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event MCRLP does not terminate this Agreement by the end of the Inspection Period, then MCRLP shall be deemed to have elected not to terminate this Agreement.

3.2 During the Inspection Period, MCRLP, its agents and contractors shall have unlimited access to the Property and other information pertaining thereto in the possession or within the control of Contributor, during normal business hours, for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Such right of inspection and the exercise of such right shall not constitute a waiver by MCRLP of the breach of any representation or warranty of Contributor which might, or should, have been disclosed by such inspection. Contributor shall cooperate with MCRLP in facilitating its due diligence inquiry and shall obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for MCRLP to perform the same.

3.3 To assist MCRLP in its due diligence investigation of the Property, Contributor shall deliver to MCRLP, by the execution and delivery of this Agreement, true and correct copies of all existing Phase I environmental studies (the "Phase I Reports") in the possession or control of Contributor with respect to the Real Property, which Phase I Reports are set forth on Schedule 3.3 annexed hereto. In the event that MCRLP determines that it requires any new Phase I Reports or updates thereof, the cost of such reports or updates shall be borne by MCRLP. If MCRLP reasonably requires that further environmental investigations be undertaken beyond any new Phase I or updated Phase I Report, all engineering costs and expenses relating to said further environmental investigations shall be borne by Mack-Cali.

3.4 Intentionally Deleted.

3.5 During the Inspection Period, Mack-Cali and MCRLP shall provide to Contributor and its agents and advisors reasonable access to Mack-Cali's and MCRLP's books and records, and Mack-Cali and MCRLP shall provide Contributor such other reasonable information including, without limitation, all Securities and Exchange Commission filings of MCRLP and Mack- Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit Contributor, at its sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from Contributor's inspection or due diligence as permitted by this Section shall give rise to a right of Contributor to terminate this Agreement.

3.6 Mack-Cali shall have the right, without the obligation, to terminate this Agreement if (i) at any time prior to the Closing Date, Mack-Cali determines in its sole discretion, that any of the Property is subject to materially adverse environmental conditions, including, without limitation, any environmental condition that has a material adverse affect on the property value of any Real Property, on the current use of any Real Property, on groundwater at, on, under, about or emanating from any Real Property or on the ability of Mack-Cali or MCRLP to finance any Real Property; or (ii) Contributor is unable to obtain the approval of any third-party partner of the Contributors to the terms of this Agreement; or (iii) Mack-Cali determines that certain of the indebtedness encumbering the Property cannot be satisfactorily satisfied or restructured.

4. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

4.1 As of the Closing Date, title to the Property shall be subject only to the following (collectively, the "Permitted Encumbrances"):

(a) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided the same are not yet due and payable, but subject to adjustment as provided herein;

(b) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants") as tenants only;

(c) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of MCRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned;

(d) any and all laws, statutes, ordinances, codes, rules,

regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(e) the state of facts shown on the surveys described on Schedule 4.1(e) for each of the individual properties comprising the Real Property and the Earnout Properties;

(f) the Service Contracts;

(g) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and facilities in, over, under or upon the Real Property, provided the same do not impair, in other than a de minimis manner, the present use of the Real Property;

(h) such matters as the Title Company (as hereinafter defined) shall be willing, without special premium, to omit as exceptions to coverage;

(i) the lien of the Mortgages (but on the terms and conditions of this Agreement).

4.2 Prior to the date hereof, Contributor shall have directed Land Title Guarantee Company (the "Title Company"), as agent for Chicago Title Insurance Company, to prepare a title insurance search and commitment for owner's title insurance policy for the Real Property (the "Title Commitment"). MCRLP shall cause the Title Company to promptly deliver a copy of the same to Contributor and its counsel. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitment (other than the Permitted Encumbrances) which MCRLP is not required to accept under the terms of this Agreement, Contributor may, at its election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that except as provided below, Contributor shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions, other than (i) judgments against Contributor; (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount, other than the Mortgages; and (iii) defects, objections or exceptions which can be removed by payments not to exceed $100,000.00 per Building in the aggregate. Contributor, in its discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. If, after complying with the foregoing requirements, Contributor is unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, MCRLP shall elect either (i) to terminate this Agreement by notice given to Contributor, in which event the provisions of Section 23.2(a) shall apply, or (ii) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. Contributor agrees and covenants that it shall not voluntarily place any encumbrances or restrictions on title to the Real Property from and after the date of the first issuance of the Title Commitment for said Property, except for the right to reserve easements for utilities and ingress and egress encumbering the Real Property (post-closing) for the benefit of adjacent properties owned by Contributor (or any affiliate thereof) upon the written consent of MCRLP, which consent shall not be unreasonably withheld or delayed; and so long as the mortgagees of the Mortgages shall consent to the reservation of the same. Mack-Cali and MCRLP covenant and agree that they shall consult with Contributor prior to causing any other person or entity to request any inspection of the Real Property by any governmental entity. Contributor recognizes that Mack-Cali's and MCRLP's due diligence necessitates said inspection. Mack-Cali and MCRLP agree that they shall conduct any due diligence with such governmental entity with a view toward maintaining the confidentiality of the transaction contemplated by this Agreement.

4.3 It shall be a condition to Closing that Contributor conveys, and that the Title Company insures, title to the Real Property in the amount of the Allocated Property Value thereof (at a standard rate for such insurance) in the name of MCRLP or its designees, after delivery of the Deed (as hereinafter defined) by a standard 1992 ALTA Owner's Policy, with ALTA endorsements, to the extent that the premium for such endorsements is paid by MCRLP, for the Real Property as required by MCRLP attached, free and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that (i) the exception for taxes shall apply only to the current taxes not yet due and payable; and (ii) to the extent that the premium for such endorsements is paid by MCRLP, (a) any

Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; and (b) MCRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances. Contributor shall provide such affidavits and undertakings as the

Title Company insuring title to the Real Property may require and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

4.4 Contributor shall cause one or more surveyors acceptable to MCRLP to deliver to MCRLP a survey or surveys of the Real Property acceptable to MCRLP in all respects and in conformity with ALTA standards. MCRLP shall, at MCRLP's sole cost and expense and with Contributor's cooperation and assistance, cause the surveyor to update the survey no more than thirty (30) days prior to the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured, to the extent that the premium for such endorsement is paid by MCRLP, to MCRLP.

4.5 Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by Contributor, which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by Contributor. Contributor shall deliver to MCRLP, on the Closing Date, instruments in recordable form sufficient to discharge any such mortgages or other liens which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement.

4.6 If the Title Commitment discloses judgments, bankruptcies or other returns against other persons or entities having names the same as or similar to that of Contributor, Contributor shall, upon request, deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against Contributor, or any of its affiliates. Upon request by MCRLP, Contributor shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard exceptions on the ALTA Owner's Policy.

5. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTOR.

5.1 In order to induce MCRLP and Mack-Cali to perform as required hereunder, Contributor hereby warrants and represents to MCRLP and Mack-Cali the following with respect to the Property:

(a) Contributor is a duly organized and validly existing entity, organized and in good standing under the laws of the state of its formation, as more particularly set forth in Exhibit A hereto, is duly authorized to transact business in the State of Colorado, has all requisite

power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Property in accordance with the terms and conditions hereof. All necessary actions of the partners, members, shareholders and/or principals of Contributor to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) Intentionally Deleted.

(c) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Contributor, enforceable in accordance with the terms of this Agreement. The performance by Contributor of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of Contributor or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator to which Contributor is a party or by which its assets are or may be bound.

(d) Annexed hereto as Schedule 5.1 (d) is a true, complete and correct schedule of all of the Leases. The Leases are valid and bona fide obligations of the landlord and Tenants thereunder and are in full force and effect. To the best of Contributor's knowledge, no defaults exist thereunder and no condition exists which, with the passage of time or the giving of notice or both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements (other than the Leases) which confer upon any Tenant or any other person or entity any rights with respect to the Property, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim

been asserted by any Tenant.

(e) Annexed hereto as Schedule 5.1(e) (the "Rent Roll") is a listing of the following, which is true, complete and correct in all respects for each Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) any written notices given by any Tenant of an intention to vacate space in the future; (vii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (viii) any arrearages of any Tenant beyond thirty (30) days.

(f) To the knowledge of Contributor, Contributor has performed all of the obligations and observed all of the covenants required of it as landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future. To the knowledge of Contributor, except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an

amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor.

(g) There are no service contracts, union contracts, employment agreements or other agreements affecting the Property or the operation thereof, except the Service Contracts and other contracts and agreements set forth on Schedule 5.1(g) annexed hereto. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any material default or claim of material default by any of the parties thereto. All sums presently due and payable by Contributor under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor. All of the Service Contracts may be terminated on not more than sixty (60) days notice without the payment of any fee or penalty, and the representation contained in this sentence is not subject to being modified by the limitations of Section 5.5. There are no employees of Contributor, or an affiliate of Contributor, working at or in connection with the Real Property pursuant to any of the Service Contracts, other contracts and employment agreements, except as set forth on Schedule 5.1(g).

(h) Except as set forth on Schedule 5.1(h) annexed hereto, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of Contributor, threatened against Contributor (with respect to the Property being sold) or all or any part of the Property, the environmental condition thereof, or the operation thereof.

(i) Except as set forth on Schedule 5.1(i) annexed hereto, Contributor has received no written notice and has no knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Real Property or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Real Property, or (v) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. Contributor agrees to furnish MCRLP with a copy of any such notice received within two (2) business days after receipt.

(j) Contributor has provided MCRLP with all reports in Contributor's possession or under its control related to the physical condition of the Real Property.

(k) Except as set forth on Schedule 5.1(k) annexed hereto, Contributor has no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property, or any violations or conditions that may give rise thereto, and has no reason to believe that any agency, board, bureau,

commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the management, operation, use or improvement thereof (collectively, the "Governmental Authorities" or "Governmental Authority" as the context requires) contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving Contributor or the Real Property. For purposes of this Agreement, the term "Governmental Authority" shall also include the Internal Revenue Service and any other federal, state, local or foreign taxing authority.

(l) There are no employees of Contributor or any affiliates of Contributor working at or in connection with the Real Property except as set forth on Schedule 5.1(l).

(m) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of Contributor and MCRLP with respect to said commissions are set forth in Section 14.

(n) Contributor has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Contributor's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Contributor's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Contributor's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(o) Except for the Mortgages and otherwise as set forth on Schedule 5.1(o), the Personal Property is now owned and will on each of the Closing Date be owned by Contributor free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

(p) To Contributor's knowledge, Contributor is not in default under the Mortgages. True, correct and complete copies of the Loan Documents have been delivered to MCRLP. The Loan Documents will not be amended or modified except as required by Mack-Cali prior to the Closing Date.

(q) Intentionally Deleted.

(r) Intentionally Deleted.

(s) Contributor has no knowledge that any part of the Real Property has been designated as wetlands or any other word of similar purport or meaning under the Federal Water Pollution Control Act, 33 U.S.C. ss.1251 et seq.; the Colorado Water Quality Control Act, Colo. Rev. Stat. Section 25-8-101 et seq; or any other applicable federal, state, county or municipal statute, ordinance, rule, regulation, order or code.

(t) To the best of Contributor's knowledge, there are no aboveground or underground storage tanks or vessels at the Real Property, regardless of whether or not such tanks or vessels are regulated tanks or vessels, except as set forth on Schedule 5.1(t).

(u) Contributor has no knowledge of outstanding requirements or recommendations by (i) any insurance company currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions; or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work of a material nature to be done on the Property.

(v) The financial statements, including the income and expense statements and the balance sheets of Contributor and its affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement, relating to Contributor's ownership and operation of the Property and the related statement of income, partners' capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1995, 1996 and 1997, fairly present the financial position of Contributor relating to the Property as of such dates and the results of operations and cash flows of Contributor relating to the ownership and operation of the Property for such respective periods. The Property Financials from January 1, 1998, through the most recent month ending prior to the Closing Date, fairly present the financial position of the Property relating to the ownership and operation of the Property as of such date (subject to the normal year-end adjustments described in Schedule 5.1(v)) and with all interim financial statements of the Property heretofore delivered to MCRLP on behalf of Contributor.

(w) Except as set forth in Schedule 5.1(w), Contributor does not maintain any 401(k) savings plans, pension plans, multi-employer plans (as

defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee benefit plans (as defined in ERISA) or employee welfare plans providing for benefits to Contributor's employees (each, a "Contributor Plan"). From and after the date hereof, Contributor shall not adopt a Contributor Plan. Mack-Cali shall have no liability to any current or former employees of Contributor or any affiliate thereof, including, without limitation, any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any plans or programs listed on Schedule 5.1(w), or arising under applicable federal or state law, including, without limitation, under the Worker Adjustment and Retraining Nonfiction Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

(x) Intentionally Deleted.

(y) Except as disclosed in the Phase I Reports or otherwise set forth in Schedule 5.1(y):

(i) To the best of Contributor's knowledge, no Governmental Authority has demanded in writing, addressed to Contributor or any of its affiliates, counsel or agents, that any Contaminants (as defined herein) be cleaned up or environmentally remediated at any Real Property, which has not been cleaned up or environmentally remediated.

(ii) To the best of Contributor's knowledge, no Contaminants have been Discharged (as hereinafter defined) which would allow a Governmental Authority to demand that a cleanup be undertaken.

(iii) To the best of Contributor's knowledge, no ss.104(e) informational request, issued pursuant to CERCLA (as hereinafter defined) with respect to the Real Property has been received by Contributor.

(iv) To the best of Contributor's knowledge, all pre-existing aboveground and underground storage tanks and vessels, if any, at the Real Property have been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws.

(v) To the best of Contributor's knowledge, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws (as hereinafter defined) on the Real Property, except as set forth on Schedule 5.1(y).

(vi) To the best of Contributor's knowledge, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property, are identified in Schedule 5.1(y) and are in compliance with all Environmental Laws.

(vii) To the best of Contributor's knowledge, Pacifica has all material certificates, licenses and permits (the "Permits"), including without limitation, environmental Permits, required to operate the Real Property. To the best of Contributor's knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property, as the case may be, without additional payment by MCRLP, and shall, upon closing, be transferred to MCRLP by Contributor.

(viii) To the best of Contributor's knowledge, the Real Property has not been used during the period of Contributor's ownership as solid wastes disposal sites and facilities as defined in the Colorado Solid Wastes Disposal Sites and Facilities Law, Colo. Rev. Stat. Section 30-20-100.5 et seq. and the regulations promulgated thereunder.

(ix) To the best of Contributor's knowledge, there are no engineering or institutional controls at the Real Property, including without limitation, any deed notice, declaration of environmental restriction, groundwater classification exception area, well restriction area or other notice or use limitations pursuant to Colo. Rev. Stat. Section 25-15-208 et seq. and the regulations promulgated thereunder.

(x) Contributor has not transported any Contaminants from the Real Property to another location in violation of Environmental Laws.

(xi) To the best of Contributor's knowledge, there are no federal or state liens, as referenced under CERCLA and the regulations promulgated thereunder, or under any other applicable Environmental Law that have attached to the Real Property.

(xii) Contributor has provided MCRLP with all

environmental site assessments, investigations, and documents and all other Environmental Documents (as that term is defined below) in its possession or under its control and shall continue to do so after execution of this Agreement promptly upon its receipt.

(xiii) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(A) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(B) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property regardless of whether the result of an intentional or unintentional action or omission.

(C) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of Contributor concerning the Property or its environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent, sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental Authority.

(D) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(z) Contributor and its affiliated entities shall have timely paid all Taxes (as defined herein) due and payable on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which

MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall have timely filed all Tax Returns (as defined herein) required to be filed on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return is complete and accurate in all respects. Contributor and its affiliated entities shall have timely paid or will timely pay, or shall have provided for or will provide for a cash reserve for the payment of, all Taxes due and payable on or after the Closing Date for all taxable periods (or portions thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period" or "Pre-Closing Tax Periods"), and in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall timely file all Tax Returns which relate to all Pre-Closing Tax Periods but which are required to be filed after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate in all respects. True and complete copies of all Tax Returns filed by Contributor for taxable periods beginning on or after January 1, 1994, and all written communications relating thereto, have been, or will be upon request, delivered to Mack-Cali. Contributor has also provided, or will also provide upon request, to Mack-Cali copies of: (i) any letter ruling, determination letter or similar document issued to Contributor by any Governmental Authority, and (ii) any closing or other agreement entered into by Contributor with any Government Authority. Except as set forth on Schedule 5.1(z), there are no ongoing Audits or Audits pending or, to the knowledge of Contributor and each of its affiliated entities, threatened with respect to the

ownership and/or operation of the Property (by Contributor, its affiliated entities or any of their predecessor entities) or the businesses of Contributor or any of its affiliated entities, which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. There are no agreements or waivers extending the statutory period of limitations with respect to any such Tax Returns or for the assessment or collection of any such Taxes. No claim has ever been made by a Governmental Authority in a jurisdiction where Contributor does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(aa) Annexed hereto as Schedule 5.1(aa) is a listing, for federal income tax purposes, of the following information, which is true, complete and correct in all aspects for each item of Property: (i) its adjusted basis as of the first day of Contributor's taxable year which includes the Closing Date; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(bb) Subject to the provisions of Section 5.5, no representation or warranty made by Contributor contained in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading

or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(cc) As used throughout this Agreement, the phrases "to Contributor's knowledge," "to the knowledge of Contributor," "to the best of Contributor's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge of Terrence Claassen, David Goldberg, Chetter Latcham, Steve Leonard, Rich Majors, Adel Nassif, Chuck Peck and Della Wegman, without having undertaken any independent investigation of facts or legal issues, without any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Contributor or of any other person or entity.

5.2 Intentionally Deleted.

5.3 All representations and warranties made hereunder by Contributor and in this Agreement shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (c), (w) and (z) of Section 5.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate (as defined below) as to any of the matters which are contained in the representations and warranties made by Contributor in Section 5.1(f) of this Agreement, then Contributor's representations and warranties as to such matters shall be of no force or effect to the extent of any conflict. Pacifica Holding Company, a Colorado corporation; and Pacifica Holding Company, a Colorado limited liability company (collectively, "Guarantor"); and Contributor, jointly and severally, shall, pursuant to a separate indemnity agreement (the "Indemnity Agreement") in the form attached hereto as Schedule 5.3, indemnify and defend Mack- Cali and MCRLP, and to hold Mack-Cali and MCRLP harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Mack-Cali or MCRLP by reason of or resulting from any breach, inaccuracy, incompleteness or non- fulfillment of the representations, warranties, covenants and agreements of Contributor contained in this Agreement to the full extent that Contributor would otherwise have been liable therefor under the provisions of this Agreement. The foregoing indemnity shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing. Notwithstanding the foregoing, the members of Contributor shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, except as set forth in Section 28, MCRLP shall not have a right to bring a claim against Contributor by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to MCRLP and/or Mack-Cali are reasonably expected to exceed $100,000.00, but thereafter MCRLP and/or Mack-Cali may bring a claim against Contributor for the entire amount of its aggregate damages.

5.4 Contributor acknowledges that it is not in a significantly disparate bargaining position with respect to MCRLP or Mack-Cali in connection with the transaction contemplated by this Agreement and that Contributor was represented by legal counsel in connection with this transaction.

5.5 Mack-Cali and MCRLP each acknowledges that it has had, or will

have had, as of the Closing, sufficient time to review all materials and information set forth in Schedule 5.5, and sufficient time and access to review and investigate the Property. Notwithstanding any other provision of this Agreement, except as set forth in Subsections 5.1(d), (e) and (f), as they relate to the Leases, the Estoppels and the Rent Rolls, the representations and warranties of Contributor as set forth herein or in Contributor's Closing Certificate are hereby modified to be made true to the extent that, as of the date hereof with respect to the representations and warranties made herein, and as of the Closing Date with respect to the representations and warranties made by Contributor as of the Closing Date, (i) information contained in the records made available as set forth in Schedule 5.5 no longer makes the subject representation or warranty not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information, or (ii) either Mack-Cali or MCRLP has knowledge that the subject representation or warranty is untrue, or (iii) Contributor has delivered or made available to any of the individuals described in Section 6.1(l) other written information disclosing that the subject representation or warranty is not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information.

6. REPRESENTATIONS AND WARRANTIES OF MACK-CALI AND MCRLP.

6.1 In order to induce Contributor to perform as required hereunder, Mack-Cali and MCRLP hereby jointly and severally warrant and represent the following:

(a) (i) MCRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of MCRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(ii) Mack-Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to permit MCRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Mack-Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) This Agreement and the agreements and other documents to be executed and delivered by each of Mack-Cali and MCRLP hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of each of Mack-Cali and MCRLP, enforceable in accordance with the terms of this Agreement. The performance by each of Mack-Cali and MCRLP of each of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by each of them hereunder will not conflict with, or result

in a breach of, or default under, any provision of any of the organizational documents of each of Mack-Cali and MCRLP or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which each of Mack-Cali and MCRLP is a party or by which each of its assets are or may be bound.

(c) The Contributor Units to be issued to Contributor and/or the Contributor Unit Holders are duly authorized and, when issued by MCRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Mack-Cali upon redemption of the Contributor Units will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same will be exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(d) MCRLP has furnished to Contributor a true and complete copy of the OP Agreement, as amended to date.

(e) Mack-Cali has caused to be delivered to Contributor copies of the OP Agreement. The SEC Documents were, and those additional documents filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and

will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(f) The consolidated financial statements included in the SEC Documents have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial position of Mack-Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, "Subsidiaries" shall mean (i) any entity of which Mack-Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority of the outstanding capital stock (or other shares of beneficial interest), or (y) at least a majority of the partnership, joint venture or similar interests; and (ii) any entity in which Mack-Cali (or other specified entity) is a general partner or joint partner, including without limitation MCRLP. "Subsidiaries" shall specifically exclude Mack-Cali Services, Inc. and The Grove Street Urban Renewal Corp., which are the only non-qualified REIT subsidiaries of Mack-Cali as of the date hereof.

(g) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Mack-Cali's and MCRLP's knowledge, threatened, at law or in equity, against either of Mack-Cali or MCRLP before or by any court or federal, state, municipal or other governmental department, commission, board,

bureau, agency or instrumentality which would prevent either of Mack-Cali or MCRLP from performing its respective obligations pursuant to this Agreement.

(h) The execution and delivery of this Agreement and the performance by each of Mack-Cali and MCRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Mack-Cali or MCRLP, including without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Mack-Cali or MCRLP is a party or by which Mack-Cali or MCRLP is bound or affected.

(i) (1) Mack-Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1997, as a real estate investment trust ("REIT") within the meaning of Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"), (B) has complied with all applicable provisions of the Code which would have enabled it to qualify as a REIT for 1995 and 1996, (C) has operated, and intends to continue to operate, in such a manner so as to enable it to qualify as a REIT for 1998 and subsequent years, and (D) has not taken or omitted to take any action which would reasonably be expected to cause its disqualification as a REIT, and no challenge to its REIT status is pending or, to Mack-Cali's knowledge, threatened.

(2) Mack-Cali has timely filed with the appropriate Governmental Authority all Tax Returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such Tax Return is true and correct in all material respects. All Taxes shown as owed by Mack-Cali or any of its Subsidiaries on any Tax Return have been paid or accrued, except for Taxes being contested in good faith and for which adequate reserves have been established. None of Mack-Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax.

(3) To its knowledge, as of the date hereof, Mack-Cali is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code.

(j) All of Mack-Cali's real property and other material assets are owned by Mack-Cali indirectly through its ownership of MCRLP and MCRLP's Subsidiaries.

(k) Neither Mack-Cali nor MCRLP has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Mack-Cali's or MCRLP's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Mack-Cali's or MCRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Mack-Cali's or MCRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(l) As used throughout this Agreement, the phrases "to Mack-Cali's knowledge," "to the knowledge of Mack-Cali", "to the best of Mack-Cali's knowledge", to

MCRLP's knowledge," "to the knowledge of MCRLP", "to the best of MCRLP's knowledge" or any similar derivations thereof, shall mean the actual (not constructive) knowledge of Tim Jones, John DeBari, Daniel Wagner, Andrew Greenspan, Roger W. Thomas and Terry Noyes, without having undertaken any independent investigation of facts or legal issues, without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Mack-Cali, MCRLP or of any other person or entity.

6.2 Each of Mack-Cali and MCRLP acknowledges that it is not in a significantly disparate bargaining position with respect to Contributor in connection with the transaction contemplated by this Agreement and that Mack-Cali and MCRLP were represented by legal counsel in connection with this transaction.

6.3 All representations and warranties made by Mack-Cali and MCRLP in this Agreement shall survive the Closing Date for a period of eighteen (18) months, except that the representations and warranties set forth in clauses (a) and (b) of Section 6.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Mack-Cali and MCRLP agree to indemnify and defend Contributor, and to hold Contributor harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Contributor by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Mack-Cali and MCRLP contained in this Agreement. Notwithstanding the foregoing, the partners of MCRLP and the shareholders of Mack-Cali shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, Contributor shall not have a right to bring a claim against Mack-Cali or MCRLP by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to Contributor is reasonably expected to exceed $100,000.00, but thereafter Contributor may bring a claim against Mack-Cali or MCRLP for the entire amount of its aggregate damages.

7. INTERIM OPERATING COVENANTS OF CONTRIBUTOR.

7.1 Contributor covenants and agrees that between the date hereof and the Closing Date (the "Interim Period"), it shall perform or observe the following with respect to the Real Property:

(a) Contributor will complete any capital expenditure program currently in process or anticipated to be completed. Contributor will not defer taking any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(b) Contributor, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without MCRLP's prior written consent; provided, however that Contributor shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of MCRLP, so long as such

lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which Contributor currently enters into in the ordinary course of its business.

(c) Contributor shall comply with and/or remedy all violations of statutes, ordinances, rules, regulations, orders, codes, directives or requirements affecting the Real Property, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities prior to the Closing, and the Real Property shall be conveyed free of any such violations, including, without limitation, violations of Environmental Laws.

(d) Contributor shall not:

(i) Enter into any agreement requiring Contributor to do work for any Tenant after the Closing Date without first obtaining the prior written consent of MCRLP, unless such agreement is on market terms and conditions with bona fide third parties and is the type of agreement which Contributor currently enters into in the ordinary course of its business, in which case no consent of MCRLP will be required; or

(ii) Accept the surrender of any Service Contract or

Lease, or grant any concession, rebate, allowance or free rent, except in its ordinary course of business on market terms, with bona fide third parties and upon prior written notice to MCRLP.

(iii) Intentionally Deleted.

(e) Contributor shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business. Contributor shall provide MCRLP with an updated schedule of Security Deposits at the Closing or the Earnout Closing.

(f) Between the date hereof and the Closing Date, Contributor will not renew, extend or modify any of the Service Contracts without the prior written consent of MCRLP unless such is done by Contributor in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of MCRLP will be required.

(g) Contributor shall not remove or permit the removal of any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to MCRLP, other than expressly provided herein.

(h) Contributor shall, upon request of MCRLP at any time after the date hereof, assist MCRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as MCRLP may reasonably request, covering the period of Contributor's ownership of the Real Property.

(i) Between the date hereof and the Closing Date, Contributor will make all required payments under any mortgage affecting the Real Property within any applicable grace period, but without reimbursement by MCRLP therefor. Contributor shall also comply with all other material terms covenants and conditions of any mortgage on the Real Property.

(j) Contributor shall not cause or permit the Real Property, or any interest therein, to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(k) Contributor agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining, which policies Contributor represents are sufficient to protect, to a reasonable and prudent extent, the owner of the Property, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(l) Contributor shall permit MCRLP and its authorized representatives to inspect the Books and Records of its operations at all reasonable times upon reasonable notice. All Books and Records not conveyed to MCRLP hereunder shall be maintained for MCRLP's inspection at Contributor's address as set forth in Exhibit A hereto.

(m) Contributor shall:

(i) promptly notify MCRLP of, and promptly deliver to MCRLP, a certified true and complete copy of any notice Contributor may receive, on or before the Closing Date from any Governmental Authority concerning a violation of Environmental Laws or Discharge of Contaminants;

(ii) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by Contributor or its representatives, deliver to MCRLP a certified true and complete copy of all Environmental Documents; and

(iii) timely provide MCRLP with drafts of any pertinent documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of Tenants and shall keep MCRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

7.2 Prior to the Closing, Contributor shall deliver to MCRLP reviewed Property Financials as set forth in Section 5.1(v). Within thirty (30) days after the Closing Date, Contributor shall deliver to MCRLP Property Financials, as set forth in Section 5.1(v), through the Closing Date. The provisions of this Section 7.2 shall survive the Closing Date.

7.3 Intentionally Deleted.

7.4 Intentionally Deleted.

7.5 Contributor and its affiliated entities will timely pay all Taxes due and payable during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities will timely file all Tax Returns required to be filed during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate in all respects and will be filed on a basis consistent with past practice. A copy of all such Tax Returns shall be delivered to Mack-Cali at least three (3) days prior to such Tax Returns being filed. The obligations set forth in this Section 7.5 shall survive the expiration or earlier termination of this Agreement and/or shall survive the Closing Date for the applicable period of the statute of limitations.

8. INTENTIONALLY DELETED.

9. ESTOPPEL CERTIFICATES.

9.1 Contributor agrees to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form annexed hereto as Exhibit 9.1 for Tenant's execution, completed to reflect Tenant's particular Lease status. Contributor agrees to use commercially reasonable efforts to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, Contributor shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver the same as provided in its Lease. Contributor agrees to deliver to MCRLP copies of all estoppel letters received by Tenants, in the form received by Contributor. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

9.2 As a condition to the Closing, Contributor shall deliver (a) an Estoppel Certificate from all Tenants which lease space at the Real Property in excess of 10,000 square feet or more in the aggregate, and (b) Estoppel Certificates from the remaining Tenants leasing at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in Clause 9.2(a) above.

9.3 For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

10. CLOSINGS.

10.1 (a) Closing. The consummation of the transactions contemplated hereunder with respect to the Property (the "Closing") shall take place at the offices of Brownstein, Hyatt, Farber & Strickland, P.C., 410 Seventeenth Street, 22nd Floor, Denver, Colorado, 80202-4437,

on or about March 25, 1998 (the "Closing Date"). Upon notice to Contributor, MCRLP may elect to accelerate the Closing Date to a date not less than five (5) days after the date of MCRLP's notice.

(b) Intentionally Deleted.

(c) Intentionally Deleted.

(d) Intentionally Deleted.

10.2 On the Closing Date, except as otherwise set forth in Subsections 10.2(z) and 10.2(aa), Contributor, at its sole cost and expense, will deliver or cause to be delivered to MCRLP the following documents, fully executed by all parties thereto other than MCRLP or parties claiming by, through or under MCRLP:

(a) Special Warranty Deeds (the "Deeds") with covenants in proper statutory form for recording so as to convey to MCRLP good and marketable title to the Land being conveyed, free and clear of all liens and encumbrances, except the Permitted Encumbrances. The delivery of the Deeds shall also be deemed to constitute a transfer of the Personal Property associated with the Land conveyed by the Deeds; the delivery of all of the Deeds shall be deemed to constitute a transfer of the balance of the Personal Property to MCRLP.

(b) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Contributor, using its best efforts, is unable to deliver originals of the same.

(c) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and Records, and certified copies of the same where Contributor, using its best efforts, is unable to deliver originals of the same.

(d) A letter to Tenants advising the Tenants of the sale hereunder and directing that rent and other payments thereafter be sent to MCRLP or its designee, as MCRLP shall so direct.

(e) Intentionally Deleted.

(f) Duly executed and acknowledged omnibus assignment in the form of Exhibit 10.2(f) annexed hereto ("Omnibus Assignment").

(g) Duly executed Asset Purchase Agreement in the form of Exhibit 10.2(g) annexed hereto.

(h) An affidavit, and such other document or instruments required by the Title Company, executed by Contributor certifying (i) against any work done or supplies delivered

to the Real Property which might be grounds for a materialman's or mechanic's lien under or pursuant to Colorado Lien Law, in form sufficient to enable the Title Company to affirmatively insure MCRLP against any such lien, (ii) that the signatures on the Deeds are sufficient to bind Contributor and convey the Property to MCRLP, and (iii) the Rent Roll.

(i) Affidavits and other instruments, including but not limited to all organizational documents of Contributor and Contributor's general partners, as applicable, including operating agreements, filed copies of limited liability certificates, articles of organization, and good standing certificates, reasonably requested by MCRLP and the Title Company evidencing the power and authority of Contributor to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(j) The original Estoppel Certificates.

(k) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit MCRLP to realize upon the same.

(l) A certificate indicating that the representations and warranties of Contributor made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(m) A Rent Roll for each Real Property, current as of the Closing Date, certified by Contributor as being true and correct in all material respects.

(n) All proper instruments as shall be reasonably required for the conveyance to MCRLP of all right, title and interest, if any, of Contributor in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, or Improvements or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (iii) for any taking in condemnation or eminent domain of any part of the Land and Improvements.

(o) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate which is in a form acceptable to Mack-Cali and which is signed by the appropriate officer of Contributor, to the effect that Contributor is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(p) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Contributor as may be required of Contributor by law in connection with the conveyance of the Property to MCRLP, including but not limited to, Internal Revenue Service forms and the declaration required to be filed pursuant to Title 39, Article 14 of the Colorado Revised Statutes.

(q) A statement setting forth all adjustments and prorations shown thereon.

(r) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r) attached hereto.

(s) Estoppel certificate addressed to MCRLP from the mortgagees of the Mortgages in form and substance reasonably acceptable to MCRLP.

(t) An opinion of counsel from Brownstein, Hyatt, Farber & Strickland, P.C., substantially in the form of Exhibit 10.2(t) regarding the due execution, delivery and enforceability of this Agreement and the foregoing documents.

(u) Intentionally Deleted.

(v) Duly executed and acknowledged Indemnity Agreement from Guarantor and Contributor as set forth in Section 5.3.

(w) Intentionally Deleted.

(x) Intentionally Deleted.

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

(z) At least fifteen (15) days prior to the Closing Date, a schedule setting forth, with respect to each item of the Property for which Contributor Units will be received as part of the consideration: (i) those Contributors of such item of the Property that are allocated Contributor Units and the amount of Contributor Units so allocated to any such Contributor; (ii) the gross fair market value of such item of the Property for purposes of determining the gain or loss that will be recognized for federal income tax purposes as a result of the contribution; (iii) the adjusted basis of such item of the Property immediately prior to the contribution; (iv) the amount of cash and Contributor Units allocated to the item of the Property; and (v) the amount of any liability relating to such item of the Property that MCRLP will either assume or to which such item will be subject and which does not constitute a "qualified liability" within the meaning of Treasury Regulations Section 1.707-5(a)(6).

(aa) At least fifteen (15) days prior to the Closing Date, a schedule setting forth: (i) any Contributor named for purposes of Section 10.2(z)(i) which is to receive less than the full amount of Contributor Units indicated for purposes of Section 10.2(z)(i); and (ii) the names of those persons who are to receive Contributor Units that each such Contributor would otherwise be entitled to receive and the amount of units that any such persons are to receive. At least fifteen (15) days prior to the Closing Date, each Contributor to which this Section 10.2(aa) is relevant shall issue "direction letters" to MCRLP (in the form acceptable to MCRLP), to the effect that each such

Contributor authorizes the issuance by MCRLP of Contributor Units directly to such persons (and in such amounts) which are set forth for purposes of Section 10.2(aa)(ii).

(bb) A letter from each applicable municipal department or agency having jurisdiction that the Property is in compliance with the laws, codes, rules, regulations and ordinances regarding (i) zoning, (ii) building, (iii) health and (iv) fire, life and safety.

(cc) A computer diskette containing any closing or other documents executed in connection with this transaction and prepared by Contributor or its counsel, in WordPerfect or Microsoft Word format.

(dd) All original organizational documents relating to the Contributor, and all statements of accounts, books and records and insurance policies.

(ee) a certificate executed by each Contributor Unit Holder and each Contributor receiving Contributor Units, substantially in the form of Exhibit 10.2(ee).

10.3 On the Closing Date, Mack-Cali and MCRLP, at their sole cost and expense, will deliver or cause to be delivered to Contributor the following documents, fully executed by all parties thereto other than Contributor or parties claiming by, through or under Contributor:

(a) The Cash Payment, net of adjustments and prorations.

(b) The Permanent Certificates representing, in the aggregate, the Contributor Units.

(c) Intentionally Deleted.

(d) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f) annexed hereto.

(e) A certificate indicating that the representations and warranties of Mack-Cali and MCRLP made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(f) Affidavits and other instruments, including but not limited to all organizational documents of Mack-Cali and MCRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by Contributor evidencing the power and authority of Mack-Cali and MCRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(g) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(h) Amendment to OP Agreement substantially in the form of Exhibit 10.3(h) reflecting admission of the Contributor Unit Holders as limited partners.

(i) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(j) Intentionally Deleted.

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

10.4 Contributor shall pay for the premium charges and costs for title insurance policies (but not any endorsements to such policies required by Mack-Cali); all survey costs; all costs incurred to repay or satisfy any and all liens; all administrative and legal costs associated with the assumption by MCRLP of the mortgages to which this transaction is subject (other than the fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided); all leasing commissions due to Tenants in connection with the initial terms of their respective Leases; all costs of tenant improvement concessions due to Tenants in connection with the initial terms of their respective Leases; and all customary prorations and apportionments. Mack- Cali shall pay for the costs of all customary documentary and recording fees; (including, without limitation, the "documentary fee" imposed by Article 13 of the Colorado Revised Statutes); the cost of any endorsements to its title insurance policies; all due diligence investigations costs (including, without limitation, the cost of all Phase I Reports for the Property, which environmental assessment reports shall be dated no more than thirty (30) days prior to the Closing Date); any fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided and all customary prorations and apportionments. Each party shall be responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

10.5 The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of Contributor related to periods prior to the Closing, such claims shall be the responsibility of Contributor, and Contributor shall jointly and severally indemnify, defend and hold harmless MCRLP (and its respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

10.6 Mack-Cali and MCRLP acknowledge and agree that, except as set forth in this Agreement, MCRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Contributor. Mack-Cali and MCRLP acknowledge that, except as set forth in this Agreement, and except for documents, reports and information related to the environmental integrity of the Real Property, neither Mack-Cali nor MCRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or sketches, financial information, projections, pro formas or statements, that may have been given by or made by or on behalf of Contributor with respect to the Property. MCRLP

and Mack-Cali further acknowledge that all materials relating to the Property which have been provided by Contributor, including but not limited to, the Phase

I Reports, have been provided without any warranty or representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and, except as expressly provided herein, neither MCRLP nor Mack-Cali shall have any recourse against Contributor or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

Contributor does not warrant or make any representation, express or implied, as to the merchantability, quantity, quality, condition, suitability or fitness of the Property for any purpose whatsoever, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the Super Fund Amendments and Reauthorization Act (SARA), the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances. MCRLP also acknowledges and agrees that (i) the Contributor's representations and warranties set forth in Section 5 and (ii) the provisions in this Agreement for delivery of existing Phase I Reports and inspection and investigation of the Property are adequate to enable MCRLP to make MCRLP's own determination with respect to the suitability or fitness of the Property, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the SARA, the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances.

Except to the extent (a) caused by a breach of any of Contributors' representations hereunder; (b) related to claims by or liabilities to third parties unrelated to Mack-Cali or MCRLP; or (c) as otherwise expressly set forth herein, including, without limitation, as indemnified pursuant to the Indemnity Agreement, MCRLP and Mack-Cali, for themselves and their successors and assigns, hereby release each of the Contributors, and their agents, employees, partners, officers, directors, members, managers, contractors, consultants and representatives from, and waive any and all causes of action or claims against any of such persons for (i) any and all liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under or about the Property of any materials the release or storage of which is regulated by law; (ii) any and all liability resulting from the failure of the Property to comply with any applicable laws; and (iii) any liabilities, damages or injury arising from, connected with or otherwise caused by statements, opinions or information obtained from any of such persons with respect to the Property.

11. ADJUSTMENTS.

11.1 The following items under (a) through (g) with respect to the Real Property are to be apportioned as of midnight on the date preceding the Closing:

(a) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to MCRLP and shall be applied by MCRLP to current rents and other charges under the Leases. After

application of such moneys to current rents and charges, MCRLP agrees to remit to Contributor any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing.

(b) A cashier's or certified check or wire transfer to the order of MCRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of MCRLP, such amount may be allotted to MCRLP as a credit against the Cash Payment.

(c) Utility charges payable by Contributor, including without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Contributor will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date.

(d) Amounts payable under the Service Contracts other than those Service Contracts which MCRLP has elected not to assume.

(e) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(f) The value of fuel stored at any of the Real Property, at Contributor's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by Contributor's supplier.

(g) Intentionally Deleted.

11.2 Intentionally Deleted.

11.3 At the Closing, Contributor shall deliver to MCRLP a list of additional rent, however characterized, under all Leases, including without limitation, real estate taxes, electrical charges, utility costs and operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1997 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by Contributor on account of the components of Additional Rent for calendar year 1997. Upon the reconciliation by MCRLP of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1997, Contributor and MCRLP shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1997. Notwithstanding the foregoing, the calculation of real estate taxes and the collection of Additional Rents from Tenants attributable to such real estate taxes, as reflected on the closing statement related hereto, shall be final as of the Closing Date.

11.4 All amounts due and owing under the Mortgages other than the outstanding principal balance thereof, including by way of example accrued and unpaid interest, deferred interest,

late charges, default interest, prepayment fees or penalties, and other fees and charges, shall be paid by Contributor on or before the Closing.

11.5 If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by Contributor on the Closing Date.

11.6 Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of Colorado.

11.7 Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

11.8 The provisions of this Section 11 shall survive the Closing Date.

12. CONDITIONS PRECEDENT TO CLOSING.

12.1 The obligations of Contributor to deliver title to the Real Property and to perform the other covenants and obligations to be performed by Contributor on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Contributor):

(a) The representations and warranties made by MCRLP and Mack-Cali herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by Contributor hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein.

(b) MCRLP and Mack-Cali shall have executed and delivered to Contributor all of the documents provided herein for said delivery.

(c) Intentionally Deleted.

(d) Mack-Cali and MCRLP shall have performed all covenants and obligations undertaken by Mack-Cali and MCRLP herein in all material respects and complied with all material conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

12.2 The obligations of Mack-Cali and MCRLP to accept title to the Property and Mack-Cali's and MCRLP's obligation to perform the other covenants and obligations to be performed by Mack-Cali and MCRLP on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Mack-Cali or MCRLP):

(a) Subject to Section 5.5(a) the representations and warranties made by Contributor herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by Contributor herein shall be inapplicable.

(b) Contributor shall have performed all covenants and obligations undertaken by Contributor herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(c) The Title Company is unconditionally prepared to issue to MCRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(d) The Real Property shall be in compliance with all Environmental Laws.

13. INTENTIONALLY DELETED.

14. LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Contributor. MCRLP shall be credited at Closing as set forth on Schedules 5.1(f) and 5.1(m) respectively with respect to certain tenant improvement and leasing commission obligations, but Contributors shall remain liable for any amounts due and owing in excess of such credits. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by MCRLP. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

15. ASSIGNMENT.

This Agreement may not be assigned by Mack-Cali or MCRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Mack-Cali or MCRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Mack-Cali or MCRLP shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Mack-Cali or MCRLP may assign the right to purchase individual portions of the Property to various entities, provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this Agreement to be performed by Mack-Cali or MCRLP with respect to the portion of the Real

Property, in form reasonably satisfactory to counsel for Contributor, shall be delivered to the attorneys for Contributor prior to the Closing, and in any event, no such assignment shall relieve Mack-Cali and MCRLP from their obligations under this Agreement.

16. BROKER.

Mack-Cali, MCRLP, and Contributor represent that, with the exception of Sonnenblick Goldman Ltd. and Pacifica Holding Company LLC (collectively, "Brokers") they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. Notwithstanding the foregoing, Contributor shall pay in full any commission, fee or other compensation due the Brokers pursuant to separate agreements, and Guarantor and Contributor agree to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any and all loss, cost, damage, liability, or expense, including reasonable attorneys' fees, which MCRLP or Mack-Cali may sustain, incur or be exposed to by reason of Contributor's failure to pay in full the Brokers pursuant to such separate agreements. The provisions of this Section shall survive the Closing and/or other termination of this Agreement.

17. CASUALTY LOSS.

17.1 Contributor shall continue to maintain, in all material respects, the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires, which obligation shall survive the Closing.

17.2 If at any time prior to the Closing Date, all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), Contributor shall promptly give written notice ("Casualty Notice") thereof to MCRLP. Within ten (10) days after the receipt of the

Casualty Notice, MCRLP and Mack-Cali shall have the right, at its sole option, to terminate this Agreement with respect to said Property by written notice to Contributor. Notwithstanding the foregoing, MCRLP and Mack-Cali shall not have the right to terminate this Agreement if (a) Contributor's insurance fully covers the damage resulting from the Casualty; and (b) the proceeds of any insurance, together with a credit equal to Contributor's deductible under the Insurance Policies, shall be paid to MCRLP and Mack-Cali at the time of the Closing; and (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to MCRLP and Mack-Cali at the Closing without in any manner affecting the Exchange Consideration hereunder.

17.3 If the Property is the subject of a Casualty but MCRLP or Mack-Cali does not terminate this Agreement pursuant to the provisions of this Section, then Contributor shall, prior to the Closing Date, cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety; provided, however, that any such repairs shall first be approved by MCRLP or Mack-Cali.

Contributor shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

18. CONDEMNATION.

In the event of a material taking (as defined in this Section 18), MCRLP and Mack-Cali shall have the right, at its sole option, to either (a) terminate this Agreement by giving Contributor written notice to such effect at any time after its receipt of written notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should MCRLP or Mack-Cali so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event MCRLP or Mack-Cali shall not elect to cancel this Agreement, Contributor shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to MCRLP or Mack-Cali, and the same shall be MCRLP's or Mack-Cali's sole property, and MCRLP or Mack-Cali shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which involve (a) the taking of a portion of Real Property such that ingress and egress to such Real Property is impaired, (b) the taking of a portion of the parking spaces of a Real Property such that after such taking the Real Property will not be in compliance with local zoning regulations regarding adequate parking, or (c) the taking of any part of a Building.

19. TRANSFER RESTRICTIONS.

19.1 Contributor hereby agrees that the Contributor Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively, "Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the Contributor Units and/or the shares of Common Stock underlying the Contributor Units (the "Underlying Shares") may only be transferred (i) privately in accordance with the terms of the OP Agreement and this Section 19, or (ii) publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 150,000 Common Stock shares in any single day. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not apply to (i) pledges or encumbrances of all or a portion of the Contributor Units to an institutional lender, or (ii) Transfers of all or any portion of the Contributor Units to permitted transferees as set forth in the OP Agreement (the "Permitted Transferees"). Any holder of Contributor Units pursuant to (i) or (ii) of the preceding sentence shall be subject to the terms and conditions of the OP Agreement.

19.2 If any of the Contributor Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its Contributor Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the "Purchaser"), unless prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the "Disposition Notice") of such Proposed Disposition to MCRLP. The Disposition Notice

shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and all other terms and conditions, if any, of the Proposed Disposition.

19.3 Mack-Cali shall not sell the Property within four (4) years from the date of the Closing (the "Restricted Period") without the prior written consent of Contributor, other than (1) in connection with a transaction which does not result in recognition of gain by Pacifica; (2) a sale of any of the Property set forth in Schedule 19.3 hereto; (3) as determined by the Board of Directors of Mack-Cali (the "Board") as necessary to satisfy any material monetary default on any mortgage secured by the Property; (4) as determined by the Board as necessary to satisfy any material, unsecured debt, judgment or liability of Mack-Cali when the same becomes due (at maturity or otherwise); (5) in connection with the sale of all or substantially all of the properties owned by Mack-Cali under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Mack-Cali and its public stockholders; and/or (6) sales of the Property which do not result in material and adverse tax consequences for Pacifica. Mack-Cali may dispose of any or all of the Property in its sole discretion, and without the consent of Contributor, upon the expiration of the Restricted Period. Notwithstanding any of the foregoing language to the contrary, Mack-Cali shall not distribute the Property for a period of seven (7) years if the distribution of such Property would result in the recognition of income by Contributor pursuant to Sections 704(c)(1)(B) or 737 of the Code, except as otherwise permitted in clauses (1) through (7) above.

20. INTENTIONALLY DELETED.

21. TAX MATTERS.

21.1 (a) Contributor will timely pay or provide for the payment of all Taxes which are attributable to all Pre-Closing Tax Periods, but which are not due and payable until after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which either MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. To the extent allowed by law, Contributor will timely file all Tax Returns which are required to be filed in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for all Pre-Closing Tax Periods but which are not required to be filed until after the Closing Date and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate. Contributor will provide Mack-Cali with a copy of all such Tax Returns promptly after such Tax Returns are filed. All Taxes imposed in connection with the ownership and/or operation of the Property during any taxable periods which begin on or before the Closing Date and end after the Closing Date ("Straddle Periods" or "Straddle Period") shall be allocated between Contributor and MCRLP in accordance with their respective periods of ownership of the Property. Contributor will timely pay all Taxes with respect to their businesses for any Straddle Period (and any other taxable period) for which either MCRLP (or any of its direct to indirect partners) could be held directly or indirectly liable or a claim could be made against the Property.

(b) Contributor shall provide Mack-Cali with a copy of its Federal income tax returns which reflect (in whole or in part) any of the transactions contemplated hereunder and which reflect (in whole or in part) any of the gain or loss recognized in respect of such transactions.

21.2 Contributor shall pay any and all Taxes including without limitation, Taxes imposed with respect to the operation of its business and the ownership or operation of the Property for all taxable periods (or portions thereof) ending on or prior to the Closing imposed upon MCRLP based, in whole or in part, upon the failure to comply with the sales laws.

21.3 Contributor is hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property as set forth on Schedule 21.3 and to litigate or settle the same in Contributor's discretion. MCRLP is hereby authorized by Contributor, in MCRLP's sole discretion, to file any applicable proceeding for the 1997 fiscal year for the reduction of the assessed valuation of the Property. The net refund of taxes, if any, for any tax year for which Contributor or MCRLP shall be entitled to share in the refund shall be divided between Contributor and MCRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by Contributor and MCRLP in proportion to their ownership period of the asset in question.

21.4 For purposes of this Agreement:

(a) "Taxes" or "Tax" means all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment, unemployment

compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

(b) "Tax Returns" or "Tax Return" means all original and amended Federal, state, local and foreign tax returns, declarations, statements, reports, schedules, forms, information returns and other filings relating to Taxes.

(c) "Audits" or "Audit" means any audit, assessment of Taxes, any other examination or claim by any Governmental Authority, judicial, administrative or other proceeding or litigation (including any appeal of any such judicial, administrative or other proceeding or litigation) relating to Taxes and/or Tax Returns.

21.5 The provisions of this Section shall survive the Closing Date.

22. PUBLICATION.

22.1 MCRLP shall have the exclusive right to make such public announcements or filings with respect to the exchange as MCRLP may deem reasonably prudent and, upon advice of counsel, as may be necessary or required by law.

23. REMEDIES.

23.1 If the conditions set forth in Section 12.2 with respect to the Closing have been satisfied (unless the failure or inability to be so satisfied is due to Mack-Cali or MCRLP) and if MCRLP is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a material default of MCRLP or Mack-Cali or MCRLP's or Mack-Cali's material failure to comply with any material representation, warranty, covenant or agreement set forth herein with respect to the Closing, then Contributor shall have the right as its sole and exclusive remedy to either (i) terminate this Agreement upon written notice to MCRLP, in which event neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) maintain an action for either (A) specific performance, or (B) monetary damages.

23.2 If the conditions set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to Contributor), and if Contributor is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of any material default on the part of Contributor, or Contributor's failure to comply with any material representation, warranty, covenant or agreement set forth herein, MCRLP shall be entitled to either (i) terminate this Agreement upon notice to Contributor following which neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) commence an action against Contributor seeking either (A) monetary damages, or (B) specific performance of Contributor's obligations under this Agreement.

23.3 The acceptance of the Deed by MCRLP shall be deemed a full performance and discharge of every agreement and obligation of Contributor to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

24. INTENTIONALLY DELETED.

25. NOTICE.

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: or MCRLP
c/o Mack-Cali Realty Corporation
11 Commerce Drive

Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
(908) 272-8000 (tele.)
(908) 272-6755 (fax)

with a copy to:
Pryor, Cashman, Sherman & Flynn

410 Park Avenue
New York, New York 10022
Attn: Wayne B. Heicklen, Esq.
(212) 326-0425 (tele.)
(212) 326-0806 (fax)

If to Contributor: Pacifica Holding Company, LLC
5975 South Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steven Leonard
(303) 220-5565 (tele.)
(303) 220-5585 (fax)

with a copy to: Brownstein, Hyatt, et al.
410 17th Street, 22nd Floor
Denver, Colorado 80202
Attn: Edward Barad, Esq.
(303) 534-6335 (tele.)
(303) 623-1956 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch, and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided the same is sent prior to 4:00 p.m. Eastern Time on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

26. DEPRECIATION METHOD.

Mack-Cali, as the general partner of MCRLP, covenants and agrees that MCRLP and its affiliates will use the "traditional method with curative allocations" (as defined in Treasury Regulations Section 1.704-3(c)) of allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property

in accordance with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(iv)(f), 1.704- 1(b)(2)(iv)(g) and 1.704-3(a)(6).

27. MISCELLANEOUS.

27.1 Intentionally Deleted.

27.2 This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

27.3 This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

27.4 This Agreement shall be interpreted and governed by the laws of the State of Colorado, without regard to conflicts of laws principles, and shall be binding upon the parties hereto and their respective successors and assigns.

27.5 The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. The, feminine or masculine gender, when used herein, shall each include the other gender and the use of the singular shall include the plural.

27.6 If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

27.7 Each party shall, from time to time, execute, acknowledge and deliver to the other party such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contributor and MCRLP or Mack-Cali. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of

the parties hereto, and without regard to or aid of canons requiring construction against Contributor, MCRLP, Mack-Cali or the party whose counsel drafted this Agreement.

27.8 This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

27.9 All references herein to any Section, Exhibit, or Schedule shall be to the Sections of this Agreement and to the Exhibits and Schedules annexed hereto unless the context

clearly dictates otherwise. All of the Exhibits and Schedules annexed hereto are, by this reference, incorporated herein.

27.10 In the event that Contributor and MCRLP or Mack-Cali enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for the payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

CONTRIBUTION AND EXCHANGE AGREEMENT

THIS CONTRIBUTION AND EXCHANGE AGREEMENT (the "Agreement") made this 25th day of March, 1998, by and between APOLLO/PACIFICA PYRAMID, LLC ("Contributor"), a Delaware limited liability company with an address c/o Pacifica Holding Company, 5975 South Quebec Street, Suite 100, Englewood, Colorado 80111, MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP") and MACK-CALI REALTY CORPORATION, a Maryland corporation ("Mack-Cali"), each having an address at 11 Commerce Drive, Cranford, New Jersey 07016.

RECITALS

A. Contributor owns various commercial properties located throughout the Denver, Colorado metropolitan area. Mack-Cali, through MCRLP and certain affiliated entities of MCRLP, similarly owns various commercial properties located throughout New Jersey, New York, Pennsylvania, Nebraska, Iowa, California, Florida, Arizona, Connecticut and Texas.

B. Contributor, MCRLP and Mack-Cali have determined that the transactions contemplated hereby are in the respective parties' best interests.

NOW, THEREFORE, in consideration of ten dollars ($10.00), the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. SUBJECT OF CONVEYANCE.

In accordance with the terms and conditions of this Agreement, on the Closing Date (as defined herein), Contributor agrees to contribute, convey or otherwise transfer to certain designees of MCRLP all of Contributor's right, title and interest in and to the assets set forth in paragraphs (a) through (h) of this Section 1:

(a) that certain real property situate, lying and being in the State of Colorado and being more particularly described on Schedule 1(a) (the "Land"), which Schedule 1(a) sets forth the name, state of organization and type of entity of Contributor of a parcel of Land and all of the improvements located on the Land (individually, a "Building" and collectively, the "Improvements");

(b) all rights, privileges, grants and easements appurtenant to Contributor's interests in the Land and Improvements, if any, including without limitation, all land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and

rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes collectively referred to herein as the "Real Property");

(c) except as set forth on Schedule 1(c) all personal property, artwork, fixtures, equipment, inventory and computer programming and software owned by Contributor and located on any of the Real Property or used at any of the management and corporate offices of Contributor (the "Personal Property");

(d) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto (each a "Lease" and collectively, the "Leases") and any guaranties provided thereunder, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "Security Deposit") under any Lease in the nature of security for the performance of the Tenant's (as defined herein) obligations thereunder;

(e) Intentionally Deleted.

(f) all permits, licenses, guaranties, approvals, certificates and warranties relating to the Real Property and the Personal Property (collectively, the "Permits and Licenses"), all of Contributor's rights, titles and interests in and to those contracts and agreements for the servicing, maintenance and operation of the Real Property ("Service Contracts") and telephone numbers in use at any of the Real Property or the management offices and corporate headquarters of Contributor (together with the Permits and Licenses and the Service Contracts, the "Intangible Property");

(g) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, files, statements, market studies, keys, plans, specifications, reports, tests and other materials of any kind owned by or in the possession of Contributor which are or may be used by Contributor in the use and operation of the Real Property or Personal Property (collectively, the "Books and Records"); and

(h) all other rights, privileges and appurtenances owned by Contributor, if any, and in any way related to the rights and interests described above in

this Section.

The Real Property, the Personal Property, the Leases, the Intangible Property, the Books and Records and the other property interests being conveyed hereunder are hereinafter collectively referred to as the "Property".

For all purposes herein, unless the context clearly dictates otherwise, any reference herein to "Contributor" shall be deemed to be a reference to the entity which is to convey any assets hereunder to MCRLP or its designees.

2. PAYMENT TERMS.

2.1 Total Exchange Consideration. The aggregate consideration for the Property (the "Exchange Consideration") is Thirteen Million Seven Hundred Fifty Thousand and xx/100 ($13,750,000.00) Dollars, to be paid by MCRLP in accordance with Section 2.2.

2.2 The Property. (a) At the Closing (as defined herein), and upon satisfaction of the terms and conditions provided herein, Contributor agrees to contribute the Property to MCRLP or its Permitted Assignees (hereinafter defined), and MCRLP (and Mack-Cali where applicable) agrees, subject to adjustment as set forth herein, (i) to pay to Contributor or its designees, in cash, the amount of Thirteen Million Seven Hundred Fifty Thousand and xx/100 ($13,750,000.00) Dollars (the "Cash Payment") and (ii) to issue the Contributor Units (hereinafter defined) in an amount set forth in Subsection 2.2(b) to such persons as Contributor shall direct in writing (as set forth in Section 10.2(aa)) as soon as practicable following the date hereof (the "Unit Holders").

(b) Simultaneous with MCRLP accepting the Property, MCRLP shall issue, subject to adjustments as set forth herein, _____ common units of limited partnership interests in MCRLP (the "Contributor Units") convertible into Mack-Cali Common Stock ("Common Stock"); provided, however, that the Unit Holders shall be issued and shall hold the Contributor Units in accordance with the provisions of Section 19.

(c) At the Closing, MCRLP shall issue to Contributor and/or the Unit Holders or their designees certificates representing in the aggregate _____ Contributor Units (the "Permanent Certificates"), which Permanent Certificates shall contain the legend set forth on Exhibit 10.2(ee).

(d) All rights and benefits incidental to the ownership of the Contributor Units received in exchange for the Property, including, but not limited to the right to receive distributions, voting rights and the right to exchange the Contributor Units for shares of Common Stock, shall accrue for the benefit of the Unit Holders commencing on the Closing Date (as defined herein).

(e) With respect to the first Partnership Record Date (as defined in the OP Agreement (as defined below)) on or after the Closing, the Unit Holders shall receive distributions payable with respect to the Contributor Units on a pro rata basis based upon the number of days during the calendar quarter preceding such Partnership Record Date that the Unit Holders held Contributor Units.

2.3 Intentionally Deleted.

2.4 Intentionally Deleted.

3. INSPECTION PERIOD; MCRLP'S RIGHT OF TERMINATION AND REJECTION PRIOR TO CLOSING.

3.1 Prior to the Closing (the "Inspection Period"), time being of the essence as to each such date, MCRLP, at its sole cost and expense, may perform, or cause to be performed, tests, investigations and studies of or related to the Property, including, but not limited to, soil tests and borings, ground water tests and investigations, percolation tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as MCRLP, in its sole discretion, determines is necessary or desirable in connection with the Property and may inspect the physical (including environmental) and financial condition of the Property, including but not limited to Leases, Service Contracts, copies of Contributor's Tax Returns and the Property Financials (as hereinafter defined) as of and for the years ending December 31, 1995, 1996 and 1997, engineering and environmental reports, development approval agreements, permits and approvals, which inspection shall be satisfactory to MCRLP in its sole discretion. Contributor agrees to cooperate with MCRLP in such review and inspection and, to the extent not yet delivered, shall deliver said documents and information to MCRLP within ten (10) days from the date hereof. MCRLP may terminate this Agreement for any

reason, by written notice given to Contributor, prior to the expiration of the Inspection Period. In the event MCRLP terminates this Agreement during the Inspection Period, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein. In the event MCRLP does not terminate this Agreement by the end of the Inspection Period, then MCRLP shall be deemed to have elected not to terminate this Agreement.

3.2 During the Inspection Period, MCRLP, its agents and contractors shall have unlimited access to the Property and other information pertaining thereto in the possession or within the control of Contributor, during normal business hours, for the purpose of performing such studies, tests, borings, investigations and inspections for the purposes described in Section 3.1 above. Such right of inspection and the exercise of such right shall not constitute a waiver by MCRLP of the breach of any representation or warranty of Contributor which might, or should, have been disclosed by such inspection. Contributor shall cooperate with MCRLP in facilitating its due diligence inquiry and shall obtain, and use commercially reasonable efforts to obtain, any consents that may be necessary in order for MCRLP to perform the same.

3.3 To assist MCRLP in its due diligence investigation of the Property, Contributor shall deliver to MCRLP, by the execution and delivery of this Agreement, true and correct copies of all existing Phase I environmental studies (the "Phase I Reports") in the possession or control of Contributor with respect to the Real Property, which Phase I Reports are set forth on Schedule 3.3 annexed hereto. In the event that MCRLP determines that it requires any new Phase I Reports or updates thereof, the cost of such reports or updates shall be borne by MCRLP. If MCRLP reasonably requires that further environmental investigations be undertaken beyond any new Phase I or updated Phase I Report, all engineering costs and expenses relating to said further environmental investigations shall be borne by Mack-Cali.

3.4 Intentionally Deleted.

3.5 During the Inspection Period, Mack-Cali and MCRLP shall provide to Contributor and its agents and advisors reasonable access to Mack-Cali's and MCRLP's books and records, and Mack-Cali and MCRLP shall provide Contributor such other reasonable information including, without limitation, all Securities and Exchange Commission filings of MCRLP and Mack- Cali and federal, state, and local income, excise, franchise, and all other tax filings, in order to permit Contributor, at its sole cost and expense, to perform reasonable due diligence on such parties. Nothing arising from Contributor's inspection or due diligence as permitted by this Section shall give rise to a right of Contributor to terminate this Agreement.

3.6 Mack-Cali shall have the right, without the obligation, to terminate this Agreement if (i) at any time prior to the Closing Date, Mack-Cali determines in its sole discretion, that any of the Property is subject to materially adverse environmental conditions, including, without limitation, any environmental condition that has a material adverse affect on the property value of any Real Property, on the current use of any Real Property, on groundwater at, on, under, about or emanating from any Real Property or on the ability of Mack-Cali or MCRLP to finance any Real Property; or (ii) Contributor is unable to obtain the approval of any third-party partner of the Contributors to the terms of this Agreement; or (iii) Mack-Cali determines that certain of the indebtedness encumbering the Property cannot be satisfactorily satisfied or restructured.

4. TITLE; MATTERS TO WHICH THIS SALE IS SUBJECT.

4.1 As of the Closing Date, title to the Property shall be subject only to the following (collectively, the "Permitted Encumbrances"):

(a) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided the same are not yet due and payable, but subject to adjustment as provided herein;

(b) the rights of those parties occupying space at any of the Improvements (collectively, "Tenants") as tenants only;

(c) those restrictions, covenants, agreements, easements, matters and things affecting title to the Real Property as of the date hereof and more particularly described in Schedule 4.1(c) annexed hereto and by this reference made a part hereof and such other easements, covenants and restrictions which are entered into with the consent of MCRLP after the date hereof, such consent not to be unreasonably withheld, delayed or conditioned;

(d) any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates affecting the Real Property including, without limitation, those related to zoning and land use, as of the date hereof;

(e) the state of facts shown on the surveys described on Schedule 4.1(e) for each of the individual properties comprising the Real Property and the Earnout Properties;

(f) the Service Contracts;

(g) any utility company rights, easements and franchises to maintain poles, lines, wires, cables, pipes, boxes and other fixtures and facilities in, over, under or upon the Real Property, provided the same do not impair, in other than a de minimis manner, the present use of the Real Property;

(h) such matters as the Title Company (as hereinafter defined) shall be willing, without special premium, to omit as exceptions to coverage;

(i) the lien of the Mortgages (but on the terms and conditions of this Agreement).

4.2 Prior to the date hereof, Contributor shall have directed Land Title Guarantee Company (the "Title Company"), as agent for Chicago Title Insurance Company, to prepare a title insurance search and commitment for owner's title insurance policy for the Real Property (the "Title Commitment"). MCRLP shall cause the Title Company to promptly deliver a copy of the same to Contributor and its counsel. If any defects, objections or exceptions in the title to the Real Property appear in the Title Commitment (other than the Permitted Encumbrances) which MCRLP is not required to accept under the terms of this Agreement, Contributor may, at its election, undertake to eliminate such unacceptable defects, objections or exceptions, it being agreed that except as provided below, Contributor shall have no obligation to incur any expense in connection with curing such defects, objections or exceptions, other than (i) judgments against Contributor; (ii) mortgages or other liens which can be satisfied by payment of a liquidated amount, other than the Mortgages; and (iii) defects, objections or exceptions which can be removed by payments not to exceed $100,000.00 per Building in the aggregate. Contributor, in its discretion, may adjourn the Closing for up to sixty (60) days in order to eliminate unacceptable defects, objections or exceptions. If, after complying with the foregoing requirements, Contributor is unable to eliminate all unacceptable defects, objections or exceptions in accordance with the terms of this Agreement on or before such adjourned date for the Closing, MCRLP shall elect either (i) to terminate this Agreement by notice given to Contributor, in which event the provisions of Section 23.2(a) shall apply, or (ii) to accept title subject to such unacceptable defects, objections or exceptions and receive no credit against or reduction of the consideration to be given hereunder for the Property. Contributor agrees and covenants that it shall not voluntarily place any encumbrances or restrictions on title to the Real Property from and after the date of the first issuance of the Title Commitment for said Property, except for the right to reserve easements for utilities and ingress and egress encumbering the Real Property (post-closing) for the benefit of adjacent properties owned by Contributor (or any affiliate thereof) upon the written consent of MCRLP, which consent shall not

be unreasonably withheld or delayed; and so long as the mortgagees of the Mortgages shall consent to the reservation of the same. Mack-Cali and MCRLP covenant and agree that they shall consult with Contributor prior to causing any other person or entity to request any inspection of the Real Property by any governmental entity. Contributor recognizes that Mack-Cali's and MCRLP's due diligence necessitates said inspection. Mack-Cali and MCRLP agree that they shall conduct any due diligence with such governmental entity with a view toward maintaining the confidentiality of the transaction contemplated by this Agreement.

4.3 It shall be a condition to Closing that Contributor conveys, and that the Title Company insures, title to the Real Property in the amount of the Allocated Property Value thereof (at a standard rate for such insurance) in the name of MCRLP or its designees, after delivery of the Deed (as hereinafter defined) by a standard 1992 ALTA Owner's Policy, with ALTA endorsements, to the extent that the premium for such endorsements is paid by MCRLP, for the Real Property as required by MCRLP attached, free and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that (i) the exception for taxes shall apply only to the current taxes not yet due and payable; and (ii) to the extent that the premium for such endorsements is paid by MCRLP, (a) any Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title; and (b) MCRLP's contemplated use of the Real Property will not violate the Permitted Encumbrances. Contributor shall provide such affidavits and undertakings as the Title Company insuring title to the Real Property may require and shall cure all other defects and exceptions other than the Permitted Encumbrances and as required pursuant to Section 4.2. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean

title which is insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions.

4.4 Contributor shall cause one or more surveyors acceptable to MCRLP to deliver to MCRLP a survey or surveys of the Real Property acceptable to MCRLP in all respects and in conformity with ALTA standards. MCRLP shall, at MCRLP's sole cost and expense and with Contributor's cooperation and assistance, cause the surveyor to update the survey no more than thirty (30) days prior to the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured, to the extent that the premium for such endorsement is paid by MCRLP, to MCRLP.

4.5 Any unpaid taxes, water charges, sewer rents and assessments, together with the interest and penalties thereon to a date not less than seven (7) business days following the Closing Date (in each case subject to any applicable apportionment), and any mortgages or other liens created by Contributor, which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement, together with the cost of recording or filing of any instruments necessary to discharge such liens and such judgments, shall be paid at the Closing by Contributor. Contributor shall deliver to MCRLP, on the Closing Date, instruments in recordable form sufficient

to discharge any such mortgages or other liens which Contributor is obligated to pay and discharge pursuant to the terms of this Agreement.

4.6 If the Title Commitment discloses judgments, bankruptcies or other returns against other persons or entities having names the same as or similar to that of Contributor, Contributor shall, upon request, deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against Contributor, or any of its affiliates. Upon request by MCRLP, Contributor shall deliver any affidavits and documentary evidence as are reasonably required by the Title Company to eliminate the standard exceptions on the ALTA Owner's Policy.

5. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTOR.

5.1 In order to induce MCRLP and Mack-Cali to perform as required hereunder, Contributor hereby warrants and represents to MCRLP and Mack-Cali the following with respect to the Property:

(a) Contributor is a duly organized and validly existing entity, organized and in good standing under the laws of the state of its formation, as more particularly set forth in Exhibit A hereto, is duly authorized to transact business in the State of Colorado, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Property in accordance with the terms and conditions hereof. All necessary actions of the partners, members, shareholders and/or principals of Contributor to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) Intentionally Deleted.

(c) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Contributor, enforceable in accordance with the terms of this Agreement. The performance by Contributor of its duties and obligations under this Agreement and the documents and instruments to be executed and delivered by it hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of Contributor or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator to which Contributor is a party or by which its assets are or may be bound.

(d) Annexed hereto as Schedule 5.1 (d) is a true, complete and correct schedule of all of the Leases. The Leases are valid and bona fide obligations of the landlord and Tenants thereunder and are in full force and effect. To the best of Contributor's knowledge, no defaults exist thereunder and no condition exists which, with the passage of time or the giving of

notice or both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Real Property on the date hereof; all Tenants have commenced occupancy; there are no agreements (other than the Leases) which confer upon any Tenant or any other person or entity any rights with respect to the Property, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has

any such claim been asserted by any Tenant.

(e) Annexed hereto as Schedule 5.1(e) (the "Rent Roll") is a listing of the following, which is true, complete and correct in all respects for each Building: (i) the name of each Tenant; (ii) the fixed rent actually being collected; (iii) the expiration date or status of each Lease (including all rights or options to renew); (iv) the Security Deposit, if any; (v) whether there is any guaranty of a Tenant's obligations from a third party, and if so the nature of said guaranty; (vi) any written notices given by any Tenant of an intention to vacate space in the future; (vii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis; and (viii) any arrearages of any Tenant beyond thirty (30) days.

(f) To the knowledge of Contributor, Contributor has performed all of the obligations and observed all of the covenants required of it as landlord under the terms of the Leases. Except as set forth on Schedule 5.1(f) annexed hereto, all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future. To the knowledge of Contributor, except as set forth on Schedule 5.1(f), no work has been performed at any Building which would require an amendment to the certificate of occupancy for such Building for which an amendment has not been obtained, and any and all work performed at the Real Property to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Property arising prior to the Closing Date will be paid in full by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor.

(g) There are no service contracts, union contracts, employment agreements or other agreements affecting the Property or the operation thereof, except the Service Contracts and other contracts and agreements set forth on Schedule 5.1(g) annexed hereto. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any material default or claim of material default by any of the parties thereto. All sums presently due and payable by Contributor under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid by Contributor within customary time periods, not to exceed forty-five (45) days from the receipt of an invoice by Contributor. All of the Service Contracts may be terminated on not more than sixty (60) days notice without the payment of any fee or penalty, and the representation contained in this sentence is not subject to being modified by the limitations of Section 5.5. There are no employees of Contributor, or an affiliate of Contributor, working at or in connection with the

Real Property pursuant to any of the Service Contracts, other contracts and employment agreements, except as set forth on Schedule 5.1(g).

(h) Except as set forth on Schedule 5.1(h) annexed hereto, there are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of Contributor, threatened against Contributor (with respect to the Property being sold) or all or any part of the Property, the environmental condition thereof, or the operation thereof.

(i) Except as set forth on Schedule 5.1(i) annexed hereto, Contributor has received no written notice and has no knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Real Property or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, (iii) any proposed or pending special assessments affecting the Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Real Property, or (v) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Real Property. Contributor agrees to furnish MCRLP with a copy of any such notice received within two (2) business days after receipt.

(j) Contributor has provided MCRLP with all reports in Contributor's possession or under its control related to the physical condition of the Real Property.

(k) Except as set forth on Schedule 5.1(k) annexed hereto, Contributor has no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Real Property, or any violations or conditions that may give rise thereto, and has no reason to believe that any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or acquiring jurisdiction over all or any part of the Real Property or the management,

operation, use or improvement thereof (collectively, the "Governmental Authorities" or "Governmental Authority" as the context requires) contemplates the issuance thereof, and there are no outstanding orders, judgments, injunctions, decrees or writ of any Governmental Authorities against or involving Contributor or the Real Property. For purposes of this Agreement, the term "Governmental Authority" shall also include the Internal Revenue Service and any other federal, state, local or foreign taxing authority.

(l) There are no employees of Contributor or any affiliates of Contributor working at or in connection with the Real Property except as set forth on Schedule 5.1(l).

(m) Annexed hereto as Schedule 5.1(m) is a schedule of all leasing commission obligations affecting the Property. The respective obligations of Contributor and MCRLP with respect to said commissions are set forth in Section 14.

(n) Contributor has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Contributor's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Contributor's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Contributor's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(o) Except for the Mortgages and otherwise as set forth on Schedule 5.1(o), the Personal Property is now owned and will on each of the Closing Date be owned by Contributor free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

(p) To Contributor's knowledge, Contributor is not in default under the Mortgages. True, correct and complete copies of the Loan Documents have been delivered to MCRLP. The Loan Documents will not be amended or modified except as required by Mack-Cali prior to the Closing Date.

(q) Intentionally Deleted.

(r) Intentionally Deleted.

(s) Contributor has no knowledge that any part of the Real Property has been designated as wetlands or any other word of similar purport or meaning under the Federal Water Pollution Control Act, 33 U.S.C. ss.1251 et seq.; the Colorado Water Quality Control Act, Colo. Rev. Stat. Section 25-8-101 et seq; or any other applicable federal, state, county or municipal statute, ordinance, rule, regulation, order or code.

(t) To the best of Contributor's knowledge, there are no aboveground or underground storage tanks or vessels at the Real Property, regardless of whether or not such tanks or vessels are regulated tanks or vessels, except as set forth on Schedule 5.1(t).

(u) Contributor has no knowledge of outstanding requirements or recommendations by (i) any insurance company currently insuring the Property; (ii) any board of fire underwriters or other body exercising similar functions; or (iii) the holder of any mortgage encumbering any of the Property, which require or recommend any repairs or work of a material nature to be done on the Property.

(v) The financial statements, including the income and expense statements and the balance sheets of Contributor and its affiliates, excluding only those assets, liabilities and operations not contemplated to be contributed pursuant to this Agreement, relating to Contributor's ownership and operation of the Property and the related statement of income, partners' capital and cash flows, including the footnotes thereto (the "Property Financials") as of and for the years ending December 31, 1995, 1996 and 1997, fairly present the financial position of Contributor

relating to the Property as of such dates and the results of operations and cash flows of Contributor relating to the ownership and operation of the Property for such respective periods. The Property Financials from January 1, 1998, through the most recent month ending prior to the Closing Date, fairly present the financial position of the Property relating to the ownership and operation of the Property as of such date (subject to the normal year-end adjustments described in Schedule 5.1(v)) and with all interim financial statements of the Property heretofore delivered to MCRLP on behalf of Contributor.

(w) Except as set forth in Schedule 5.1(w), Contributor does

not maintain any 401(k) savings plans, pension plans, multi-employer plans (as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee benefit plans (as defined in ERISA) or employee welfare plans providing for benefits to Contributor's employees (each, a "Contributor Plan"). From and after the date hereof, Contributor shall not adopt a Contributor Plan. Mack-Cali shall have no liability to any current or former employees of Contributor or any affiliate thereof, including, without limitation, any liabilities which may arise as a result of the consummation of the transactions contemplated by this Agreement, under any plans or programs listed on Schedule 5.1(w), or arising under applicable federal or state law, including, without limitation, under the Worker Adjustment and Retraining Nonfiction Act (WARN) and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

(x) Intentionally Deleted.

(y) Except as disclosed in the Phase I Reports or otherwise set forth in Schedule 5.1(y):

(i) To the best of Contributor's knowledge, no Governmental Authority has demanded in writing, addressed to Contributor or any of its affiliates, counsel or agents, that any Contaminants (as defined herein) be cleaned up or environmentally remediated at any Real Property, which has not been cleaned up or environmentally remediated.

(ii) To the best of Contributor's knowledge, no Contaminants have been Discharged (as hereinafter defined) which would allow a Governmental Authority to demand that a cleanup be undertaken.

(iii) To the best of Contributor's knowledge, no ss.104(e) informational request, issued pursuant to CERCLA (as hereinafter defined) with respect to the Real Property has been received by Contributor.

(iv) To the best of Contributor's knowledge, all pre-existing aboveground and underground storage tanks and vessels, if any, at the Real Property have been removed and their contents disposed of in accordance with and pursuant to all applicable Environmental Laws.

(v) To the best of Contributor's knowledge, there is no asbestos or asbestos containing material requiring remediation under Environmental Laws (as hereinafter defined) on the Real Property, except as set forth on Schedule 5.1(y).

(vi) To the best of Contributor's knowledge, all transformers and capacitors containing polychlorinated biphenyls ("PCBs") , and all "PCB Items", as defined in 40 CFR, ss.761.3, located on or affecting the Real Property, are identified in Schedule 5.1(y) and are in compliance with all Environmental Laws.

(vii) To the best of Contributor's knowledge, Pacifica has all material certificates, licenses and permits (the "Permits"), including without limitation, environmental Permits, required to operate the Real Property. To the best of Contributor's knowledge, there is no violation of any Environmental Laws with respect to any Permits, all Permits are in full force and effect, are transferable with the Real Property, as the case may be, without additional payment by MCRLP, and shall, upon closing, be transferred to MCRLP by Contributor.

(viii) To the best of Contributor's knowledge, the Real Property has not been used during the period of Contributor's ownership as solid wastes disposal sites and facilities as defined in the Colorado Solid Wastes Disposal Sites and Facilities Law, Colo. Rev. Stat. Section 30-20-100.5 et seq. and the regulations promulgated thereunder.

(ix) To the best of Contributor's knowledge, there are no engineering or institutional controls at the Real Property, including without limitation, any deed notice, declaration of environmental restriction, groundwater classification exception area, well restriction area or other notice or use limitations pursuant to Colo. Rev. Stat. Section 25-15-208 et seq. and the regulations promulgated thereunder.

(x) Contributor has not transported any Contaminants from the Real Property to another location in violation of Environmental Laws.

(xi) To the best of Contributor's knowledge, there are no federal or state liens, as referenced under CERCLA and the regulations promulgated thereunder, or under any other applicable Environmental Law that have attached to the Real Property.

(xii) Contributor has provided MCRLP with all environmental site assessments, investigations, and documents and all other Environmental Documents (as that term is defined below) in its possession or

under its control and shall continue to do so after execution of this Agreement promptly upon its receipt.

(xiii) For purposes of this Agreement, the following words shall have the respective meaning set forth below:

(A) "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. ss.9601 et seq. ("CERCLA"); the Water Pollution and Control Act, 33 U.S.C. ss.1251 et seq.; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other applicable federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives.

(B) "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying, treating or dumping of Contaminants at, into, onto or from the Property regardless of whether the result of an intentional or unintentional action or omission.

(C) "Environmental Documents" shall mean all environmental documentation in the possession or under the control of Contributor concerning the Property or its environs, including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation plans and reports, remedial action plans and reports, or the equivalent, sampling results, sampling result reports, data, diagrams, charts, maps, analysis, conclusions, quality assurance/quality control documentation, correspondence to or from any Governmental Authority, submissions to any Governmental Authority and directives, orders, approvals and disapprovals issued by any Governmental Authority.

(D) "Environmental Laws" means each and every applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement of any Governmental Authority in any way related to Contaminants.

(z) Contributor and its affiliated entities shall have timely paid all Taxes (as defined herein) due and payable on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall have timely filed all Tax Returns (as defined herein) required to be filed on or prior to the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return is complete and accurate in all respects. Contributor and its affiliated entities shall have timely paid or will timely pay, or shall have provided for or will provide for a cash reserve for

the payment of, all Taxes due and payable on or after the Closing Date for all taxable periods (or portions thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period" or "Pre- Closing Tax Periods"), and in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities shall timely file all Tax Returns which relate to all Pre-Closing Tax Periods but which are required to be filed after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate in all respects. True and complete copies of all Tax Returns filed by Contributor for taxable periods beginning on or after January 1, 1994, and all written communications relating thereto, have been, or will be upon request, delivered to Mack-Cali. Contributor has also provided, or will also provide upon request, to Mack-Cali copies of: (i) any letter ruling, determination letter or similar document issued to Contributor by any Governmental Authority, and (ii) any closing or other agreement entered into by Contributor with any Government Authority. Except as set forth on Schedule 5.1(z), there are no ongoing Audits

or Audits pending or, to the knowledge of Contributor and each of its affiliated entities, threatened with respect to the ownership and/or operation of the Property (by Contributor, its affiliated entities or any of their predecessor entities) or the businesses of Contributor or any of its affiliated entities, which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. There are no agreements or waivers extending the statutory period of limitations with respect to any such Tax Returns or for the assessment or collection of any such Taxes. No claim has ever been made by a Governmental Authority in a jurisdiction where Contributor does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(aa) Annexed hereto as Schedule 5.1(aa) is a listing, for federal income tax purposes, of the following information, which is true, complete and correct in all aspects for each item of Property: (i) its adjusted basis as of the first day of Contributor's taxable year which includes the Closing Date; (ii) the date placed in service; (iii) the depreciation method; and (iv) the remaining useful life.

(bb) Subject to the provisions of Section 5.5, no representation or warranty made by Contributor contained in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading or necessary in order to fully and fairly provide the information required to be provided in any such document, certificate, Schedule or Exhibit.

(cc) As used throughout this Agreement, the phrases "to Contributor's knowledge," "to the knowledge of Contributor," "to the best of Contributor's knowledge" or any similar derivation thereof, shall mean the actual (not constructive) knowledge of Terrence Claassen,

David Goldberg, Chetter Latcham, Steve Leonard, Rich Majors, Adel Nassif, Chuck Peck and Della Wegman, without having undertaken any independent investigation of facts or legal issues, without any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Contributor or of any other person or entity.

5.2 Intentionally Deleted.

5.3 All representations and warranties made hereunder by Contributor and in this Agreement shall survive the Closing Date for a period of one (1) year, except that the representations and warranties set forth in clauses (a), (c), (w) and (z) of Section 5.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Notwithstanding the foregoing, to the extent that a Tenant shall certify in its Estoppel Certificate (as defined below) as to any of the matters which are contained in the representations and warranties made by Contributor in Section 5.1(f) of this Agreement, then Contributor's representations and warranties as to such matters shall be of no force or effect to the extent of any conflict. Pacifica Holding Company, a Colorado corporation; and Pacifica Holding Company, a Colorado limited liability company (collectively, "Guarantor"); and Contributor, jointly and severally, shall, pursuant to a separate indemnity agreement (the "Indemnity Agreement") in the form attached hereto as Schedule 5.3, indemnify and defend Mack- Cali and MCRLP, and to hold Mack-Cali and MCRLP harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Mack-Cali or MCRLP by reason of or resulting from any breach, inaccuracy, incompleteness or non- fulfillment of the representations, warranties, covenants and agreements of Contributor contained in this Agreement to the full extent that Contributor would otherwise have been liable therefor under the provisions of this Agreement. The foregoing indemnity shall be deemed to be material to MCRLP and Mack-Cali's obligation to perform hereunder and shall survive the Closing. Notwithstanding the foregoing, the members of Contributor shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, except as set forth in Section 28, MCRLP shall not have a right to bring a claim against Contributor by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to MCRLP and/or Mack-Cali are reasonably expected to exceed $100,000.00, but thereafter MCRLP and/or Mack-Cali may bring a claim against Contributor for the entire amount of its aggregate damages.

5.4 Contributor acknowledges that it is not in a significantly disparate bargaining position with respect to MCRLP or Mack-Cali in connection with the transaction contemplated by this Agreement and that Contributor was represented by legal counsel in connection with this transaction.

5.5 Mack-Cali and MCRLP each acknowledges that it has had, or will

have had, as of the Closing, sufficient time to review all materials and information set forth in Schedule 5.5,

and sufficient time and access to review and investigate the Property. Notwithstanding any other provision of this Agreement, except as set forth in Subsections 5.1(d), (e) and (f), as they relate to the Leases, the Estoppels and the Rent Rolls, the representations and warranties of Contributor as set forth herein or in Contributor's Closing Certificate are hereby modified to be made true to the extent that, as of the date hereof with respect to the representations and warranties made herein, and as of the Closing Date with respect to the representations and warranties made by Contributor as of the Closing Date, (i) information contained in the records made available as set forth Schedule 5.5 no longer makes the subject representation or warranty not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information, or (ii) either Mack-Cali or MCRLP has knowledge that the subject representation or warranty is untrue, or (iii) Contributor has delivered or made available to any of the individuals described in Section 6.1(l) other written information disclosing that the subject representation or warranty is not true, whether or not either Mack-Cali or MCRLP has actual knowledge of such information.

6. REPRESENTATIONS AND WARRANTIES OF MACK-CALI AND MCRLP.

6.1 In order to induce Contributor to perform as required hereunder, Mack-Cali and MCRLP hereby jointly and severally warrant and represent the following:

(a) (i) MCRLP is a duly organized and validly existing limited partnership organized and in good standing under the laws of the State of Delaware, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the partners of MCRLP to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(ii) Mack-Cali is a duly organized and validly existing corporation organized and in good standing under the laws of the State of Maryland, has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to permit MCRLP to acquire the Property in accordance with the terms and conditions hereof. All necessary actions of the board of directors of Mack-Cali to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(b) This Agreement and the agreements and other documents to be executed and delivered by each of Mack-Cali and MCRLP hereunder, when duly executed and delivered, will be the legal, valid and binding obligation of each of Mack-Cali and MCRLP, enforceable in accordance with the terms of this Agreement. The performance by each of Mack-Cali and MCRLP of each of its duties and obligations under this Agreement and the documents and

instruments to be executed and delivered by each of them hereunder will not conflict with, or result in a breach of, or default under, any provision of any of the organizational documents of each of Mack-Cali and MCRLP or any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which each of Mack-Cali and MCRLP is a party or by which each of its assets are or may be bound.

(c) The Contributor Units to be issued to Contributor and/or the Contributor Unit Holders are duly authorized and, when issued by MCRLP, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever. The shares of Common Stock to be issued by Mack-Cali upon redemption of the Contributor Units will be reserved for future listing with the New York Stock Exchange prior to the date upon which any of the same will be exercisable or redeemable for Common Stock, and, upon such issuance, will be fully paid and non-assessable, free and clear of any mortgage, pledge, lien, encumbrance, security interest, claim or rights of interest of any third party of any nature whatsoever.

(d) MCRLP has furnished to Contributor a true and complete copy of the OP Agreement, as amended to date.

(e) Mack-Cali has caused to be delivered to Contributor copies of the OP Agreement. The SEC Documents were, and those additional documents filed between the date hereof and the Closing will be, prepared and filed in compliance with the rules and regulations promulgated by the SEC, and do not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made or will be made, not misleading.

(f) The consolidated financial statements included in the SEC Documents have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the period involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q) and present fairly (subject, in the case of the unaudited statements, to normal, recurring year-end audit adjustments) the consolidated financial position of Mack-Cali and its Subsidiaries at the dates thereof and the consolidated results of operations and cash flows for the periods then ended. For purposes of this Agreement, "Subsidiaries" shall mean (i) any entity of which Mack-Cali (or other specified entity) shall own directly or indirectly through a subsidiary, a nominee arrangement or otherwise (x) at least a majority of the outstanding capital stock (or other shares of beneficial interest), or (y) at least a majority of the partnership, joint venture or similar interests; and (ii) any entity in which Mack-Cali (or other specified entity) is a general partner or joint partner, including without limitation MCRLP. "Subsidiaries" shall specifically exclude Mack-Cali Services, Inc. and The Grove Street Urban Renewal Corp., which are the only non-qualified REIT subsidiaries of Mack-Cali as of the date hereof.

(g) No action, suit, claim, investigation or proceeding, whether legal or administrative or in mediation or arbitration, is pending or, to the best of each of Mack-Cali's and MCRLP's knowledge, threatened, at law or in equity, against either of Mack-Cali or MCRLP before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either of Mack-Cali or MCRLP from performing its respective obligations pursuant to this Agreement.

(h) The execution and delivery of this Agreement and the performance by each of Mack-Cali and MCRLP of its respective obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Mack-Cali or MCRLP, including without limitation, the United States of America, the States of New York and New Jersey or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Mack-Cali or MCRLP is a party or by which Mack-Cali or MCRLP is bound or affected.

(i) (1) Mack-Cali (A) intends to file its federal income tax return for the tax year that will end on December 31, 1997, as a real estate investment trust ("REIT") within the meaning of Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"), (B) has complied with all applicable provisions of the Code which would have enabled it to qualify as a REIT for 1995 and 1996, (C) has operated, and intends to continue to operate, in such a manner so as to enable it to qualify as a REIT for 1998 and subsequent years, and (D) has not taken or omitted to take any action which would reasonably be expected to cause its disqualification as a REIT, and no challenge to its REIT status is pending or, to Mack-Cali's knowledge, threatened.

(2) Mack-Cali has timely filed with the appropriate Governmental Authority all Tax Returns required to be filed by it or has timely requested extensions and any such request has been granted and has not expired. Each such Tax Return is true and correct in all material respects. All Taxes shown as owed by Mack-Cali or any of its Subsidiaries on any Tax Return have been paid or accrued, except for Taxes being contested in good faith and for which adequate reserves have been established. None of Mack-Cali or any of its Subsidiaries has executed or filed with the Internal Revenue Service or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax.

(3) To its knowledge, as of the date hereof, Mack-Cali is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code.

(j) All of Mack-Cali's real property and other material assets are owned by Mack-Cali indirectly through its ownership of MCRLP and MCRLP's Subsidiaries.

(k) Neither Mack-Cali nor MCRLP has made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by either of Mack-Cali's or MCRLP's creditors, suffered the appointment of a

receiver to take possession of all, or substantially all, of Mack-Cali's or MCRLP's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Mack-Cali's or MCRLP's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

(l) As used throughout this Agreement, the phrases "to Mack-Cali's knowledge," "to the knowledge of Mack-Cali", "to the best of Mack-Cali's knowledge", to MCRLP's knowledge," "to the knowledge of MCRLP", "to the best of MCRLP's knowledge" or any similar derivations thereof, shall mean the actual (not constructive) knowledge of Tim Jones, John DeBari, Daniel Wagner, Andrew Greenspan, Roger W. Thomas and Terry Noyes, without having undertaken any independent investigation of facts or legal issues, without having any duty to do so, and without imputing to the aforementioned persons the knowledge of any employee, agent, representative or affiliate of Mack-Cali, MCRLP or of any other person or entity.

6.2 Each of Mack-Cali and MCRLP acknowledges that it is not in a significantly disparate bargaining position with respect to Contributor in connection with the transaction contemplated by this Agreement and that Mack-Cali and MCRLP were represented by legal counsel in connection with this transaction.

6.3 All representations and warranties made by Mack-Cali and MCRLP in this Agreement shall survive the Closing Date for a period of eighteen (18) months, except that the representations and warranties set forth in clauses (a) and (b) of Section 6.1 shall survive such Closing Date for the applicable period of the statute of limitations (unless otherwise specified herein), and shall not be merged in the delivery of the Deed. Mack-Cali and MCRLP agree to indemnify and defend Contributor, and to hold Contributor harmless, from and against any and all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's, consulting and engineering fees), and interest and penalties related thereto, incurred by Contributor by reason of or resulting from any breach, inaccuracy, incompleteness or non-fulfillment of the representations, warranties, covenants and agreements of Mack-Cali and MCRLP contained in this Agreement. Notwithstanding the foregoing, the partners of MCRLP and the shareholders of Mack-Cali shall have no liability for any loss resulting from any breach of the foregoing representations and warranties. In addition, Contributor shall not have a right to bring a claim against Mack-Cali or MCRLP by virtue of any of the representations or warranties being false or misleading unless and until the aggregate damages to Contributor is reasonably expected to exceed $100,000.00, but thereafter Contributor may bring a claim against Mack-Cali or MCRLP for the entire amount of its aggregate damages.

INTERIM OPERATING COVENANTS OF CONTRIBUTOR.

7.1 Contributor covenants and agrees that between the date hereof and the Closing Date (the "Interim Period"), it shall perform or observe the following with respect to the Real Property:

(a) Contributor will complete any capital expenditure program currently in process or anticipated to be completed. Contributor will not defer taking any actions or spending any of its funds, or otherwise manage the Real Property differently, due to the transaction contemplated by this Agreement.

(b) Contributor, as landlord, will not enter into any new leases with respect to the Property, or renew or modify any Lease, without MCRLP's prior written consent; provided, however that Contributor shall be permitted to enter into new leases, renewals or modifications upon prior notice to, but without the prior written consent of MCRLP, so long as such lease, renewal or modification is on market terms and conditions with bona fide third parties and is the type of transaction which Contributor currently enters into in the ordinary course of its business.

(c) Contributor shall comply with and/or remedy all violations of statutes, ordinances, rules, regulations, orders, codes, directives or requirements affecting the Real Property, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities prior to the Closing, and the Real Property shall be conveyed free of any such violations, including, without limitation, violations of Environmental Laws.

(d) Contributor shall not:

(i) Enter into any agreement requiring Contributor to do work for any Tenant after the Closing Date without first obtaining the prior written consent of MCRLP, unless such agreement is on market terms and conditions with bona fide third parties and is the type of agreement which Contributor currently enters into in the ordinary course of its business, in which case no consent of MCRLP will be required; or

(ii) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, except in its ordinary course of business on market terms, with bona fide third parties and upon prior written notice to MCRLP.

(iii) Intentionally Deleted.

(e) Contributor shall not, between the date hereof and the Closing Date, apply any Security Deposits with respect to any Tenant in occupancy on the Closing Date, except in its ordinary course of business. Contributor shall provide MCRLP with an updated schedule of Security Deposits at the Closing or the Earnout Closing.

(f) Between the date hereof and the Closing Date, Contributor will not renew, extend or modify any of the Service Contracts without the prior written consent of MCRLP unless such is done by Contributor in the ordinary course of its business and such Service Contracts contain a right to terminate on thirty (30) days' notice with no material cost to exercise such right, in which case no consent of MCRLP will be required.

(g) Contributor shall not remove or permit the removal of any Personal Property located in or on the Property, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances except to the extent the original Personal Property was so encumbered and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to MCRLP, other than expressly provided herein.

(h) Contributor shall, upon request of MCRLP at any time after the date hereof, assist MCRLP in its preparation of audited financial statements, statements of income and expense, and such other documentation as MCRLP may reasonably request, covering the period of Contributor's ownership of the Real Property.

(i) Between the date hereof and the Closing Date, Contributor will make all required payments under any mortgage affecting the Real Property within any applicable grace period, but without reimbursement by MCRLP therefor. Contributor shall also comply with all other material terms covenants and conditions of any mortgage on the Real Property.

(j) Contributor shall not cause or permit the Real Property, or any interest therein, to be alienated, mortgaged, licensed, encumbered or otherwise be transferred.

(k) Contributor agrees to maintain and keep in full force and effect the hazard, liability and casualty insurance policies it is currently maintaining, which policies Contributor represents are sufficient to protect, to a reasonable and prudent extent, the owner of the Property, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(l) Contributor shall permit MCRLP and its authorized representatives to inspect the Books and Records of its operations at all reasonable times upon reasonable notice. All Books and Records not conveyed to MCRLP hereunder shall be maintained for MCRLP's inspection at Contributor's address as set forth in Exhibit A hereto.

(m) Contributor shall:

(i) promptly notify MCRLP of, and promptly deliver to MCRLP, a certified true and complete copy of any notice Contributor may receive, on or before the Closing

Date from any Governmental Authority concerning a violation of Environmental Laws or Discharge of Contaminants;

(ii) contemporaneously with the signing and delivery of this Agreement, and subsequently promptly upon receipt by Contributor or its representatives, deliver to MCRLP a certified true and complete copy of all Environmental Documents; and

(iii) timely provide MCRLP with drafts of any pertinent documentation in connection with leasing matters, Service Contracts and agreements for work to be done on behalf of Tenants and shall keep MCRLP informed of all substantive negotiations and discussions with respect to the foregoing matters on an on-going basis.

7.2 Prior to the Closing, Contributor shall deliver to MCRLP

reviewed Property Financials as set forth in Section 5.1(v). Within thirty (30) days after the Closing Date, Contributor shall deliver to MCRLP Property Financials, as set forth in Section 5.1(v), through the Closing Date. The provisions of this Section 7.2 shall survive the Closing Date.

7.3 Intentionally Deleted.

7.4 Intentionally Deleted.

7.5 Contributor and its affiliated entities will timely pay all Taxes due and payable during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, for which MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. Contributor and its affiliated entities will timely file all Tax Returns required to be filed during the Interim Period in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses, the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate in all respects and will be filed on a basis consistent with past practice. A copy of all such Tax Returns shall be delivered to Mack-Cali at least three (3) days prior to such Tax Returns being filed. The obligations set forth in this Section 7.5 shall survive the expiration or earlier termination of this Agreement and/or shall survive the Closing Date for the applicable period of the statute of limitations.

8. INTENTIONALLY DELETED.

9. ESTOPPEL CERTIFICATES.

9.1 Contributor agrees to deliver to each Tenant, no later than the date hereof, an estoppel certificate in the form annexed hereto as Exhibit 9.1 for Tenant's execution, completed to reflect Tenant's particular Lease status. Contributor agrees to use commercially reasonable efforts

to obtain from all Tenants the estoppel certificates in such form; provided, however, that if any Tenant shall refuse to execute an estoppel letter in such form, Contributor shall nevertheless use commercially reasonable efforts to obtain estoppel certificates in the form in which each Tenant is obligated to deliver the same as provided in its Lease. Contributor agrees to deliver to MCRLP copies of all estoppel letters received by Tenants, in the form received by Contributor. The estoppel certificates required to be obtained pursuant to this Section 9.1 are collectively referred to as the "Estoppel Certificates".

9.2 As a condition to the Closing, Contributor shall deliver (a) an Estoppel Certificate from all Tenants which lease space at the Real Property in excess of 10,000 square feet or more in the aggregate, and (b) Estoppel Certificates from the remaining Tenants leasing at least seventy-five (75%) percent of the square footage of the Real Property including the Tenants set forth in Clause 9.2(a) above.

9.3 For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

10. CLOSINGS.

10.1 (a) Closing. The consummation of the transactions contemplated hereunder with respect to the Property (the "Closing") shall take place at the offices of Brownstein, Hyatt, Farber & Strickland, P.C., 410 Seventeenth Street, 22nd Floor, Denver, Colorado, 80202-4437, on or about March 25, 1998 (the "Closing Date"). Upon notice to Contributor, MCRLP may elect to accelerate the Closing Date to a date not less than five (5) days after the date of MCRLP's notice.

(b) Intentionally Deleted.

(c) Intentionally Deleted.

(d) Intentionally Deleted.

10.2 On the Closing Date, except as otherwise set forth in Subsections 10.2(z) and 10.2(aa), Contributor, at its sole cost and expense, will deliver or cause to be delivered to MCRLP the following documents, fully executed by all parties thereto other than MCRLP or parties claiming by, through or under MCRLP:

(a) Special Warranty Deeds (the "Deeds") with covenants in proper statutory form for recording so as to convey to MCRLP good and marketable title to the Land being conveyed, free and clear of all liens and encumbrances,

except the Permitted Encumbrances. The delivery of the Deeds shall also be deemed to constitute a transfer of the Personal Property

associated with the Land conveyed by the Deeds; the delivery of all of the Deeds shall be deemed to constitute a transfer of the balance of the Personal Property to MCRLP.

(b) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Contributor, using its best efforts, is unable to deliver originals of the same.

(c) All other original documents or instruments referred to herein, including without limitation the Service Contracts, Licenses and Permits and Books and Records, and certified copies of the same where Contributor, using its best efforts, is unable to deliver originals of the same.

(d) A letter to Tenants advising the Tenants of the sale hereunder and directing that rent and other payments thereafter be sent to MCRLP or its designee, as MCRLP shall so direct.

(e) Intentionally Deleted.

(f) Duly executed and acknowledged omnibus assignment in the form of Exhibit 10.2(f) annexed hereto ("Omnibus Assignment").

(g) Duly executed Asset Purchase Agreement in the form of Exhibit 10.2(g) annexed hereto.

(h) An affidavit, and such other document or instruments required by the Title Company, executed by Contributor certifying (i) against any work done or supplies delivered to the Real Property which might be grounds for a materialman's or mechanic's lien under or pursuant to Colorado Lien Law, in form sufficient to enable the Title Company to affirmatively insure MCRLP against any such lien, (ii) that the signatures on the Deeds are sufficient to bind Contributor and convey the Property to MCRLP, and (iii) the Rent Roll.

(i) Affidavits and other instruments, including but not limited to all organizational documents of Contributor and Contributor's general partners, as applicable, including operating agreements, filed copies of limited liability certificates, articles of organization, and good standing certificates, reasonably requested by MCRLP and the Title Company evidencing the power and authority of Contributor to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(j) The original Estoppel Certificates.

(k) A list of all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants under the Leases, together with other instruments of assignment, transfer or consent as may be necessary to permit MCRLP to realize upon the same.

(l) A certificate indicating that the representations and warranties of Contributor made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(m) A Rent Roll for each Real Property, current as of the Closing Date, certified by Contributor as being true and correct in all material respects.

(n) All proper instruments as shall be reasonably required for the conveyance to MCRLP of all right, title and interest, if any, of Contributor in and to any award or payment made, or to be made, (i) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Improvements, (ii) for damage to the Land, or Improvements or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (iii) for any taking in condemnation or eminent domain of any part of the Land and Improvements.

(o) In order to avoid the imposition of the withholding tax payment pursuant to Section 1445 of the Code, a certificate which is in a form acceptable to Mack-Cali and which is signed by the appropriate officer of Contributor, to the effect that Contributor is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Code.

(p) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Contributor as may be required of Contributor by law in connection with the conveyance of the Property to MCRLP, including but not limited to, Internal Revenue Service forms and the declaration required to be filed pursuant to Title 39, Article 14 of the

Colorado Revised Statutes.

(q) A statement setting forth all adjustments and prorations shown thereon.

(r) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r) attached hereto.

(s) Estoppel certificate addressed to MCRLP from the mortgagees of the Mortgages in form and substance reasonably acceptable to MCRLP.

(t) An opinion of counsel from Brownstein, Hyatt, Farber & Strickland, P.C., substantially in the form of Exhibit 10.2(t) regarding the due execution, delivery and enforceability of this Agreement and the foregoing documents.

(u) Intentionally Deleted.

(v) Duly executed and acknowledged Indemnity Agreement from Guarantor and Contributor as set forth in Section 5.3.

(w) Intentionally Deleted.

(x) Intentionally Deleted.

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

(z) At least fifteen (15) days prior to the Closing Date, a schedule setting forth, with respect to each item of the Property for which Contributor Units will be received as part of the consideration: (i) those Contributors of such item of the Property that are allocated Contributor Units and the amount of Contributor Units so allocated to any such Contributor; (ii) the gross fair market value of such item of the Property for purposes of determining the gain or loss that will be recognized for federal income tax purposes as a result of the contribution; (iii) the adjusted basis of such item of the Property immediately prior to the contribution; (iv) the amount of cash and Contributor Units allocated to the item of the Property; and (v) the amount of any liability relating to such item of the Property that MCRLP will either assume or to which such item will be subject and which does not constitute a "qualified liability" within the meaning of Treasury Regulations Section 1.707-5(a)(6).

(aa) At least fifteen (15) days prior to the Closing Date, a schedule setting forth: (i) any Contributor named for purposes of Section 10.2(z)(i) which is to receive less than the full amount of Contributor Units indicated for purposes of Section 10.2(z)(i); and (ii) the names of those persons who are to receive Contributor Units that each such Contributor would otherwise be entitled to receive and the amount of units that any such persons are to receive. At least fifteen (15) days prior to the Closing Date, each Contributor to which this Section 10.2(aa) is relevant shall issue "direction letters" to MCRLP (in the form acceptable to MCRLP), to the effect that each such Contributor authorizes the issuance by MCRLP of Contributor Units directly to such persons (and in such amounts) which are set forth for purposes of Section 10.2(aa)(ii).

(bb) A letter from each applicable municipal department or agency having jurisdiction that the Property is in compliance with the laws, codes, rules, regulations and ordinances regarding (i) zoning, (ii) building, (iii) health and (iv) fire, life and safety.

(cc) A computer diskette containing any closing or other documents executed in connection with this transaction and prepared by Contributor or its counsel, in WordPerfect or Microsoft Word format.

(dd) All original organizational documents relating to the Contributor, and all statements of accounts, books and records and insurance policies.

(ee) a certificate executed by each Contributor Unit Holder and each Contributor receiving Contributor Units, substantially in the form of Exhibit 10.2(ee).

10.3 On the Closing Date, Mack-Cali and MCRLP, at their sole cost

and expense, will deliver or cause to be delivered to Contributor the following documents, fully executed by all parties thereto other than Contributor or parties claiming by, through or under Contributor:

(a) The Cash Payment, net of adjustments and prorations.

(b) The Permanent Certificates representing, in the aggregate, the Contributor Units.

(c) Intentionally Deleted.

(d) Duly executed and acknowledged Omnibus Assignment in the form of Exhibit 10.2(f) annexed hereto.

(e) A certificate indicating that the representations and warranties of Mack-Cali and MCRLP made in this Agreement are true and correct as of the Closing Date or if there have been any changes, a description thereof.

(f) Affidavits and other instruments, including but not limited to all organizational documents of Mack-Cali and MCRLP including limited partnership agreements, filed copies of limited partnership certificates, articles of organization, and good standing certificates, reasonably requested by Contributor evidencing the power and authority of Mack-Cali and MCRLP to enter into this Agreement and any documents to be delivered hereunder, and the enforceability of the same.

(g) A Registration Rights Agreement substantially in the form of Exhibit 10.3(g).

(h) Amendment to OP Agreement substantially in the form of Exhibit 10.3(h) reflecting admission of the Contributor Unit Holders as limited partners.

(i) Tradenames Assignment Agreement substantially in the form of Exhibit 10.2(r).

(j) Intentionally Deleted.

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

10.4 Contributor shall pay for the premium charges and costs for title insurance policies (but not any endorsements to such policies required by Mack-Cali); all survey costs; all costs incurred to repay or satisfy any and all liens; all administrative and legal costs associated with the assumption by MCRLP of the mortgages to which this transaction is subject (other than the fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided); all leasing commissions due to Tenants in connection with the initial terms of their respective Leases; all costs of tenant improvement concessions due to Tenants in connection with the initial terms of their respective Leases; and all customary prorations and apportionments. Mack- Cali shall pay for the costs of all customary documentary and recording fees; (including, without limitation, the "documentary fee" imposed by Article 13 of the Colorado Revised Statutes); the cost of any endorsements to its title insurance policies; all due diligence investigations costs (including, without limitation, the cost of all Phase I Reports for the Property, which environmental assessment reports shall be dated no more than thirty (30) days prior to the Closing Date); any fees or charges payable in connection with the mortgages being paid-off by Mack-Cali as herein provided and all customary prorations and apportionments. Each party shall be responsible for its own attorney's fees. The provisions of this Section 10.4 shall survive the Closing.

10.5 The Closing shall be consummated without compliance with bulk sales laws. If by reason of any applicable bulk sales law, any claims are asserted by creditors of Contributor related to periods prior to the Closing, such claims shall be the responsibility of Contributor, and Contributor shall jointly and severally indemnify, defend and hold harmless MCRLP (and its respective directors, officers, employees, affiliates, successors and assigns) from and against all losses or liabilities, if any, based upon, arising out of or otherwise in respect of the failure to comply with such bulk sales laws.

10.6 Mack-Cali and MCRLP acknowledge and agree that, except as set forth in this Agreement, MCRLP is acquiring the Property in its "as is" condition "subject to all faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Contributor. Mack-Cali and MCRLP acknowledge that, except as set forth in this Agreement, and except for documents, reports and information related to the environmental integrity of the Real Property, neither Mack-Cali nor MCRLP has relied and is not relying on any information, document, reports, sales brochure or other literature, maps or

sketches, financial information, projections, pro formas or statements, that may have been given by or made by or on behalf of Contributor with respect to the Property. MCRLP

and Mack-Cali further acknowledge that all materials relating to the Property which have been provided by Contributor, including but not limited to, the Phase I Reports, have been provided without any warranty or representation, expressed or implied as to their content, suitability for any purpose, accuracy, truthfulness or completeness and, except as expressly provided herein, neither MCRLP nor Mack-Cali shall have any recourse against Contributor or its counsel, advisors, agents, officers, directors or employees for any information in the event of any errors therein or omissions therefrom.

Contributor does not warrant or make any representation, express or implied, as to the merchantability, quantity, quality, condition, suitability or fitness of the Property for any purpose whatsoever, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the Super Fund Amendments and Reauthorization Act (SARA), the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances. MCRLP also acknowledges and agrees that (i) the Contributor's representations and warranties set forth in Section 5 and (ii) the provisions in this Agreement for delivery of existing Phase I Reports and inspection and investigation of the Property are adequate to enable MCRLP to make MCRLP's own determination with respect to the suitability or fitness of the Property, including, without limitation, its compliance with applicable building codes and ordinances, zoning laws, environmental laws including, without limitation, the Clean Air Act, CERCLA and the SARA, the Americans with Disabilities Act, and any other federal, state or local statutes, codes or ordinances.

Except to the extent (a) caused by a breach of any of Contributors' representations hereunder; (b) related to claims by or liabilities to third parties unrelated to Mack-Cali or MCRLP; or (c) as otherwise expressly set forth herein, including, without limitation, as indemnified pursuant to the Indemnity Agreement, MCRLP and Mack-Cali, for themselves and their successors and assigns, hereby release each of the Contributors, and their agents, employees, partners, officers, directors, members, managers, contractors, consultants and representatives from, and waive any and all causes of action or claims against any of such persons for (i) any and all liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under or about the Property of any materials the release or storage of which is regulated by law; (ii) any and all liability resulting from the failure of the Property to comply with any applicable laws; and (iii) any liabilities, damages or injury arising from, connected with or otherwise caused by statements, opinions or information obtained from any of such persons with respect to the Property.

ADJUSTMENTS.

11.1 The following items under (a) through (g) with respect to the Real Property are to be apportioned as of midnight on the date preceding the Closing:

(a) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All moneys received from Tenants from and after the Closing shall belong to MCRLP and shall be applied by MCRLP to current rents and other charges under the Leases. After application of such moneys to current rents and charges, MCRLP agrees to remit to Contributor any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing.

(b) A cashier's or certified check or wire transfer to the order of MCRLP in the amount of all cash Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of MCRLP, such amount may be allotted to MCRLP as a credit against the Cash Payment.

(c) Utility charges payable by Contributor, including without limitation, electricity, water charges and sewer charges. If there are meters on the Real Property, Contributor will cause readings of all said meters to be performed not more than ten (10) days prior to the Closing Date.

(d) Amounts payable under the Service Contracts other than those Service Contracts which MCRLP has elected not to assume.

(e) Real estate taxes due and payable for the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment

of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

(f) The value of fuel stored at any of the Real Property, at Contributor's most recent cost, including taxes, on the basis of a reading made within fifteen (15) days prior to the Closing by Contributor's supplier.

(g) Intentionally Deleted.

11.2 Intentionally Deleted.

11.3 At the Closing, Contributor shall deliver to MCRLP a list of additional rent, however characterized, under all Leases, including without limitation, real estate taxes, electrical charges, utility costs and operating expenses (collectively, "Additional Rents") billed to Tenants for the calendar year 1997 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by Contributor on account of the components of Additional Rent for calendar year 1997. Upon the reconciliation by MCRLP of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1997, Contributor and MCRLP shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1997. Notwithstanding the foregoing, the calculation of real estate

taxes and the collection of Additional Rents from Tenants attributable to such real estate taxes, as reflected on the closing statement related hereto, shall be final as of the Closing Date.

11.4 All amounts due and owing under the Mortgages other than the outstanding principal balance thereof, including by way of example accrued and unpaid interest, deferred interest, late charges, default interest, prepayment fees or penalties, and other fees and charges, shall be paid by Contributor on or before the Closing. Notwithstanding any language to the contrary in this Agreement, from and after the Closing, MCRLP shall be entitled to any payment by Evolving Systems, Inc. of any or all of the Allowance Repayment (as defined in the Lease).

11.5 If, on the Closing Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, all the unpaid installments of any such assessment due and payable on or prior to the Closing Date shall be paid and discharged by Contributor on the Closing Date.

11.6 Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of Colorado.

11.7 Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

11.8 The provisions of this Section 11 shall survive the Closing Date.

12. CONDITIONS PRECEDENT TO CLOSING.

12.1 The obligations of Contributor to deliver title to the Real Property and to perform the other covenants and obligations to be performed by Contributor on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Contributor):

(a) The representations and warranties made by MCRLP and Mack-Cali herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; provided, however, that a failure of any representations or warranties to be true and correct in all material respects shall not give rise to a claim by Contributor hereunder so long as such matters do not have a material adverse effect on the transactions contemplated herein.

(b) MCRLP and Mack-Cali shall have executed and delivered to Contributor all of the documents provided herein for said delivery.

(c) Intentionally Deleted.

(d) Mack-Cali and MCRLP shall have performed all covenants and obligations undertaken by Mack-Cali and MCRLP herein in all material respects and complied with all material conditions required by this Agreement to be performed or complied with by them on or before the Closing Date.

12.2 The obligations of Mack-Cali and MCRLP to accept title to the Property and Mack-Cali's and MCRLP's obligation to perform the other covenants and obligations to be performed by Mack-Cali and MCRLP on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Mack-Cali or MCRLP):

(a) Subject to Section 5.5(a) the representations and warranties made by Contributor herein shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. For the purposes of the Closing condition described in this Section 12.2(a), any limitation to the knowledge, best knowledge, or actual knowledge in any representation, warranty, covenant or agreement made by Contributor herein shall be inapplicable.

(b) Contributor shall have performed all covenants and obligations undertaken by Contributor herein in all respects and complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(c) The Title Company is unconditionally prepared to issue to MCRLP a Title Policy meeting the requirements set forth in Section 4 hereof for an "insurable title".

(d) The Real Property shall be in compliance with all Environmental Laws.

13. INTENTIONALLY DELETED.

LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS.

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Contributor. MCRLP shall be credited at Closing as set forth on Schedules 5.1(f) and 5.1(m) respectively with respect to certain tenant improvement and leasing commission obligations, but Contributors shall remain liable for any amounts due and owing in excess of such credits. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by MCRLP. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

15. ASSIGNMENT.

This Agreement may not be assigned by Mack-Cali or MCRLP except to a directly or indirectly wholly-owned subsidiary or subsidiaries of Mack-Cali or MCRLP, or to a partnership in which any such wholly-owned subsidiary or subsidiaries owns, either directly or indirectly, at least seventy-five (75%) percent of the profits, losses and cash flow thereof and controls the management of the affairs of such partnership (any such entity, a "Permitted Assignee") and any other assignment or attempted assignment by Mack-Cali or MCRLP shall be deemed null and void and of no force and effect. Notwithstanding anything to the contrary contained herein, Mack-Cali or MCRLP may assign the right to purchase individual portions of the Property to various entities, provided that each of such entities is a Permitted Assignee. A copy of any assignment permitted hereunder, together with an agreement of the assignee assuming all of the terms and conditions of this Agreement to be performed by Mack-Cali or MCRLP with respect to the portion of the Real Property, in form reasonably satisfactory to counsel for Contributor, shall be delivered to the attorneys for Contributor prior to the Closing, and in any event, no such assignment shall relieve Mack-Cali and MCRLP from their obligations under this Agreement.

16. BROKER.

Mack-Cali, MCRLP, and Contributor represent that, with the exception of Sonnenblick Goldman Ltd. and Pacifica Holding Company LLC (collectively, "Brokers") they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any breach of the foregoing representation and warranty. Notwithstanding the foregoing, Contributor shall pay in full any commission, fee or other compensation due the Brokers pursuant to separate agreements, and Guarantor and Contributor agree to indemnify, defend and hold MCRLP and Mack-Cali harmless from and against any and all loss, cost, damage, liability, or expense, including reasonable attorneys' fees, which MCRLP or Mack-Cali may sustain, incur or be exposed to by reason of Contributor's failure to pay in full the Brokers pursuant to such separate agreements. The provisions of this Section shall survive the Closing and/or other termination of this Agreement.

17. CASUALTY LOSS.

17.1 Contributor shall continue to maintain, in all material respects, the fire and extended coverage insurance policies with respect to the Property (the "Insurance Policies") which are currently in effect, through the date that said coverage currently expires, which obligation shall survive the Closing.

17.2 If at any time prior to the Closing Date, all or any portion of the Property is destroyed or damaged as a result of fire or any other casualty (a "Casualty"), Contributor shall promptly give written notice ("Casualty Notice") thereof to MCRLP. Within ten (10) days after the receipt of the Casualty Notice, MCRLP and Mack-Cali shall have the right, at its sole option, to terminate this Agreement with respect to said Property by written notice to Contributor. Notwithstanding the foregoing, MCRLP and Mack-Cali shall not have the right to terminate this Agreement if (a) Contributor's insurance fully covers the damage resulting from the Casualty; and (b) the proceeds of any insurance, together with a credit equal to Contributor's deductible under the Insurance Policies, shall be paid to MCRLP and Mack-Cali at the time of the Closing; and (c) all unpaid claims and rights in connection with losses to the Property shall be assigned to MCRLP and Mack-Cali at the Closing without in any manner affecting the Exchange Consideration hereunder.

17.3 If the Property is the subject of a Casualty but MCRLP or Mack-Cali does not terminate this Agreement pursuant to the provisions of this Section, then Contributor shall, prior to the Closing Date, cause all temporary repairs to be made to the Property as shall be required to prevent further deterioration and damage to the Property and to protect public health and safety; provided, however, that any such repairs shall first be approved by MCRLP or Mack-Cali. Contributor shall have the right to be reimbursed from the proceeds of any insurance with respect to the Property for the cost of such temporary repairs.

18. CONDEMNATION.

In the event of a material taking (as defined in this Section 18), MCRLP and Mack- Cali shall have the right, at its sole option, to either (a) terminate this Agreement by giving Contributor written notice to such effect at any time after its receipt of written notification of any such occurrence, or (b) accept title to the remainder of the Property without reduction of any consideration given hereunder. Should MCRLP or Mack-Cali so terminate this Agreement in accordance with this Section, neither party shall have any further liability or obligations to the other. In the event MCRLP or Mack-Cali shall not elect to cancel this Agreement, Contributor shall, subject to the rights of the holder of any existing mortgage, assign all proceeds of such taking to MCRLP or Mack-Cali, and the same shall be MCRLP's or Mack-Cali's sole property, and MCRLP or Mack-Cali shall have the sole right to settle any claim in connection with the Property. The term "material taking" shall be defined to mean the institution of any proceedings, judicial, administrative or otherwise which involve (a) the taking of a portion of Real Property such that ingress and egress to such Real Property is impaired, (b) the taking of a portion of the parking spaces of a Real Property such that after such taking the Real Property will not be in compliance with local zoning regulations regarding adequate parking, or (c) the taking of any part of a Building.

19. TRANSFER RESTRICTIONS.

19.1 Contributor hereby agrees that the Contributor Units may not be sold, assigned, transferred, pledged, encumbered or in any manner disposed of (collectively,

"Transferred") or redeemed for shares of Common Stock until the first anniversary of the Closing Date. Thereafter, the Contributor Units and/or the shares of Common Stock underlying the Contributor Units (the "Underlying Shares") may only be transferred (i) privately in accordance with the terms of the OP Agreement and this Section 19, or (ii) publicly (subject to the restrictions of the Act and the rules and regulations promulgated thereunder) in trading blocks of 150,000 Common Stock shares in any single day. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not apply to (i) pledges or encumbrances of all or a portion of the Contributor Units to an institutional lender, or (ii) Transfers of all or any portion of the Contributor Units to permitted transferees as set forth in the OP Agreement (the "Permitted Transferees"). Any holder of Contributor Units pursuant to (i) or (ii) of the preceding sentence shall be subject to the terms and conditions of the OP Agreement.

19.2 If any of the Contributor Unit Holders, or any of their Permitted Transferees (each a "Seller") receives a bona fide written offer to purchase part or all of its Contributor Units or Underlying Shares in a privately negotiated transaction which it desires to accept, such Seller shall

not sell, transfer, or otherwise dispose of (the "Proposed Disposition") such Units or Underlying Shares (the "Disposition Securities") to a third party (the "Purchaser"), unless prior to such Proposed Disposition, such Seller shall have promptly reduced the terms and conditions, if any, of the Proposed Disposition to a reasonably detailed writing and shall have delivered written notice (the "Disposition Notice") of such Proposed Disposition to MCRLP. The Disposition Notice shall identify the Purchaser, the Disposition Securities, the consideration and method of payment contemplated by the Proposed Disposition and all other terms and conditions, if any, of the Proposed Disposition.

19.3 Mack-Cali shall not sell the Property within four (4) years from the date of the Closing (the "Restricted Period") without the prior written consent of Contributor, other than (1) in connection with a transaction which does not result in recognition of gain by Pacifica; (2) a sale of any of the Property set forth in Schedule 19.3 hereto; (3) as determined by the Board of Directors of Mack-Cali (the "Board") as necessary to satisfy any material monetary default on any mortgage secured by the Property; (4) as determined by the Board as necessary to satisfy any material, unsecured debt, judgment or liability of Mack-Cali when the same becomes due (at maturity or otherwise); (5) in connection with the sale of all or substantially all of the properties owned by Mack-Cali under such terms and conditions which the Board, in its sole judgment, determines to be in the best interests of Mack-Cali and its public stockholders; and/or (6) sales of the Property which do not result in material and adverse tax consequences for Pacifica. Mack-Cali may dispose of any or all of the Property in its sole discretion, and without the consent of Contributor, upon the expiration of the Restricted Period. Notwithstanding any of the foregoing language to the contrary, Mack-Cali shall not distribute the Property for a period of seven (7) years if the distribution of such Property would result in the recognition of income by Contributor pursuant to Sections 704(c)(1)(B) or 737 of the Code, except as otherwise permitted in clauses (1) through (7) above.

20. INTENTIONALLY DELETED.

21. TAX MATTERS.

21.1 (a) Contributor will timely pay or provide for the payment of all Taxes which are attributable to all Pre-Closing Tax Periods, but which are not due and payable until after the Closing Date in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for which either MCRLP (or any of its direct or indirect partners) could be held directly or indirectly liable or a claim could be made against the Property. To the extent allowed by law, Contributor will timely file all Tax Returns which are required to be filed in connection with the ownership and/or operation of the Property (by them or any predecessor entities) or their businesses for all Pre-Closing Tax Periods but which are not required to be filed until after the Closing Date and the non-timely filing (or non-filing) of which could result in direct or indirect liability to MCRLP (or any of its direct or indirect partners) or a claim against the Property. Each such Tax Return will be complete and accurate. Contributor will provide Mack-Cali with a copy of all such Tax Returns promptly after such Tax Returns are filed. All Taxes imposed in connection with the ownership and/or operation of the Property during any taxable periods which begin on or before the Closing Date and end after the Closing Date ("Straddle Periods" or "Straddle Period") shall be allocated between Contributor and MCRLP in accordance with their respective periods of ownership of the Property. Contributor will timely pay all Taxes with respect to their businesses for any Straddle Period (and any other taxable period) for which either MCRLP (or any of its direct to indirect partners) could be held directly or indirectly liable or a claim could be made against the Property.

(b) Contributor shall provide Mack-Cali with a copy of its Federal income tax returns which reflect (in whole or in part) any of the transactions contemplated hereunder and which reflect (in whole or in part) any of the gain or loss recognized in respect of such transactions.

21.2 Contributor shall pay any and all Taxes including without limitation, Taxes imposed with respect to the operation of its business and the ownership or operation of the Property for all taxable periods (or portions thereof) ending on or prior to the Closing imposed upon MCRLP based, in whole or in part, upon the failure to comply with the sales laws.

21.3 Contributor is hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Property as set forth on Schedule 21.3 and to litigate or settle the same in Contributor's discretion. MCRLP is hereby authorized by Contributor, in MCRLP's sole discretion, to file any applicable proceeding for the 1997 fiscal year for the reduction of the assessed valuation of the Property. The net refund of taxes, if any, for any tax year for which Contributor or MCRLP shall be entitled to share in the refund shall be divided between Contributor and MCRLP in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by

Contributor and MCRLP in proportion to their ownership period of the asset in question.

21.4 For purposes of this Agreement:

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

(b) "Tax Returns" or "Tax Return" means all original and amended Federal, state, local and foreign tax returns, declarations, statements, reports, schedules, forms, information returns and other filings relating to Taxes.

(c) "Audits" or "Audit" means any audit, assessment of Taxes, any other examination or claim by any Governmental Authority, judicial, administrative or other proceeding or litigation (including any appeal of any such judicial, administrative or other proceeding or litigation) relating to Taxes and/or Tax Returns.

21.5 The provisions of this Section shall survive the Closing Date.

22. PUBLICATION.

22.1 MCRLP shall have the exclusive right to make such public announcements or filings with respect to the exchange as MCRLP may deem reasonably prudent and, upon advice of counsel, as may be necessary or required by law.

23. REMEDIES.

23.1 If the conditions set forth in Section 12.2 with respect to the Closing have been satisfied (unless the failure or inability to be so satisfied is due to Mack-Cali or MCRLP) and if MCRLP is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of a material default of MCRLP or Mack-Cali or MCRLP's or Mack-Cali's material failure to comply with any material representation, warranty, covenant or agreement set forth herein with respect to the Closing, then Contributor shall have the right as its sole and exclusive remedy to either (i) terminate this Agreement upon written notice to MCRLP, in which event neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) maintain an action for either (A) specific performance, or (B) monetary damages.

23.2 If the conditions set forth in Section 12.1 have been satisfied (unless the failure or inability to be so satisfied is due to Contributor), and if Contributor is not ready, willing and able to perform its obligations hereunder on the Closing Date, or in the event of any material default on the part of Contributor, or Contributor's failure to comply with any material representation, warranty, covenant or agreement set forth herein, MCRLP shall be entitled to either (i) terminate this Agreement upon notice to Contributor following which neither party shall thereafter have any further obligations under this Agreement, except those which expressly survive the termination hereof; or (ii) commence an action against Contributor seeking either (A) monetary damages, or (B) specific performance of Contributor's obligations under this Agreement.

23.3 The acceptance of the Deed by MCRLP shall be deemed a full performance and discharge of every agreement and obligation of Contributor to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

24. INTENTIONALLY DELETED.

25. NOTICE.

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: or MCRLP	c/o Mack-Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016 Attn: Roger W. Thomas, Esq. (908) 272-8000 (tele.) (908) 272-6755 (fax)
with a copy to:	Pryor, Cashman, Sherman & Flynn 410 Park Avenue New York, New York 10022 Attn: Wayne B. Heicklen, Esq. (212) 326-0425 (tele.) (212) 326-0806 (fax)
If to Contributor:	Pacifica Holding Company, LLC 5975 South Quebec Street, Suite 100 Englewood, Colorado 80111

	Attn: Mr. Steven Leonard (303) 220-5565 (tele.) (303) 220-5585 (fax)
with a copy to:	Brownstein, Hyatt, et al. 410 17th Street, 22nd Floor Denver, Colorado 80202 Attn: Edward Barad, Esq. (303) 534-6335 (tele.) (303) 623-1956 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch, and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided the same is sent prior to 4:00 p.m. Eastern Time on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

26. DEPRECIATION METHOD.

Mack-Cali, as the general partner of MCRLP, covenants and agrees that MCRLP and its affiliates will use the "traditional method with curative allocations" (as defined in Treasury Regulations Section 1.704-3(c)) of allocating income, gain, loss and deduction to account for the variation between the fair market value and adjusted basis of the Property for federal income tax purposes with respect to (i) the contribution of the Property, and (ii) any revaluation of the Property in accordance with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(iv)(f), 1.704- 1(b)(2)(iv)(g) and 1.704-3(a)(6).

27. MISCELLANEOUS.

27.1 Intentionally Deleted.

27.2 This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and assigns, and nothing in the Agreement express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

27.3 This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

27.4 This Agreement shall be interpreted and governed by the laws of the State of Colorado, without regard to conflicts of laws principles, and shall be binding upon the parties hereto and their respective successors and assigns.

27.5 The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained. The, feminine or masculine gender, when used herein, shall each

include the other gender and the use of the singular shall include the plural.

27.6 If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

27.7 Each party shall, from time to time, execute, acknowledge and deliver to the other party such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contributor and MCRLP or Mack-Cali. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Contributor, MCRLP, Mack-Cali or the party whose counsel drafted this Agreement.

27.8 This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

27.9 All references herein to any Section, Exhibit, or Schedule shall be to the Sections of this Agreement and to the Exhibits and Schedules annexed hereto unless the context clearly dictates otherwise. All of the Exhibits and Schedules annexed hereto are, by this reference, incorporated herein.

27.10 In the event that Contributor and MCRLP or Mack-Cali enter into litigation or alternative dispute resolution in connection with this Agreement or the transaction contemplated herein, the non-prevailing party in such litigation or alternative dispute resolution shall be responsible for the payment of all expenses and reasonable attorneys' fees incurred by the prevailing party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement"), dated this 25th day of March, 1998, among Mack-Cali Realty Corporation, a Maryland corporation, Mack-Cali Realty, L.P., a Delaware limited partnership (collectively, "Mack-Cali"), Apollo Real Estate Investment Fund II, L.P., a Delaware limited partnership ("Apollo"), Pacifica Holding Company, a Colorado limited liability company ("Pacifica LLC") and Pacifica Holding Company, a Colorado corporation ("Pacifica"; and, together with Apollo and Pacifica LLC, collectively, the "Indemnitors"). Unless otherwise defined herein, capitalized terms contained herein shall have the meanings set forth in the Contribution and Exchange Agreements (as defined below).

W I T N E S S E T H:

WHEREAS, as set forth on Schedule I hereof, Mack-Cali, the Indemnitors, et. al., have entered into the Contribution and Exchange Agreements set forth on Schedule I hereof, dated as of March 25, 1998 and the other documents and instruments executed and delivered in connection therewith including, without limitation, the Assignment and Assumption of Leases, the Omnibus Assignment of Interests, and the Asset Purchase Agreement (such Contribution and Exchange Agreements, together with such other documents and instruments, are hereinafter collectively called the "Contribution and Exchange Agreements") pursuant to which, among other things, Mack-Cali, the Indemnitors and the other Contributors listed therein agreed to contribute and exchange certain entity interests ("Contributed Interests") and real property identified therein (the "Transaction");

WHEREAS, pursuant to Section 5.3 of the Contribution and Exchange Agreements, the Indemnitors have agreed to indemnify Mack-Cali with respect to certain claims that may arise as a result of the Transaction;

NOW, THEREFORE, for ten dollars ($10.00) the premises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto, intending to be legally bound, mutually agree as follows:

1. Agreement to Indemnify. From and after the Closing, and subject to the terms and conditions of this Agreement, the Indemnitors jointly and severally covenant and agree to indemnify, defend and hold harmless Mack-Cali, and any other Person controlling, controlled by or under common control with Mack-Cali, including any officer, director, stockholder, partner, member, employee, agent or representative of any of them (a "Mack-Cali Affiliate"), from and against all claims, judgments, assessments, losses, damages, liabilities, costs and expenses, including without limitation interest, penalties and reasonable fees and expenses of legal counsel chosen by Mack-Cali or a Mack-Cali Affiliate (collectively, "Damages"), imposed upon or incurred by Mack- Cali, or any Mack-Cali Affiliate arising out of or in connection with or resulting from any and all

claims or threatened claims (collectively, "Claims") relating to the following: (i) the fairness, appropriateness, authority and legal sufficiency of the allocation of the Exchange Consideration and the Units amongst the Contributors and their partners under the Contribution and Exchange Agreements, which allocation has been determined by the Indemnitors and the Contributors in their sole discretion immediately preceding the Closing; (ii) the distribution or allocation of any of the Units, and/or cash received by any Contributor at the Closing or to such entity's partners, shareholders, members, beneficiaries or other individuals or entities having a legal or beneficial ownership interest in such entity and/or the appropriateness or legal sufficiency of any such distribution or allocation; (iii) with regard to any Property conveyed to Mack-Cali by assignment of Contributed Interests, any failure to convey to Mack-Cali one hundred percent (100%) of the Contributed entities comprised of such Contributed Interests; (iv) with regard to any Property conveyed to Mack-Cali, any failure to obtain any necessary partner or member consent to such transfer and/or assignment; (v) any breach of the representations and warranties of the Contributors, Apollo and other Property owners set forth in the Contribution and Exchange Agreements to the extent they would be liable for such breach under said agreements; and/or (vi) with respect to the Contributed Interests and/or the Property, any direct or indirect indebtedness, liability, claim or loss that accrued prior to Closing, to the extent Contributors would be liable for the same under the Contribution and Exchange Agreements, whether known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise, whether or not of a kind required by GAAP to be set forth on the Property Financials or in the notes thereto, including, without limitation, indebtedness for borrowed money (collectively, "Liabilities"), unless such Liabilities were fully and accurately reflected on a schedule to the Contribution and Exchange Agreements and/or the Property Financials and expressly approved by Mack-Cali.

2. Survival. Notwithstanding anything to the contrary contained in the Contribution and Exchange Agreements, the provisions of this Agreement shall survive until such time as any applicable statute of limitation for any such Claims have expired. This Agreement shall be independent of, and in addition to, the provisions relating to indemnification contained in the Contribution and Exchange Agreements. The indemnification obligations set forth in this Agreement shall be absolute and unconditional.

The liability of the Indemnitors hereunder shall in no way be affected by (a) the release or discharge of the Indemnitors in any creditors' receivership, bankruptcy or other similar proceedings, or (b) the impairment or modification of the liability of any of the Indemnitors or their respective estates in bankruptcy from the operation of any present or future provision of Title 11 of the United States Code or any other statute or from the action of any court having jurisdiction over any of the Indemnitors or their respective estates.

Each of the Indemnitors waives any right or claim of right to cause a marshaling of the respective assets of Indemnitors before Mack-Cali may proceed against any of the Indemnitors or to cause Mack-Cali to proceed in any particular order against the Indemnitors.

3. General Procedures. The provisions of Section 1 are expressly subject to the following: Mack-Cali shall give notice to the Indemnitors with reasonable promptness upon becoming aware of the Claims or other facts upon which a claim for indemnification will be based (provided, however, no delay by Mack-Cali in exercising any of its rights or remedies under this Agreement shall operate as a waiver of any such right, power or privilege, except to the extent such delay materially prejudices the Contributor's ability to successfully defend the matter giving rise to the indemnification Claims); the notice shall set forth such information with respect thereto as is then reasonably available to Mack-Cali. The Indemnitors shall have the right to undertake the defense of any such Claims asserted by a third party with counsel reasonably satisfactory to Mack-Cali and Mack-Cali shall cooperate at the Indemnitors' reasonable expense in such defense and make available all records and materials reasonably requested by the Indemnitors in connection therewith. In any event, Mack-Cali shall be entitled to participate in such defense, but shall not be entitled to indemnification with respect to the costs and expenses of such defense if the Indemnitors shall have diligently assumed the defense of the Claims; provided, that, if in the opinion of counsel to Mack- Cali, the use of the same counsel to represent the Indemnitors and Mack-Cali would present a conflict of interest, Mack-Cali may employ its own counsel at the Indemnitors' expense. In the event the Indemnitors decide not to or do not promptly undertake the defense of any such Claims, Mack- Cali shall be entitled to indemnification with respect to all reasonable costs and expenses of such defense (including reasonable attorneys' fees, costs and expenses). Any Claims to which the Indemnitors have undertaken to defend under this Section 3 shall not, without the written consent of Mack-Cali, be settled or compromised nor shall any consent to entry of money judgment be agreed to; provided, however, and notwithstanding anything to the contrary contained in this Agreement, the Indemnitors may settle any Claims without the consent of Mack-Cali, but only if such settlement (a) requires only the payment of monetary damages that are paid in full by the Indemnitors, and (b) includes as an unconditional term thereof, the release by the claimant or the plaintiff of Mack-Cali from all liability arising from the events which allegedly gave rise to such Claims. The Indemnitors shall not be liable for any Claims settled by Mack-Cali without their written consent (for purposes of this Agreement, the consent of any of the Indemnitors shall be deemed to be the consent of all of the Indemnitors).

4. Remedies Cumulative. Except as otherwise provided herein, the remedies provided herein shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against any other party hereto.

1. Notices: All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali: c/o Mack-Cali Realty Corporation
11 Commerce Drive

Cranford, New Jersey 07016
Attn: Roger W. Thomas, Esq.
(908) 272-8000 (tele.)
(908) 272-6755 (fax)

with a copy to: Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Wayne B. Heicklen, Esq.
(212) 326-0425 (tele.)
(212) 326-0806 (fax)

If to the Indemnitors: Pacifica Holding Company, LLC
5975 S. Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steve Leonard
(303) 721-7600 (tele.)
(303) 721-1122 (fax)

Apollo Real Estate Advisors, L.P.
1301 Avenue of the Americas, 38th Floor
New York, New York 10019
Attn: Mr. Richard Mack
Mr. Leigh Neibart
(212) 261-4045 (tele.)
(212) 261-4060 (fax)

Pacifica Holding Company, a Colorado corporation
5975 S. Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steve Leonard
(303) 721-7600 (tele.)
(303) 721-1122 (fax)

with a copy to: Brownstein, Hyatt, et al.
410 17th Street, 22nd Floor
Denver, Colorado 80202
Attn: Edward Barad, Esq.
(303) 534-6335 (tele.)
(303) 623-1956 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed

received and effective on the first business day following such dispatch and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided same is sent prior to 4:00 p.m. on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

6. Binding Effect. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assigns.

7. Governing Law. This Agreement shall be deemed a contract made under the laws of the State of Colorado and together with the rights and obligations of the parties hereunder, shall be construed and enforced in accordance with and governed by the laws of such state (but not including the choice-of-law rules thereof). Each party hereto submits itself to the jurisdiction of any court sitting in the County of Denver of the State of Colorado for the purpose of adjudicating the rights of the parties hereunder.

8. Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9. Captions. Any captions are solely for convenience of reference and shall not be used in construing or interpreting this Agreement.

10. Entire Agreement. This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior or oral agreements or understanding with respect thereto.

11. Amendment. This Agreement may not be waived, changed, discharged or terminated orally, but only by an agreement in writing, signed by the party or parties against whom enforcement of any waiver, change, modification, discharge or termination is sought.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of

the day and year first above written.

MACK-CALI REALTY, L.P.

BY: Mack-Cali Realty Corporation

By: _____
Name: Roger W. Thomas
Title: Executive Vice President

MACK-CALI REALTY CORPORATION

BY: _____
Name: Roger W. Thomas
Title: Executive Vice President

APOLLO REAL ESTATE INVESTMENT FUND II, L.P.

BY: _____
By: _____
Name:
Title:

PACIFICA HOLDING COMPANY, LLC

BY: _____
Name:
Title:

PACIFICA HOLDING COMPANY, a Colorado corporation

366

BY: _____
Name:
Title:

367

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement"), dated this 25th day of March, 1998, among Mack-Cali Realty Corporation, a Maryland corporation, Mack-Cali Realty, L.P., a Delaware limited partnership (collectively, "Mack-Cali"), Pacifica Holding Company, a Colorado limited liability company ("Pacifica LLC") and Pacifica Holding Company, a Colorado corporation ("Pacifica"; and, together with Pacifica LLC, collectively, the "Indemnitors"). Unless otherwise defined herein, capitalized terms contained herein shall have the meanings set forth in the Contribution and Exchange Agreements (as defined below).

W I T N E S S E T H:

WHEREAS, as set forth on Schedule I hereof, Mack-Cali, the Indemnitors, et. al., have entered into the Contribution and Exchange Agreements set forth on Schedule I hereof, dated as of March 25, 1998 and the other documents and instruments exted and delivered in connection therewith including, without limitation, the Assignment and Assumption of Leases, the Omnibus Assignment of Interests, and the Asset Purchase Agreement (such Contribution and Exchange Agreements, together with such other documents and instruments, are hereinafter collectively called the "Contribution and Exchange Agreements") pursuant to which, among other things, Mack-Cali, the Indemnitors and the other Contributors listed therein agreed to contribute and exchange certain entity interests ("Contributed Interests") and real property identified therein (the "Transaction");

WHEREAS, pursuant to Section 5.3 of the Contribution and Exchange Agreements, the Indemnitors have agreed to indemnify Mack-Cali with respect to certain claims that may arise as a result of the Transaction;

NOW, THEREFORE, for ten dollars ($10.00) the premises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto, intending to be legally bound, mutually agree as follows:

1. Agreement to Indemnify. From and after the Closing, and subject to the terms and conditions of this Agreement, the Indemnitors jointly and severally covenant and agree to indemnify, defend and hold harmless Mack-Cali, and any other Person controlling, controlled by or under common control with Mack-Cali, including any officer, director, stockholder, partner, member, employee, agent or representative of any of them (a "Mack-Cali Affiliate"), from and against all claims, judgments, assessments, losses, damages, liabilities, costs and expenses, including without limitation interest, penalties and reasonable fees and expenses of legal counsel chosen by Mack-Cali or a Mack-Cali Affiliate (collectively, "Damages"), imposed upon or incurred by Mack- Cali, or any Mack-Cali Affiliate arising out of or in connection with or resulting from any and all claims or threatened claims (collectively, "Claims") relating to the following: (i) the fairness, appropriateness, authority and legal sufficiency of the allocation of the Exchange Consideration and the Units amongst the Contributors and their partners under the Contribution and Exchange

Agreements, which allocation has been determined by the Indemnitors and the Contributors in their sole discretion immediately preceding the Closing; (ii) the distribution or allocation of any of the Units, and/or cash received by any Contributor at the Closing or to such entity's partners, shareholders, members, beneficiaries or other individuals or entities having a legal or beneficial ownership interest in such entity and/or the appropriateness or legal sufficiency of any such distribution or allocation; (iii) with regard to any Property conveyed to Mack-Cali by assignment of Contributed Interests, any failure to convey to Mack-Cali one hundred percent (100%) of the Contributed entities comprised of such Contributed Interests; (iv) with regard to any Property conveyed to Mack-Cali, any failure to obtain any necessary partner or member consent to such transfer and/or assignment; (v) any breach of the representations and warranties of the Contributors and other Property owners set forth in the Contribution and Exchange Agreements to the extent they would be liable for such breach under said agreements; and/or (vi) with respect to the Contributed Interests and/or the Property, any direct or indirect indebtedness, liability, claim or loss that accrued prior to Closing, to the extent Contributors would be liable for the same under the Contribution and Exchange Agreements, whether known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise, whether or not of a kind required by GAAP to be set forth on the Property Financials or in the notes thereto, including, without limitation, indebtedness for borrowed money (collectively, "Liabilities"), unless such Liabilities were fully and accurately reflected on a schedule to the Contribution and Exchange Agreements and/or the Property Financials and expressly approved by Mack-Cali.

2. Survival. Notwithstanding anything to the contrary contained in the

Contribution and Exchange Agreements, the provisions of this Agreement shall survive until such time as any applicable statute of limitation for any such Claims have expired. This Agreement shall be independent of, and in addition to, the provisions relating to indemnification contained in the Contribution and Exchange Agreements. The indemnification obligations set forth in this Agreement shall be absolute and unconditional.

The liability of the Indemnitors hereunder shall in no way be affected by (a) the release or discharge of the Indemnitors in any creditors' receivership, bankruptcy or other similar proceedings, or (b) the impairment or modification of the liability of any of the Indemnitors or their respective estates in bankruptcy from the operation of any present or future provision of Title 11 of the United States Code or any other statute or from the action of any court having jurisdiction over any of the Indemnitors or their respective estates.

Each of the Indemnitors waives any right or claim of right to cause a marshaling of the respective assets of Indemnitors before Mack-Cali may proceed against any of the Indemnitors or to cause Mack-Cali to proceed in any particular order against the Indemnitors.

3. General Procedures. The provisions of Section 1 are expressly subject to the following: Mack-Cali shall give notice to the Indemnitors with reasonable promptness upon becoming aware of the Claims or other facts upon which a claim for indemnification will be based (provided, however, no delay by Mack-Cali in exercising any of its rights or remedies under this Agreement shall operate as a waiver of any such right, power or privilege, except to the extent such

delay materially prejudices the Contributor's ability to successfully defend the matter giving rise to the indemnification Claims); the notice shall set forth such information with respect thereto as is then reasonably available to Mack-Cali. The Indemnitors shall have the right to undertake the defense of any such Claims asserted by a third party with counsel reasonably satisfactory to Mack-Cali and Mack-Cali shall cooperate at the Indemnitors' reasonable expense in such defense and make available all records and materials reasonably requested by the Indemnitors in connection therewith. In any event, Mack-Cali shall be entitled to participate in such defense, but shall not be entitled to indemnification with respect to the costs and expenses of such defense if the Indemnitors shall have diligently assumed the defense of the Claims; provided, that, if in the opinion of counsel to Mack- Cali, the use of the same counsel to represent the Indemnitors and Mack-Cali would present a conflict of interest, Mack-Cali may employ its own counsel at the Indemnitors' expense. In the event the Indemnitors decide not to or do not promptly undertake the defense of any such Claims, Mack- Cali shall be entitled to indemnification with respect to all reasonable costs and expenses of such defense (including reasonable attorneys' fees, costs and expenses). Any Claims to which the Indemnitors have undertaken to defend under this Section 3 shall not, without the written consent of Mack-Cali, be settled or compromised nor shall any consent to entry of money judgment be agreed to; provided, however, and notwithstanding anything to the contrary contained in this Agreement, the Indemnitors may settle any Claims without the consent of Mack-Cali, but only if such settlement (a) requires only the payment of monetary damages that are paid in full by the Indemnitors, and (b) includes as an unconditional term thereof, the release by the claimant or the plaintiff of Mack-Cali from all liability arising from the events which allegedly gave rise to such Claims. The Indemnitors shall not be liable for any Claims settled by Mack-Cali without their written consent (for purposes of this Agreement, the consent of any of the Indemnitors shall be deemed to be the consent of all of the Indemnitors).

4. Remedies Cumulative. Except as otherwise provided herein, the remedies provided herein shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against any other party hereto.

2. Notices: All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Mack-Cali:	c/o Mack-Cali Realty Corporation 11 Commerce Drive Cranford, New Jersey 07016 Attn: Roger W. Thomas, Esq. (908) 272-8000 (tele.) (908) 272-6755 (fax)
with a copy to:	Pryor, Cashman, Sherman & Flynn 410 Park Avenue

New York, New York 10022
Attn: Wayne B. Heicklen, Esq.
(212) 326-0425 (tele.)
(212) 326-0806 (fax)

If to the Indemnitors: Pacifica Holding Company, LLC
5975 S. Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steve Leonard
(303) 721-7600 (tele.)
(303) 721-1122 (fax)

Pacifica Holding Company, a Colorado corporation
5975 S. Quebec Street, Suite 100
Englewood, Colorado 80111
Attn: Mr. Steve Leonard
(303) 721-7600 (tele.)
(303) 721-1122 (fax)

with a copy to: Brownstein, Hyatt, et al.
410 17th Street, 22nd Floor
Denver, Colorado 80202
Attn: Edward Barad, Esq.
(303) 534-6335 (tele.)
(303) 623-1956 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided same is sent prior to 4:00 p.m. on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by said party, for all purposes hereunder.

6. Binding Effect. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assigns.

7. Governing Law. This Agreement shall be deemed a contract made under the laws of the State of Colorado and together with the rights and obligations of the parties hereunder, shall be construed and enforced in accordance with and governed by the laws of such state (but not including the choice-of-law rules thereof). Each party hereto submits itself to the jurisdiction of any court sitting in the County of Denver of the State of Colorado for the purpose of adjudicating the

rights of the parties hereunder.

8. Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9. Captions. Any captions are solely for convenience of reference and shall not be used in construing or interpreting this Agreement.

10. Entire Agreement. This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior or oral agreements or understanding with respect thereto.

11. Amendment. This Agreement may not be waived, changed, discharged or terminated orally, but only by an agreement in writing, signed by the party or parties against whom enforcement of any waiver, change, modification, discharge or termination is sought.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MACK-CALI REALTY, L.P.

BY: Mack-Cali Realty Corporation

By:

Name: Roger W. Thomas
Title: Executive Vice President

MACK-CALI REALTY CORPORATION

By:

Name: Roger W. Thomas
Title: Executive Vice President

PACIFICA HOLDING COMPANY, LLC

By:

Name:
Title:

PACIFICA HOLDING COMPANY, a Colorado corporation

By:

Name:
Title:

NOTICE OF SETTLEMENT OF DERIVATIVE
ACTION AND HEARING ON PROPOSED SETTLEMENT

IN THE CIRCUIT COURT
FOR BALTIMORE CITY

SYBIL MEISEL, et al., and derivatively on
behalf of CALI REALTY CORPORATION,
a Maryland corporation,
Plaintiff,
v.
JOHN J. CALI, et al.,
CIVIL ACTION NO. 97344041
Defendants,
-and-
CALI REALTY CORPORATION,
Nominal Defendant.

TO: ALL OWNERS OF THE COMMON STOCK OF MACK-CALI REALTY CORPORATION AS OF MARCH 26, 1998

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE IS SENT FOR THE PURPOSE OF INFORMING YOU OF THE PENDENCY OF THIS ACTION AND THE PROPOSED SETTLEMENT OF THE ACTION. YOUR RIGHTS WILL BE AFFECTED BY LEGAL PROCEEDINGS IN THIS LITIGATION.

This Notice is given pursuant to Rule 2-231 of the Maryland Rules and an Order (the "Scheduling Order") of the Circuit Court for Baltimore City (the "Court") entered in the above-captioned derivative action (the "Action") to notify you of the proposed settlement of the Action (the "Settlement") and to give you notice of the hearing (the "Settlement Hearing") and of your rights, among others, to participate in that hearing to be held by the Court on May 4, 1998 to determine whether the proposed Settlement should be approved by the Court as fair, reasonable and adequate, and final judgment entered thereon, and to consider the application by derivative plaintiffs' counsel for an award of attorneys' fees and the reimbursement of expenses.

THE SETTLEMENT HEARING

This Notice is given to persons who owned stock of Mack-Cali Realty Corporation ("Mack-Cali", "Cali", or the "Company") as of March 26, 1998, and pursuant to the Scheduling Order.

You are hereby notified that the Court will hold the Settlement Hearing on May 4, 1998 at 10:00 a.m. in Room 234, Courthouse East, 111 North Calvert Street, Baltimore, Maryland 21202 (a) to determine whether the Settlement on the terms and conditions set forth in the Stipulation of Settlement, which is described below under the caption "SUMMARY OF SETTLEMENT", taken as a whole, is fair, reasonable and adequate and should be approved by the Court; (b) to determine whether a Final Order and Judgment should be entered thereon; and (c) to rule on such other matters as the Court may deem appropriate, including the application of plaintiffs for an award of attorneys' fees and the reimbursement of expenses.

BACKGROUND AND DESCRIPTION OF THE ACTION

On December 10, 1997, plaintiffs, shareholders of Cali Realty Corporation, a Maryland corporation, commenced the Action in the Court derivatively on behalf of Cali. The Complaint asserts claims against the following directors of Cali: John J. Cali, Thomas A. Rizk ("Rizk"), Angelo Cali, Brad W. Berger ("Berger"), Edward Leshowitz, Irvin D. Reid, Brendan T. Byrne, Robert F. Weinberg, James W. Hughes, Kenneth A. DeGhetto, Alan Turtletaub, and Alan G. Philibosian (collectively the "Defendants"). The Complaint charges the Defendants with breaching their fiduciary duties in connection with certain payments and other benefits granted to certain of the Defendants and other senior officers of Cali following the combination of Cali and The Mack Company and Patriot American Office Group consummated on or about December 11, 1997 (the "Mack-Cali Combination"). The Company is named as a nominal defendant.

On January 21, 1997 and January 31, 1997, Cali entered into amended or new employment agreements for a term of five years (the "Employment Agreements") with Rizk, President and CEO; John R. Cali, Chief Administrative Officer; Brant Cali, Chief Operating Officer; Roger W. Thomas, General Counsel; Barry Lefkowitz, Chief Financial Officer; James Nugent, Vice President-Leasing; Albert Spring, Vice President-Operations; Berger, Executive Vice President; and Timothy M. Jones, Executive Vice President (the "Officers"). The Employment Agreements contained "change of control" and other provisions which, if triggered, would entitle the officers to an acceleration of benefits under the agreements. The terms and conditions of the acceleration of benefits under the Employment Agreements are referred to as the "Change of Control Provisions."

The Board of Directors of Cali, after considering the recommendation of the Cali's Compensation Committee (consisting of defendants Brendan T. Byrne,

Irvin D. Reid, and Alan G. Philibosian), determined that the Change of Control Provisions would be triggered upon consummation of the Mack-Cali Combination. By their Complaint, plaintiffs contend that Defendants breached their fiduciary duties to Cali in making those determinations, which required Cali to honor the Change of Control Provisions in the Employment Agreements.

Plaintiffs' counsel have fully apprised themselves of the applicable law and facts relating to Plaintiffs' claims and Defendants' potential defenses. They have analyzed the applicable law on whether the Court would require Plaintiffs to make a pre-suit demand on the Board of Directors; reviewed the documents considered by the Compensation Committee and the Board of Directors in making the aforementioned determinations; and conducted an extensive interview with a member of the Compensation Committee concerning its independence and the factors it considered in recommending the payments to the Officers. Furthermore, counsel for the parties have had numerous frank discussions concerning the factual and legal issues involved in the claims and the defenses that would be litigated in this Action in the course of their settlement negotiations.

The Defendants have denied and continue to deny all claims of wrongdoing made in the Complaint. Nonetheless, the Defendants consider it desirable that the Action and the claims alleged therein be settled in the manner and on the terms and conditions hereinafter set forth, thereby putting to rest all claims that have been asserted in the Action or which could have been asserted by the Company or a shareholder derivatively on behalf of the Company or Mack-Cali in the Action relating to any payments in cash, stock, options, debt forgiveness, or otherwise, made to or received by Rizk, John R. Cali, Brant Cali, Roger W. Thomas, Barry Lefkowitz, Timothy M. Jones, James Nugent, Albert Spring, and Berger as a result of, or in connection with, the Mack-Cali Combination, including entering into the new employment agreements or amended and restated employment agreements with Rizk, John R. Cali, Brant Cali, Roger W. Thomas, Barry Lefkowitz, and Timothy M. Jones in December 1997 (the "Settled Claims"), in order to avoid the expense, inconvenience and distraction of further litigation.

SUMMARY OF SETTLEMENT

The Terms of the Settlement

Based upon the foregoing, the parties have agreed to the following Settlement of the Action:

1. The amounts Mack-Cali would be obligated to pay Rizk, John R. Cali, Brant Cali, Roger W. Thomas, Barry Lefkowitz, and Timothy M. Jones (the "Affected Executives") pursuant to the formula set forth in their new employment agreements or their amended and restated employment agreements with Mack-Cali, which were executed in December 1997, solely in the event of early termination of any such person's employment by the Company without cause or by any such person for good reason (the "Early Termination Provisions"), shall be reduced by an aggregate amount of $11 million that would otherwise be payable by Mack-Cali to all such persons if the Early Termination Provisions are triggered with respect to all such persons during calendar year 1998. Alternatively, in the event that the Early Termination Provisions are triggered in calendar year 1999 with respect to all such persons, the amounts Mack-Cali would be obligated to pay such persons will be reduced by an aggregate amount of $6.5 million that would otherwise be payable by Mack-Cali to all such persons if the Early Termination Provisions are triggered by all such persons during calendar year 1999.

2. The aggregate reductions set forth in paragraph 1 above shall apply to each of the Affected Executives on an individual basis, so that in the event the Early Termination Provisions are triggered with respect to one or more of the Affected Executives in 1998 or alternatively in 1999, the corresponding amount of the individual reduction applicable to an Affected Executive with respect to whom the Early Termination Provisions have been triggered shall be as follows:

<TABLE>
<CAPTION>

Affected Executive	For 1998 Year	For 1999 Year
	(Reduced Amounts) Reductions	
<S>	<C>	<C>
Thomas A. Rizk	$(4,290,000)	$(2,535,000)
John R. Cali	(1,375,000)	(812,500)
Brant Cali	(1,375,000)	(812,500)
Roger W. Thomas	(1,292,500)	(763,750)
Barry Lefkowitz	(1,292,500)	(763,750)
Timothy M. Jones	(1,375,000)	(812,500)
Total Reductions	$(11,000,000)	$(6,500,000)

</TABLE>

3. Mack-Cali will pay the costs of providing notice of the Settlement to the current shareholders of Mack-Cali.

The Releases

1. As of the date the Judgment approving the Settlement of this Action becomes Final (which shall be the later of (i) the date when, by lapse of time, the Judgment is longer subject to judicial review or appeal; or (ii) if an appeal or review is sought from the Judgment, the day after such Judgment is affirmed or the appeal or review is dismissed or denied and such Judgment is no longer subject to further judicial review or appeal), Plaintiffs, Cali and Mack-Cali shall be deemed to have and, by operation of the Judgment entered in this action, shall have fully, finally and forever released, relinquished and discharged the Defendants, their counsel, and John R. Cali, Brant Cali, Roger W. Thomas, Barry Lefkowitz, Timothy M. Jones, James Nugent and Albert Spring (collectively the "Released Parties") from the Settled Claims. As of the date the Judgment approving the Settlement of this Action becomes Final, the Released Parties shall be deemed to have, and by operation of the Judgment entered in this Action, shall have fully, finally and forever released, relinquished and discharged Plaintiffs and their counsel from any claims relating to the institution, prosecution, assertion or resolution of this Action.

Reasons for Settlement

1. Plaintiffs and their counsel believe that the Settlement provided for herein will provide substantial benefits to Mack-Cali which, when weighed against the attendant risks of continued litigation, warrant settlement of the claims on the terms described herein. The Early Termination Provisions contained in the current employment agreements entered into between Rizk, John R. Cali, Brant Cali, Roger W. Thomas, Timothy M. Jones and Barry Lefkowitz and Mack-Cali after the Mack-Cali Combination, if triggered in calendar years 1998 or 1999, could provide these officers with significant severance benefits in addition to the significant severance benefits already obtained by them by operation of the Change of Control Provisions contained in their previous Employment Agreements with Cali. Plaintiffs' counsel have determined, and Mack-Cali has concurred, that the reduction of the benefits available to these officers provided for by the proposed Settlement will provide a substantial savings to Mack-Cali if the Early Termination Provisions in their current employment agreements are triggered in calendar years 1998 or 1999.

2. In addition to the substantial benefits provided by the Settlement to Mack-Cali, Plaintiffs and their counsel have taken into account the expense and length of time necessary to prosecute the Action through trial; the fact that the defenses asserted by and available to defendants are both factually and legally substantial; the uncertainties of the outcome of the Action, particularly given that defendants' potential liability is subject to and dependent on the resolution of sharply disputed issues of both fact and law; and the fact that resolution of the Action, even if the Court were to find in Plaintiff's favor, would likely be submitted for appellate review, as a consequence of which it could be many years until there is a final adjudication of the Action. Among these issues is whether the Court would determine that the interpretation of the Change of Control Provisions made by the Compensation Committee, and approved by the Board, would be protected by the business judgment rule. That rule creates a presumption that in making a business decision, the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the Company. In addition, Plaintiffs have considered the impact of the continuation of the litigation on the ability of the officers of the Company to attend to the Company's business. In light of these considerations, Plaintiffs, through their counsel, have engaged in extensive arm's-length negotiations with counsel for Defendants to achieve the certainty of a positive outcome in the Action, and have determined that it is in the best interests of Mack-Cali and all shareholders thereof to settle the Action on the terms set forth herein.

APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

At the Settlement Hearing described above, Plaintiff's counsel will make an application for an award by the Court of attorneys' fees in the amount of $550,000, and reimbursement of expenses in an amount not to exceed $5,000. Subject to approval by the Court, Mack-Cali has agreed to pay such amounts to Plaintiffs' counsel in recognition of

the substantial benefits provided to the Company by virtue of the Settlement.

RIGHT TO APPEAR

Any current shareholder may appear and show cause if he or she has any reason why the proposed Settlement should not be approved as fair, reasonable and adequate, or to present any opposition to the application of Plaintiffs' counsel for attorneys' fees and expenses; provided, however, that no current shareholder shall be heard unless, on or before April 20, 1998, his or her objection or opposition is made in writing and is filed, together with copies of all other papers and briefs to be submitted by him or her to the Court at the hearing, and that person has served by hand or by first class mail the written objections and copies of any papers and briefs upon:

Jeffrey A. Klafter, Esquire
Bernstein Litowitz Berger & Grossmann LLP

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Counsel for Defendants

Any person who fails to object in the manner and within the time prescribed above shall be deemed to have waived the right to object (including the right to appeal) and shall be forever barred, in this proceeding or in any other proceeding, from raising all objections to the fairness, reasonableness and adequacy of the proposed Settlement or to the request of Plaintiffs' counsel for fees and expenses.

NOTICE TO PERSONS OR ENTITIES HOLDING
RECORD OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks, and other persons or entities who hold Mack-Cali common stock as record owners but not as beneficial owners are directed promptly to send to the beneficial owners the Notice. If additional copies of the Notice are needed for forwarding to the beneficial owners of Mack-Cali common stock, request for such additional copies should be made to Donald S. Zakarin, Esq., Pryor Cashman Sherman & Flynn LLP, counsel for Defendants, at the address shown above.

SCOPE OF THIS NOTICE

This Notice is not all-inclusive. For a more detailed statement of the matters involved in the Action, reference is made to the pleadings, to the Stipulation of Settlement and to other papers filed in the Action, which may be inspected, during regular business hours of each business day, at the Office of the Clerk of the Circuit Court for Baltimore City, Civil Division, 111 North Calvert Street, Courthouse East, Baltimore, Maryland 21202. Questions or communication concerning the proposed Settlement may be directed to Jeffrey A. Klafter, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, New York 10019. DO NOT WRITE OR TELEPHONE THE COURT.

DATED: April 2, 1998

BY ORDER OF THIS COURT
Court Clerk
Circuit Court for Baltimore City

REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT (this "Agreement") is made as of the 16th day of April, 1998, by and among MACK-CALI REALTY, L.P., a Delaware limited partnership ("MCRLP" or the "Borrower"), having its principal place of business at 11 Commerce Drive, Cranford, New Jersey 07016, THE CHASE MANHATTAN BANK ("Chase"), having its principal place of business at 270 Park Avenue, New York, New York 10017, FLEET NATIONAL BANK ("Fleet"), a national banking association having its principal place of business at 111 Westminster Street, Providence, Rhode Island 02903, and the other lending institutions party hereto or which may become parties hereto pursuant to ss.18 (individually, a "Lender" and collectively, the "Lenders") and THE CHASE MANHATTAN BANK, as the administrative agent for itself and each other Lender, and FLEET NATIONAL BANK, as the syndication agent.

RECITALS

A. The Borrower and its Subsidiaries are primarily engaged in the business of owning, purchasing, developing, constructing, renovating and operating office, office/flex, industrial/warehouse and multifamily residential properties in the United States.

B. Mack-Cali Realty Corporation, a Maryland corporation ("MCRC"), is the sole general partner of MCRLP, holds in excess of 89% of the partnership interests in MCRLP, is qualified to elect REIT status for income tax purposes, and has agreed to guaranty the obligations of the Borrower hereunder.

C. Those Subsidiaries of the Borrower which are the owners of Unencumbered Property have also agreed to guaranty the obligations of the Borrower hereunder.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ss.1. DEFINITIONS AND RULES OF INTERPRETATION.

ss.1.1. Definitions. The following terms shall have the meanings set forth in this ss.1 or elsewhere in the provisions of this Agreement referred to below:

Absolute Competitive Bid Loan. See ss.2A.3(a).

Accountants. In each case, nationally-recognized, independent certified public accountants reasonably acceptable to the Administrative Agent. The Lenders hereby acknowledge that Price Waterhouse LLP and the other major national accounting firms are acceptable accountants.

Adjusted Unencumbered Property NOI. With respect to any fiscal period for any Unencumbered Property, the net income of such Unencumbered Property during such period, as determined in accordance with GAAP, before deduction of (a) gains (or losses) from debt restructurings or other extraordinary items relating to such Unencumbered Property (b) minority interests, not inconsistent with the wholly-owned Subsidiary requirements for Unencumbered Properties and (c) income taxes; plus (x) interest expense relating to such Unencumbered Property and (y) depreciation and amortization relating to such Unencumbered Property and (z) the noncash portion of executive stock award rights and stock purchase rights relating to the Unencumbered Property in question included in written executive employment agreements, written employee plans or other written non-monetary employment compensation provisions to the extent excluded from net income, as determined in accordance with GAAP; minus a recurring capital expense reserve equal to four percent (4%) of total revenue of such Unencumbered Property for such period, after adjustments to eliminate the effect of the straight-lining of rents affecting such Unencumbered Property.

Administrative Agent. The Chase Manhattan Bank acting as administrative agent for the Lenders, or any successor administrative agent, as permitted by ss.14.

Administrative Agent's Head Office. The Administrative Agent's head office located at 270 Park Avenue, New York, New York 10017, or at such other location as the Administrative Agent may designate from time to time pursuant to ss.19 hereof, or the office of any successor Administrative Agent permitted under ss.14 hereof.

Affiliate. With reference to any Person, (i) any director or executive officer of that Person, (ii) any other Person controlling, controlled by or under direct or indirect common control of that Person, (iii) any other Person directly or indirectly holding 10% or more of any class of the capital stock or other equity interests (including options, warrants, convertible securities and similar rights) of that Person (other than a mutual fund which owns 10% or more of the common stock of MCRC) and (iv) any other Person 10% or more of any class of whose capital stock or other equity interests (including options, warrants,

convertible securities and similar rights) is held directly or indirectly by that Person.

Agreement. This Revolving Credit Agreement, including the schedules and exhibits hereto, as the same may be from time to time amended and in effect.

Alternate Base Rate. The higher of (a) the annual rate of interest announced from time to time by Chase at its head office in New York, New York as its "prime rate" or (b) one half of one percent (1/2%) above the overnight federal funds effective rate as published by the Board of Governors of the Federal Reserve System, as in effect from time to time. Any change in the Alternate Base Rate during an Interest Period shall result in a corresponding change on the same day in the rate of interest accruing from and after such day on the unpaid balance of principal of the Alternate Base Rate Loans, if any, applicable to such Interest Period, effective on the day of such change in the Alternate Base Rate.

Alternate Base Rate Loans. Those Revolving Credit Loans bearing interest calculated by reference to the Alternate Base Rate.

Applicable L/C Percentage. As of any date of determination, a per annum percentage equal to the Applicable Margin for Revolving Credit LIBOR Rate Loans then in effect.

Applicable Margin. The applicable margin (if any) over the then Alternate Base Rate or LIBOR Rate, as applicable to the Revolving Credit Loan(s) in question, as set forth below, which is used in calculating the interest rate applicable to Revolving Credit Loans and which shall vary from time to time in accordance with MCRLP's debt ratings, if any. The Applicable Margin to be used in calculating the interest rate applicable to Alternate Base Rate Loans or Revolving Credit LIBOR Rate Loans shall vary from time to time in accordance with MCRLP's then applicable (if any) (x) Moody's debt rating, (y) S&P's debt rating and (z) any Third Debt Rating, as set forth below in this definition, and the Applicable Margin shall be adjusted effective on the next Business Day following any change in MCRLP's Moody's debt rating or S&P's debt rating or Third Debt Rating, as the case may be. MCRLP shall notify the Administrative Agent in writing promptly after becoming aware of any change in any of its debt ratings. In order to qualify for an Applicable Margin based upon a debt rating, MCRLP shall obtain and maintain debt ratings from at least two (2) nationally recognized rating agencies reasonably acceptable to the Administrative Agent, one of which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings for the REIT industry; provided that until such time as MCRLP obtains two debt ratings or if MCRLP fails to maintain at least two debt ratings, the Applicable Margin shall be based upon an S&P rating of less than BBB- in the table below. In addition, MCRLP may, at its option, obtain and maintain three debt ratings (of which one must be from Moody's or S&P except as set forth in the previous sentence). If at any time of determination of the Applicable Margin, (a) MCRLP has then current debt ratings from two (2) rating agencies, then the Applicable Margin shall be based on the lower of such ratings, or (b) MCRLP has then current debt ratings from three (3) rating agencies, then the Applicable Margin shall be based on the lower of the two highest ratings.

Prior to the Borrower's satisfying the requirements for requesting Competitive Bid Loans pursuant to ss.2A.1 hereof, the applicable debt ratings and the Applicable Margins are set forth in the following table:

<TABLE>
<CAPTION>

S&P Rating	Moody's Rating	Third Rating	Applicable Margin for Revolving Credit LIBOR Rate Loans	Applicable Margin for Alternate Base Rate Loans
<S>	<C>	<C>	<C>	<C>
No rating or less than BBB-	No rating or less than Baa3	No rating or less than BBB-/Baa3 equivalent	1.10%	0%
BBB-	Baa3	BBB-/Baa3 equivalent	1.00%	0%
BBB	Baa2	BBB/Baa2 equivalent	0.90%	0%
BBB+	Baa1	BBB+/Baa1 equivalent	0.80%	0%

</TABLE>

<TABLE>

<CAPTION>

<S>	<C>	<C>	<C>	<C>
A- or higher	A3 or higher	A-/A3 equivalent or higher	0.65%	0%

</TABLE>

Upon the Borrower's satisfying and continuing to satisfy the requirements for requesting Competitive Bid Loans pursuant to ss. 2A.1 hereof, the applicable debt ratings and the Applicable Margin shall be as set forth in the following table:

<TABLE>
<CAPTION>

S&P Rating	Moody's Rating	Third Rating	Applicable Margin for Revolving Credit LIBOR Rate Loans	Applicable Margin for Alternate Base Rate Loans
<S>	<C>	<C>	<C>	<C>
BBB-	Baa3	BBB-/Baa3 equivalent	0.95%	0%
BBB	Baa2	BBB/Baa2 equivalent	0.85%	0%
BBB+	Baa1	BBB+/Baa1 equivalent	0.75%	0%
A- or higher	A3 or higher	A-/A3 equivalent or higher	0.60%	0%

</TABLE>

Arrangers. Fleet and Chase Securities Inc.

Assignment and Assumption. See ss.18.1.

Borrower. As defined in the preamble hereto.

Budgeted Project Costs. With respect to Construction-In-Process, the budgeted project cost of such Construction-In-Process shown on schedules submitted to the Administrative Agent from time to time; provided that for Construction-In-Process owned by any Partially-Owned Entity, the Budgeted Project Cost of such Construction-In-Process shall be the Borrower's or its subsidiaries' pro-rata share of the budgeted project cost of such Construction-In-Process (based on the greater of (x) the Borrower's or its subsidiaries' percentage equity interest in such Partially-Owned Entity or (y) the Borrower's or its subsidiaries' obligation to provide or liability for providing funds to such Partially-Owned Entity).

Building. Individually and collectively, the buildings, structures and improvements now or hereafter located on the Real Estate.

Business Day. Any day on which banking institutions in New York, New York are open for the transaction of banking business and, in the case of LIBOR Rate Loans, also a day which is a LIBOR Business Day.

Capitalized Leases. Leases under which the Borrower or any of its Subsidiaries or any Partially-Owned Entity is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

Capitalized Unencumbered Property NOI. As of any date of determination with respect to an Unencumbered Property, an amount equal to the Revised Adjusted Unencumbered Property NOI for such Unencumbered Property for the most recent two (2) complete fiscal quarters multiplied by two (2), with the product being divided by 9.25%.

CERCLA. See ss.6.18.

Closing Date. April __, 1998, which is the date on which all of the conditions set forth in ss.10 have been satisfied.

Code. The Internal Revenue Code of 1986, as amended and in effect from time to time.

Commitment. With respect to each Lender, the amount set forth from time to time on Schedule 1.2 hereto as the amount of such Lender's Commitment to make Revolving Credit Loans to, and to participate in the issuance, extension and renewal of Letters of Credit for the account of, the Borrower.

Commitment Fee. See ss.2.4(e).

Commitment Percentage. With respect to each Lender, the percentage set

forth on Schedule 1.2 hereto as such Lender's percentage of the Total Commitment and any changes thereto from time to time.

Competitive Bid Loan Accounts. See ss.2A.2(a).

Competitive Bid Loans Election. The election by the Borrower in writing delivered to the Administrative Agent at any one time, on or after the date MCRLP has received an Investment Grade Credit Rating from two nationally recognized rating agencies reasonably acceptable to the Administrative Agent (one of which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings to the REIT industry), to access the Competitive Bid Loans pursuant to ss. 2A of this Agreement.

Competitive Bid Loans. A borrowing hereunder consisting of one or more loans made by any of the participating Lenders whose offer to make a Competitive Bid Loan as part of such borrowing has been accepted by the Borrower under the auction bidding procedure described in ss.2A hereof.

Competitive Bid Margin. See ss.2A.5(b)(iv).

Competitive Bid Notes. See ss.2A.2(b).

Competitive Bid Quote. An offer by a Lender to make a Competitive Bid Loan in accordance with ss.2A.5 hereof.

Competitive Bid Quote Request. See ss.2A.3.

Competitive Bid Rate. See ss.2A.5(b)(v).

Completed Revolving Credit Loan Request. A loan request accompanied by all information required to be supplied under the applicable provisions of ss.2.5.

Consolidated or consolidated. With reference to any term defined herein, shall mean that term as applied to the accounts of MCRC and its subsidiaries (including the Borrower and the Subsidiary Guarantors) or MCRLP and its subsidiaries, as the case may be, consolidated in accordance with GAAP.

Consolidated Adjusted Net Income. For any period, an amount equal to the consolidated net income of MCRC, the Borrower and their respective Subsidiaries for such period, as determined in accordance with GAAP, before (a) gains (or losses) from the sale of real property or interests therein, debt restructurings and other extraordinary items, (b) minority interest of said Persons in other Persons and (c) income taxes; plus (w) interest expense, (x) depreciation and amortization, (y) the noncash portion of executive stock award rights and stock purchase rights included in written executive employment agreements, written employee plans or other written non-monetary employment compensation provisions, and (z) certain non-recurring cash payments made pursuant to certain written employment agreements, written employee plans or other written employment compensation provisions with key management individuals existing as of the date hereof and described on Schedule EMPL hereto (as such agreements, plans and provisions, but not the key management individuals, may be amended from time to time) in an amount not to exceed $20,000,000 in the aggregate during any fiscal year; minus a recurring capital expense reserve in an amount equal to four percent (4%) of consolidated total revenue of MCRC, the Borrower and their respective Subsidiaries; all after adjustments to eliminate the effect of the straight-lining of rents; and all after adjustments for unconsolidated partnerships, joint ventures and other entities.

Consolidated Capitalized NOI. As of any date of determination, an amount equal to Revised Consolidated Adjusted Net Income for the most recent two (2) completed fiscal quarters multiplied by two (2), with the product being divided by 9.25%.

Consolidated Fixed Charges. For any fiscal period, the sum of Consolidated Total Debt Service plus the aggregate of all Distributions payable on the preferred stock of or other preferred beneficial interests in the Borrower, MCRC or any of their respective Subsidiaries.

Consolidated Secured Indebtedness. As of any date of determination, the aggregate principal amount of all Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding at such date secured by a Lien on the Real Estate of such Person, without regard to Recourse.

Consolidated Tangible Net Worth. As of any date of determination, the Consolidated Capitalized NOI minus Consolidated Total Liabilities.

Consolidated Total Capitalization. As of any date of determination, with respect to MCRC, the Borrower and their respective Subsidiaries determined on a consolidated basis in accordance with GAAP; the sum of (a) Consolidated

Capitalized NOI plus (b) the value of Unrestricted Cash and Cash Equivalents (excluding until forfeited or otherwise entitled to be retained by the Borrower, and its Subsidiaries, tenant security and other restricted deposits), plus (c) the aggregate costs incurred and paid to date by the Borrower and its Subsidiaries with respect to Construction-In-Process plus (d) the value of Indebtedness of third parties to the Borrower and its Subsidiaries for borrowed money which is secured by mortgage liens in real estate (valued in accordance with GAAP at the book value of such Indebtedness) plus (e) the actual net cash investment by the Borrower and its Subsidiaries in any Opportunity Funds plus (f) the book value of Unimproved Non-Income Producing Land; provided that the value of all permitted investments included within Consolidated Total Capitalization shall not exceed the limitations set forth in ss.9.8 hereof.

Consolidated Total Debt Service. For any fiscal period, without double-counting, (a) Consolidated Total Interest Expense for such period plus (b) the aggregate amount of scheduled principal payments of Indebtedness (excluding (x) optional prepayments and (y) balloon payments at maturity) required to be made during such period by MCRC, the Borrower and any of their respective Subsidiaries plus (c) the aggregate amount of capitalized interest required in accordance with GAAP to be paid or accrued by MCRC, the Borrower and their respective Subsidiaries during such quarter.

Consolidated Total Interest Expense. For any fiscal period, the aggregate amount of interest required in accordance with GAAP to be paid or accrued, without double-counting, by MCRC, the Borrower and their respective Subsidiaries during such period on all Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding during all or any portion of such period, whether such interest was or is required to be reflected as an item of expense or capitalized, including payments consisting of interest expenses in respect of any "synthetic lease" referred to in the definition of "Indebtedness."

Consolidated Total Liabilities. As of any date of determination, without double-counting, all liabilities of MCRC, the Borrower and their respective Subsidiaries determined on a consolidated basis in accordance with GAAP and classified as such on the consolidated balance sheet of MCRC, the Borrower and their respective Subsidiaries, and all Indebtedness of MCRC, the Borrower and their respective Subsidiaries, whether or not so classified (excluding, to the extent otherwise included in Consolidated Total Liabilities, restricted cash held on account of tenant security and other restricted deposits).

Consolidated Total Unsecured Debt Service. For any fiscal period, Consolidated Total Debt Service with respect to Consolidated Unsecured Indebtedness only for such period.

Consolidated Unsecured Indebtedness. As of any date of determination, the aggregate principal amount of all Unsecured Indebtedness of MCRC, the Borrower and their respective Subsidiaries outstanding at such date, including without limitation the aggregate principal amount

of all the Obligations under this Agreement as of such date, determined on a consolidated basis in accordance with GAAP, without regard to Recourse.

Construction-In-Process. Any Real Estate for which the Borrower, any Guarantor, any of the Borrower's Subsidiaries or any Partially-Owned Entity is actively pursuing construction, renovation, or expansion of Buildings and, except for purposes of the covenant set forth in ss.9.8(c) hereof, for which construction is proceeding to completion without undue delay from Permit denial, construction delays or otherwise, all pursuant to such Person's ordinary course of business. Notwithstanding the foregoing, tenant improvements to previously constructed and/or leased Real Estate shall not be considered Construction-In-Process.

Conversion Request. A notice given by the Borrower to the Administrative Agent of its election to convert or continue a Revolving Credit Loan in accordance with ss.2.6.

Credit Parties. Collectively, the Borrower, the Operating Subsidiaries, MCRC, the Subsidiary Guarantors and any other wholly-owned Subsidiary for which the Borrower or MCRC has legal liability for such wholly-owned Subsidiary's obligations and liabilities, directly or indirectly.

Daily Unused Commitment. The daily difference between (a) the Total Commitment and (b) the sum of the principal amount of Revolving Credit Loans outstanding plus the Maximum Drawing Amount for each such day hereunder.

debt ratings. Long-term, unsecured, non-credit enhanced debt ratings.

Default. As of the relevant time of determination, an event or occurrence which solely with the giving of notice or the lapse of time, or both, would constitute an Event of Default.

Disqualifying Environmental Event. Any Release or threatened Release of

Hazardous Substances, any violation of Environmental Laws or any other similar environmental event with respect to any Real Estate (x) that causes either the occupancy or rent of such Real Estate to be adversely affected by greater than ten percent (10%), as compared to what otherwise would have been the occupancy or rent of such Real Estate in the absence of such environmental event or (y) for which the remaining costs of remediation in order to bring such Real Estate into compliance with Environmental Laws exceeds the greater of $1,000,000 or 1.5% of the Capitalized Unencumbered Property NOI of the Real Estate that is the particular Unencumbered Property in issue ("Remediation"); provided that (1) any Real Estate that qualifies under (x) and (y) which requires Remediation shall only be eligible to be an Unencumbered Property if such Remediation is ongoing in accordance with prudent environmental practice and (2) the number of Unencumbered Properties subject to Remediation shall not exceed the greater of (i) five (5) Buildings (and related land) or (ii) the number of Buildings (and related land) that are two and one-half percent (2.5%) of the total number of Buildings constituting all of the Buildings in Unencumbered Properties at any time.

Distribution.

(i) with respect to the Borrower or its Subsidiaries, any distribution of cash or other cash equivalent, directly or indirectly, to the partners or other equity interest holders of the Borrower or its Subsidiaries in respect of such partnership or other equity interest or interests so characterizable; or any other distribution on or in respect of any partnership interests of the Borrower or its Subsidiaries;

(ii) with respect to MCRC, the declaration or payment of any dividend on or in respect of any shares of any class of capital stock of MCRC, other than dividends payable solely in shares of common stock by MCRC; the purchase, redemption, or other retirement of any shares of any class of capital stock of MCRC, directly or indirectly through a Subsidiary of MCRC or otherwise; the return of capital by MCRC to its shareholders as such; or any other distribution on or in respect of any shares of any class of capital stock of MCRC; and

(iii) any transfer in the ordinary course of business of cash and cash equivalent among the Borrower, the Guarantors and their respective Subsidiaries.

Dollars or $. Dollars in lawful currency of the United States of America.

Drawdown Date. The date on which any Revolving Credit Loan is made or is to be made, and the date on which any Revolving Credit Loan is converted or continued in accordance with ss.2.6.

Duff & Phelps. Duff & Phelps, and its successors.

Eligible Assignee. Any of (a) a commercial bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of $1,000,000,000; (b) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of $1,000,000,000, calculated in accordance with GAAP; (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having total assets in excess of $1,000,000,000, provided that such bank is acting at all times with respect to this Agreement through a branch or agency located in the United States of America and (d) a financial institution reasonably acceptable to the Administrative Agent which is regularly engaged in making, purchasing or investing in loans and having total assets in excess of $300,000,000.

Eligible Ground Lease. A ground lease that (a) has a minimum remaining term of thirty (30) years, including tenant controlled options, as of any date of determination, (b) has customary notice rights, default cure rights, bankruptcy new lease rights and other customary provisions for the benefit of a leasehold mortgagee, and (c) is otherwise acceptable for non-Recourse leasehold mortgage

financing under customary prudent lending requirements. The Eligible Ground Leases as of the date of this Agreement are listed on Schedule EG.

Employee Benefit Plan. Any employee benefit plan within the meaning of ss.3(3) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

Environmental Laws. See ss.6.18(a).

ERISA. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

ERISA Affiliate. Any Person which is treated as a single employer with the Borrower under ss.414 of the Code.

ERISA Reportable Event. A reportable event with respect to a Guaranteed Pension Plan within the meaning of ss.4043 of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived.

Eurocurrency Reserve Rate. For any day with respect to a LIBOR Rate Loan, the weighted average of the rates (expressed as a decimal) at which all of the Lenders subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against "Eurocurrency Liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The Eurocurrency Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Rate.

Event of Default. See ss.12.1.

Fee Letter. See ss.2.4(d).

Financial Statement Date. With respect to the Borrower, MCRC and their respective subsidiaries, December 31, 1997.

Fitch. Fitch IBCA, Inc., and its successors.

Fronting Bank. With respect to any letters of credit issued under this Agreement on or after the date hereof, Chase, or with the consent of the Administrative Agent and the Borrower, another Lender. Notwithstanding anything to the contrary contained herein, any letters of credit issued by Fleet to the Borrower under the Revolving Credit Agreement dated as of August 6, 1997 among Fleet, the Borrower and the other parties thereto, which are outstanding on the date hereof, shall become Letters of Credit hereunder and Fleet shall be the Fronting Bank with respect thereto.

Funds from Operations. As defined in accordance with resolutions adopted by the Board of Governors of the National Association of Real Estate Investment Trusts as in effect from time to time, but in any event excluding Distributions to holders of preferred stock or other preferred equity interests.

GAAP. Generally accepted accounting principles in effect from time to time in the United States, consistently applied, provided that a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in position to deliver an unqualified opinion as to financial statements in which such principles have been properly applied.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of ss.3(2) of ERISA maintained or contributed to by the Borrower or any Guarantor, as the case may be, or any ERISA Affiliate of any of them the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Guaranties. Collectively, the MCRC Guaranty, the Subsidiary Guaranties, and any other guaranty of the Obligations made by an Affiliate of the Borrower in favor of the Administrative Agent and the Lenders.

Guarantors. Collectively, MCRC, the Subsidiary Guarantors and any other Affiliate of the Borrower executing a Guaranty; provided, however, when the context so requires, Guarantor shall refer to MCRC or such Affiliate, as appropriate. Any Guarantor that is the owner or ground lessee of an Unencumbered Property shall be a wholly-owned Subsidiary. Provided further, however, from and after the release of the Guaranty of any Subsidiary Guarantor pursuant to ss.5 below, such Subsidiary Guarantor shall no longer be considered a "Guarantor" for purposes of this Agreement.

Harborside Assumed Debt. (i) The Indebtedness to be owed by one or more of MCRLP and certain of its Subsidiaries to Northwestern Mutual Insurance Company and Principal Mutual Life Insurance Company in the original principal amount of $110,000,000, and (ii) the Indebtedness to be owed by one or more of MCRC, MCRLP and certain of its Subsidiaries to US West Pension Trust, Investment Management Company in the original principal amount of $42,087,513.

Harborside Debt. The Indebtedness incurred by MCRLP pursuant to the Revolving Credit Facility Agreement dated as of November 1, 1996, among MCRLP, the several lenders from time to time parties thereto, and PSC, as administrative agent for such lenders, as the same may be amended, supplemented or otherwise modified from time to time.

Harborside Pledge Agreements. Collectively, (i) the pledge agreement

between MCRC and PSC, as the administrative agent, and (ii) the pledge agreement between MCRLP and PSC, as the administrative agent, in each case (a) securing the Harborside Debt in connection with the Harborside Transaction, and (b) as the same may be amended, supplemented or otherwise modified from time to time.

Harborside Pledged Interests. Collectively, (i) the 99% limited partnership interest owned by MCRLP in each of Cali Harborside (Fee) Associates L.P., a New Jersey limited partnership, Cal- Harbor II & II Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor IV Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor V Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor VI Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor So. Pier Urban Renewal Associates L.P., a New Jersey limited partnership, Cal-Harbor No. Pier Urban Renewal Associates L.P., a New Jersey limited partnership, and Cal-Harbor VII Urban Renewal Associates L.P., a New Jersey limited partnership; and (ii) 100% of the issued and outstanding capital stock owned by MCRC of each of Cali Sub X, Inc., a Delaware corporation, and Cali Sub XI, Inc., a Delaware corporation, in each case pledged to PSC, as the administrative agent, pursuant to the Harborside Pledge Agreements.

Harborside Transaction. (i) The acquisition by MCRLP and certain of its Subsidiaries of the real property, buildings and other improvements thereon commonly known as the Harborside Financial Center, Jersey City, New Jersey, (ii) the incurrence of the Harborside Debt, and (iii) the incurrence of the Harborside Assumed Debt.

Hazardous Substances. See ss.6.18(b).

Indebtedness. All obligations, contingent and otherwise, that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, including, without limitation, (a) all obligations for borrowed money and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, negative pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all obligations under any Capitalized Lease (determined in accordance with ss.9.9) or any lease (a "synthetic lease") which is treated as an operating lease under GAAP and as a loan or financing for U.S. income tax purposes; (d) all guarantees for borrowed money, endorsements and other contingent obligations, whether direct or indirect, (without double counting and in accordance with ss.9.0) in respect of indebtedness or obligations of others, including any obligation to supply funds (including partnership obligations and capital requirements) to or in any manner to invest in, directly or indirectly, the debtor, to purchase indebtedness, or to assure the owner of indebtedness against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise, and the obligations to reimburse the issuer in respect of any letters of credit; and (e) to the extent not otherwise included, obligations of the Borrower under so-called forward equity purchase contracts to the extent that such obligations are not payable solely in equity interests in MCRC.

Interest Payment Date. (i) As to any Alternate Base Rate Loan, the last day of the calendar month which includes the Drawdown Date thereof; and (ii) as to any Revolving Credit LIBOR Rate Loan in respect of which the Interest Period is (A) three (3) months or less, the last day of such Interest Period and (B) more than three (3) months, the date that is three (3) months from the first

day of such Interest Period, each date that is three (3) months thereafter, and, in addition, the last day of such Interest Period.

Interest Period. With respect to each Loan, (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of one of the following periods (as selected by the Borrower in a Completed Revolving Credit Loan Request or as otherwise in accordance with the terms of this Agreement): (i) for any Alternate Base Rate Loan, the last day of the calendar month, (ii) for any Revolving Credit LIBOR Rate Loan, 1, 2, 3, 6, 9 or 12 months (provided that (x) the Interest Period for Revolving Credit LIBOR Rate Loans may be shorter than one (1) month in order to consolidate two (2) or more Revolving Credit LIBOR Rate Loans and (y) the Interest Period for all Revolving Credit LIBOR Rate Loans shall be one (1) month until the earlier of ninety (90) days after the Closing Date or the date on which the Arrangers complete the syndication of the Total Commitment, as evidenced by written notice from the Arrangers to the Borrower as to such completion), (iii) for any Absolute Competitive Bid Loan, a market period not to extend beyond the Maturity Date, and (iv) for any LIBOR Competitive Bid Loan, 1, 2, 3, 6, 9 or 12 months; and (b) thereafter, each period commencing at the end of the last day of the immediately preceding Interest Period applicable to such Loan and ending on the last day of the applicable period set forth in (a) above as selected by the Borrower in a

Conversion Request or as otherwise in accordance with this Agreement; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(A) if any Interest Period with respect to a Alternate Base Rate Loan would end on a day that is not a Business Day, that Interest Period shall end on the next succeeding Business Day;

(B) if any Interest Period with respect to a LIBOR Rate Loan would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;

(C) if the Borrower shall fail to give a Conversion Request as provided in ss.2.6, the Borrower shall be deemed to have requested a continuation of the affected Revolving Credit LIBOR Rate Loan as a Revolving Credit LIBOR Rate Loan with an Interest Period of one (1) month on the last day of the then current Interest Period with respect thereto, other than during the continuance of a Default or an Event of Default;

(D) any Interest Period relating to any LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to subparagraph (E) below, end on the last Business Day of a calendar month; and

(E) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

Investment Grade Credit Rating. A long-term unsecured, non-credit enhanced debt rating (a) from Moody's of Baa3 or higher, (b) from S&P of BBB- or higher, or (c) from a Third Rating Agency of the Baa3/BBB- equivalent or higher.

Investments. All expenditures made and all liabilities incurred (contingently or otherwise, but without double-counting): (i) for the acquisition of stock, partnership or other equity interests or Indebtedness of, or for loans, advances, capital contributions or transfers of property to, any Person; and (ii) for the acquisition of any other obligations of any Person. In determining the aggregate amount of Investments outstanding at any particular time: (a) there shall be included as an Investment all interest accrued with respect to Indebtedness constituting an Investment unless and until such interest is paid; (b) there shall be deducted in respect of each such Investment any amount received as a return of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution); (c) there shall not be deducted in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest or otherwise, except that accrued interest included as provided in the foregoing clause (a) may be deducted when paid; and (d) there shall not be deducted from the aggregate amount of Investments any decrease in the value thereof.

Leases. Leases, licenses and agreements, whether written or oral, relating to the use or occupation of space in or on the Buildings or on the Real Estate by persons other than the Borrower, its Subsidiaries or any Partially-Owned Entity provided that "Leases" shall include any such lease, license or other such agreement with a Partially-Owned Entity if such lease, license or other agreement is at a market level rent and related tenant charges, which are required to be paid monthly or, in the case of non-rent tenant charges, when usually and customarily required to be paid by other tenants of the same Real Estate (and at least annually).

Lenders. Collectively, the Administrative Agent, any other lenders which may provide additional commitments and become parties to this Agreement, and any other Person who becomes an assignee of any rights of a Lender pursuant to ss.18 or a Person who acquires all or substantially all of the stock or assets of a Lender.

Letter of Credit. See ss.3.1.1.

Letter of Credit Application. See ss.3.1.1.

Letter of Credit Fee. See ss.3.6.

Letter of Credit Participation. See ss.3.1.4.

LIBOR Breakage Costs. With respect to any LIBOR Rate Loan to be prepaid or

not drawn after elected, a prepayment "breakage" fee in an amount determined by the Administrative Agent in the following manner:

(i) First, the Administrative Agent shall determine the amount by which (a) the total amount of interest which would have otherwise accrued hereunder on each installment of principal prepaid or not so drawn, during the period beginning on the date of such prepayment or failure to draw and ending on the last day of the applicable LIBOR Rate Loan Interest Period (the "Reemployment Period"), exceeds (b) the total amount of interest which would accrue, during the Reemployment Period, on any readily marketable bond or other obligation of the United States of America designated by the Administrative Agent in its sole discretion at or about the time of such payment, such bond or other obligation of the United States of America to be in an amount equal (as nearly as may be) to the amount of principal so paid or not drawn after elected and to have maturity at the end of the Reemployment Period, and the interest to accrue thereon to take account of amortization of any discount from par or accretion of premium above par at which the same is selling at the time of designation. Each such amount is hereinafter referred to as an "Installment Amount".

(ii) Second, each Installment Amount shall be treated as payable on the last day of the LIBOR Rate Loan Interest Period which would have been applicable had such principal installment not been prepaid or not borrowed.

(iii) Third, the amount to be paid on each such breakage date shall be the present value of the Installment Amount determined by discounting the amount thereof from the date on which such Installment Amount is to be treated as payable, at the same yield to maturity as that payable upon the bond or other obligation of the United States of America designated as aforesaid by the Administrative Agent.

If by reason of an Event of Default the Administrative Agent elects to declare a LIBOR Rate Loan to be immediately due and payable, then any breakage fee with respect to such LIBOR Rate Loan shall become due and payable in the same manner as though the Borrower had exercised such right of prepayment.

LIBOR Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London.

LIBOR Competitive Bid Loan(s). See ss.2A.3(a).

LIBOR Rate. For any Interest Period with respect to a LIBOR Rate Loan, the rate of interest per annum (rounded upward, if necessary, to the nearest 1/16 of one percent) as determined on the basis of the offered rates for deposits in Dollars for a period of time comparable to such Interest Period which appears on the Telerate page 3750 (or such other page as may replace that page on the Telerate service) as of 11:00 a.m. London time on the date that is two (2) LIBOR Business Days

prior to the beginning of such Interest Period; provided, however, if the rate described above does not appear on the Telerate System on any applicable interest determination date, the LIBOR Rate shall be the rate (rounded upwards as described above, if necessary) for deposits in Dollars for a period of time substantially equal to the Interest Period which appears on the Reuters Page "LIBO" (or such other page as may replace the LIBO Page on that service for the purpose of displaying such rates), as of 11:00 a.m. London time on the date that is two (2) LIBOR Business Days prior to the beginning of such Interest Period.

If both the Telerate and Reuters systems are unavailable, then the rate for that date will be determined on the basis of the offered rates for deposits in Dollars for a period of time comparable to the Interest Period which are offered by four major banks in the London interbank market at approximately 11:00 a.m. London time on the date that is two (2) LIBOR Business Days prior to the beginning of such Interest Period. The principal London office of each of the four major London banks will be requested to provide a quotation of its Dollar deposit offered rate. If at least two such quotations are provided, the rate for that date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that date will be determined on the basis of the rates quoted for loans in Dollars to leading European banks for a period of time comparable to the Interest Period by major banks in New York City at approximately 11:00 a.m. New York City time on the date that is two (2) LIBOR Business Days prior to the beginning of such Interest Period. In the event that the Administrative Agent is unable to obtain any quotation as provided above, it will be deemed that the LIBOR Rate cannot be determined.

In the event that the Board of Governors of the Federal Reserve System shall impose a reserve requirement with respect to LIBOR deposits of the Lenders, then for any period during which such reserve requirement shall apply, the LIBOR Rate shall be equal to the amount determined above divided by an

amount equal to one (1.00) minus the Eurocurrency Reserve Rate.

LIBOR Rate Loan(s). Loans bearing interest calculated by reference to the LIBOR Rate.

Lien. See ss.8.2.

Loan Documents. Collectively, this Agreement, the Letter of Credit Applications, the Letters of Credit, the Notes, the Guaranties, and any and all other agreements, instruments or documents now or hereafter identified thereon as a "Loan Document" under this Agreement, and all schedules, exhibits and annexes hereto or thereto, as the same may from time to time be amended and in effect.

Loans. The Revolving Credit Loans and the Competitive Bid Loans.

Majority Lenders. As of any date, the Lenders whose aggregate Commitments constitute at least fifty-one percent (51%) of the Total Commitment, but in no event fewer than two Lenders if there are three or more Lenders; provided that if the Total Commitment has been terminated by the Lenders and no Revolving Credit Loans or Letters of Credit are outstanding, the Majority Lenders

shall be the Lenders holding fifty-one percent (51%) of the outstanding principal amount of Competitive Bid Loans on such date.

Material Adverse Effect. Any event or occurrence of whatever nature which: (a) has a material adverse effect on the business, properties, operations or financial condition of (i) the Borrower or (ii) any Guarantor or (iii) the Borrower, the Guarantors and their respective Subsidiaries, taken as a whole, (b) has a material adverse effect on the ability of the Borrower or any Guarantor to perform its payment and other material obligations under any of the Loan Documents, or (c) causes a material impairment of the validity or enforceability of any of the Loan Documents or any material impairment of the rights, remedies and benefits available to the Administrative Agent and the Lenders under any of the Loan Documents.

Maturity Date. April __, 2001, or such earlier date on which the Loans shall become due and payable pursuant to the terms thereof. The Borrower may, by notice to the Administrative Agent given at least one hundred twenty (120) days prior to the Maturity Date, request a one-year extension of the Maturity Date, the approval of which shall require Unanimous Lender Approval. Any such extension, if given by Unanimous Lender Approval, shall require that no Default or Event of Default shall have occurred and be continuing and that the Borrower pay an aggregate extension fee equal to 0.075% of the then existing Total Commitment.

Maximum Drawing Amount. The maximum aggregate amount that the beneficiaries may at any time draw under outstanding Letters of Credit, as such maximum aggregate amount may be reduced from time to time pursuant to the terms of the Letters of Credit.

MCRC Guaranty. The Guaranty dated as of the date hereof made by MCRC in favor of the Administrative Agent and the Lenders pursuant to which MCRC guarantees to the Administrative Agent and the Lenders the unconditional payment and performance of the Obligations.

Moody's. Moody's Investors Service, Inc., and its successors.

Multiemployer Plan. Any multiemployer plan within the meaning of ss.3(37) of ERISA maintained or contributed to by the Borrower or any Guarantor as the case may be or any ERISA Affiliate.

Non-Material Breach. A (i) breach of a representation or warranty or covenant contained in ss.6 or ss.7 (other than ss.7.1), (ii) a breach of any other representation or warranty or covenant as to which such term "Non-Material Breach" is specifically applied, or (iii) a Permitted Event; but only to the extent any such breach under (i) or (ii) or an event under (iii) (other than ss.7.1), neither (A) singularly or in conjunction with any other existing breaches or (iii) events, materially adversely affect the business, properties or financial condition of (x) MCRC; (y) MCRLP; or (z) the Borrower, the Guarantors and their Subsidiaries, taken as whole nor (B) singularly or in conjunction with any other existing breaches or (iii) events, materially adversely affect the ability of (x) MCRC; (y) MCRLP; or the (z) the Borrower, the Guarantors and their Subsidiaries, taken as a whole, to fulfill

the obligations to the Lenders under the Loans (including, without limitation, the repayment of all amounts outstanding under the Loans, together with interest and charges thereon, when first due) nor (C) has been identified in this Agreement specifically as a matter that does not constitute a Non- Material

Breach. During the continuance of any Permitted Event, the Real Estate (including Unencumbered Property) and other assets of any affected Guarantor shall be excluded from asset (but not liability) and income (but not loss) calculation under ss.9 which exclusions shall be evidenced in all compliance certificates provided as required by this Agreement.

A breach or event which may constitute a Non-Material Breach shall be identified when first known to the Borrower, any Guarantor or Subsidiary on the next delivered compliance certificate required to be delivered to the Lenders pursuant to the terms of this Agreement; provided that the identification of such breach or event as a Non-Material Breach by the Borrower, any Guarantor or any Subsidiary shall not be binding on the Lenders.

Notes. The Revolving Credit Notes and the Competitive Bid Notes.

Obligations. All indebtedness, obligations and liabilities of the Borrower and its Subsidiaries to any of the Lenders and the Administrative Agent, individually or collectively, under this Agreement or any of the other Loan Documents or in respect of any of the Loans or the Notes or Reimbursement Obligations incurred or the Letter of Credit Applications or the Letters of Credit or other instruments at any time evidencing any thereof, whether existing on the date of this Agreement or arising or incurred hereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

Operating Subsidiaries. Those Subsidiaries of the Borrower that, at any time of reference, provide management, construction, design or other services (excluding any such Subsidiary which may provide any such services which are only incidental to that Subsidiary's ownership of one or more Real Estate), and any successors or assigns of their respective businesses and/or assets which are Subsidiaries of the Borrower or the Guarantors.

Opportunity Fund. An investment made after the date hereof by the Borrower, any Guarantor or any Subsidiary which is designated at the time of investment by the Borrower from time to time as an "Opportunity Fund" (including an investment company); provided that (a) such investment would not jeopardize MCRC's status as a REIT, (b) such investment is Without Recourse to the Person making such investment and the liability of the Person making such investment is limited solely (including in any insolvency proceeding affecting such Person) to the amount so invested, (c) if the Person making such investment exercises any management or control responsibilities, such management and/or control shall be exercised through a so-called "bankruptcy-remote entity" and (d) such investment complies with the requirements of ss.9.8(b) hereof.

Partially-Owned Entity(ies). Any of the partnerships, joint ventures and other entities owning real estate assets (other than an Opportunity Fund) in which MCRLP and/or MCRC

collectively, directly or indirectly through its full or partial ownership of another entity, own less than 100% of the equity interests, whether or not such entity is required in accordance with GAAP to be consolidated with MCRLP for financial reporting purposes.

PBGC. The Pension Benefit Guaranty Corporation created by ss.4002 of ERISA and any successor entity or entities having similar responsibilities.

Permits. All governmental permits, licenses, and approvals necessary for the lawful operation and maintenance of the Real Estate.

Permitted Event. The exclusion of a Guarantor (other than MCRC) or any other Subsidiary or Operating Subsidiary as a Credit Party by the Borrower solely for the purposes of the proceedings of a bankruptcy filed by or against such Person and involving for all creditors of such bankruptcy a total Indebtedness which is in an amount permitted within ss.12.1(f)(i) cumulatively with any other then pending Permitted Event or other matter affecting ss.12.1(f)(i). For purposes of a Permitted Event, the term "bankruptcy" shall include all actions or proceedings described in ss.12.1(g) or ss.12.1(h). The Borrower may exercise the provisions of ss.12.1 (last paragraph) for Permitted Event(s) provided such exercise shall not allow for a breach of the limitation on Permitted Events relating to ss.12.1(f)(i) or otherwise cause a Default or Event of Default.

Permitted Liens. Liens, security interests and other encumbrances permitted by ss.8.2.

Person. Any individual, corporation, partnership, trust, unincorporated association, business, or other legal entity, and any government (or any governmental agency or political subdivision thereof).

PSC. Prudential Securities Credit Corporation, and its successors and assigns.

RCRA. See ss.6.18.

Real Estate. The fixed and tangible properties consisting of land, buildings and/or other improvements owned or ground-leased as a lessee by the Borrower, by any Guarantor or by any other entity in which the Borrower is the holder of an equity interest at the relevant time of reference thereto, including, without limitation, (i) the Unencumbered Properties at such time of reference, and (ii) the real estate assets owned or ground-leased as a lessee by each of the Partially-Owned Entities at such time of reference.

Record. The grid attached to any Note, or the continuation of such grid, or any other similar record, including computer records, maintained by any Lender with respect to any Loan.

Recourse. With reference to any obligation or liability, any liability or obligation that is not Without Recourse to the obligor thereunder, directly or indirectly. For purposes hereof, a Person shall not be deemed to be "indirectly" liable for the liabilities or obligations of an obligor solely by

reason of the fact that such Person has an ownership interest in such obligor, provided that such Person is not otherwise legally liable, directly or indirectly, for such obligor's liabilities or obligations (e.g., by reason of a guaranty or contribution obligation, by operation of law or by reason of such Person's being a general partner of such obligor).

Reimbursement Obligation. The Borrower's obligation to reimburse the Lenders and the Administrative Agent and the Fronting Bank on account of any drawing under any Letter of Credit as provided in ss.3.2. Notwithstanding the foregoing, unless the Borrower shall notify the Administrative Agent of its intent to repay the Reimbursement Obligation on the date of the related drawing under any Letter of Credit as provided in ss.3.2, such Reimbursement Obligation shall simultaneously with such drawing be converted to and become a Alternate Base Rate Loan as set forth in ss.3.3.

REIT. A "real estate investment trust", as such term is defined in Section 856 of the Code.

Release. See ss.6.18(c)(iii).

Required Lenders. As of any date, the Lenders whose aggregate Commitments constitute at least sixty-six and two-thirds percent (66-2/3%) of the Total Commitment; provided that if the Total Commitment has been terminated by the Lenders and no Revolving Credit Loans or Letters of Credit are outstanding, the Required Lenders shall be the Lenders holding sixty-six and two-thirds percent (66-2/3%) of the outstanding principal amount of the Competitive Bid Loans on such date.

Revised Adjusted Unencumbered Property NOI. With respect to any fiscal period for any Unencumbered Property, Adjusted Unencumbered Property NOI for such Unencumbered Property for such period; minus (a) interest income relating to such Unencumbered Property and (b) a management fee reserve in an amount equal to three percent (3%) of total revenue (after deduction of interest income of such Unencumbered Property for such period); plus (i) actual general and administrative expenses to the extent included in Adjusted Unencumbered Property NOI relating to such Unencumbered Property for such period and (ii) actual management fees relating to such Unencumbered Property for such period.

Revised Consolidated Adjusted Net Income. For any period, Consolidated Adjusted Net Income for such period; minus (a) interest income and (b) a management fee reserve in an amount equal to three percent (3%) of consolidated total revenue (after deduction of interest income of MCRC, the Borrower and their respective Subsidiaries for such period), plus (i) actual general and administrative expenses for such period to the extent included in Consolidated Adjusted Net Income and (ii) actual management fees relating to Real Estate for such period.

Revolving Credit LIBOR Rate Loan. A Revolving Credit Loan which is a LIBOR Rate Loan.

Revolving Credit Loan(s). Each and every revolving credit loan made or to be made by the Lenders to the Borrower pursuant to ss.2.

Revolving Credit Notes. Collectively, the separate promissory notes of the Borrower in favor of each Lender in substantially the form of Exhibit A hereto, in the aggregate principal amount of the Total Commitment, dated as of the date hereof or as of such later date as any Person becomes a Lender under this Agreement, and completed with appropriate insertions, as each of such notes may be amended and/or restated from time to time.

Revolving Credit Note Record. A Record with respect to the Revolving Credit Notes.

S&P. Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., and its successors.

SARA. See ss.6.18.

SEC Filings. Collectively, (a) the MCRC's Annual Report on Form 10-K for the year ended December 31, 1997, filed with the Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), (b) MCRC's Current Report on Form 8-K, dated January 31, 1998, filed with the SEC pursuant to the Exchange Act, including all amendments thereto and (c) MCRC's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1997 filed with the SEC pursuant to the Exchange Act.

subsidiary. Any entity required to be consolidated with its direct or indirect parent in accordance with GAAP.

Subsidiary. Any corporation, association, partnership, trust, or other business entity of which the designated parent shall at any time own directly, or indirectly through a Subsidiary or Subsidiaries, at least a majority (by number of votes or controlling interests) of the outstanding voting interests or at least a majority of the economic interests (including, in any case, the Operating Subsidiaries and any entity required to be consolidated with its designated parent in accordance with GAAP).

Subsidiary Guarantor. Any Guarantor other than MCRC. The Subsidiary Guarantors on the Closing Date are listed on Schedule SG hereto.

Subsidiary Guaranty. Each Guaranty made from time to time by a Subsidiary Guarantor in favor of the Administrative Agent and the Lenders in substantially the form of Exhibit B hereto, pursuant to which such Subsidiary Guarantor guarantees the unconditional payment and performance of the Obligations.

Syndication Agent. Fleet National Bank.

Third Debt Rating. MCRLP's long term unsecured debt rating from a Third Rating Agency.

Third Rating Agency. Duff & Phelps, Fitch's or another nationally-recognized rating agency (other than S&P or Moody's) reasonably satisfactory to the Administrative Agent.

Title Policies. For each Unencumbered Property, an ALTA standard form title policy (or, if such form is not available, an equivalent form of title insurance policy) of a reasonably current date or endorsed down to a reasonably current date issued by a nationally-recognized title insurance company, insuring that the Borrower or a Subsidiary Guarantor holds good and clear marketable fee simple or leasehold title to such Unencumbered Property, subject only to Permitted Liens.

Total Commitment. As of any date, the sum of the then-current Commitments of the Lenders, which shall not at any time exceed $870,000,000, as such amount may be increased pursuant to ss.2.2 hereof.

Type. As to any Revolving Credit Loan, its nature as a Alternate Base Rate Loan or a LIBOR Rate Loan.

Unanimous Lender Approval. The written consent of each Lender that is a party to this Agreement at the time of reference.

Unencumbered Property. Any Real Estate located in the United States that on any date of determination: (a) is not subject to any Liens (including any such Lien imposed by the organizational documents of the owner of such asset, but excluding Permitted Liens), (b) is not the subject of a Disqualifying Environmental Event, (c) has been improved with a Building or Buildings which (1) have been issued a certificate of occupancy (where available) or is otherwise lawfully occupied for its intended use, and (2) are fully operational, including in each case, an Unencumbered Property that is being renovated and such renovation is proceeding to completion without undue delay from Permit denial, construction delays or otherwise, (d) is not in violation of the covenant set forth in ss.7.9 hereof, and (e) is wholly owned or ground-leased under an Eligible Ground Lease by the Borrower or a Guarantor that is a wholly-owned Subsidiary.

Uniform Customs. With respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, or any successor version thereof adopted by the Administrative Agent in the ordinary course of its business as a letter of

credit issuer and in effect at the time of issuance of such Letter of Credit.

Unimproved Non-Income Producing Land. Any Real Estate consisting of raw land which is unimproved by Buildings and does not generate any rental income or other income for MCRC or the Borrower or any of their respective Subsidiaries.

Unrestricted Cash and Cash Equivalents. As of any date of determination, the sum of (a) the aggregate amount of unrestricted cash then held by the Borrower or any of its Subsidiaries and (b) the aggregate amount of unrestricted cash equivalents (valued at fair market value) then held by the Borrower or any of its Subsidiaries. As used in this definition, (i) "unrestricted" means the specified

asset is not subject to any Liens in favor of any Person and (ii) "cash equivalents" includes overnight deposits and also means that such asset has a liquid, par value in cash and is convertible to cash within 3 months. Notwithstanding anything contained herein to the contrary, the term Unrestricted Cash and Cash Equivalents shall not include the Commitments of the Lenders to make Loans under this Agreement or any other commitments from which the access to such cash or cash equivalents would create Indebtedness.

Unsecured Indebtedness. All Indebtedness of any Person that is not secured by a Lien on any asset of such Person.

wholly-owned Subsidiary. Any Subsidiary (a) of which MCRLP and/or MCRC shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a controlling majority (by number of votes or controlling interests) of the outstanding voting interests and one hundred percent (100%) of the economic interests, of which at least ninety-five percent (95%) of the economic interests shall be owned by MCRLP and (b) of which MCRC directly or indirectly (through wholly-owned Subsidiaries) acts as sole general partner or managing member; provided that the Subsidiary Guarantors shall be wholly-owned Subsidiaries.

"Without Recourse" or "without recourse". With reference to any obligation or liability, any obligation or liability for which the obligor thereunder is not liable or obligated other than as to its interest in a designated Real Estate or other specifically identified asset only, subject to such limited exceptions to the non-recourse nature of such obligation or liability, such as fraud, misappropriation, misapplication and environmental indemnities, as are usual and customary in like transactions involving institutional lenders at the time of the incurrence of such obligation or liability.

ss.1.2. Rules of Interpretation.

(i) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms (and so amended, modified or supplemented in accordance with this Agreement) or the terms of this Agreement.

(ii) The singular includes the plural and the plural includes the singular.

(iii) A reference to any law includes any amendment or modification to such law.

(iv) A reference to any Person includes its permitted successors and permitted assigns.

(v) Accounting terms (a) not otherwise defined herein have the meanings assigned to them by GAAP applied on a consistent basis by the accounting entity to which they refer and (b) shall not provide for double counting of items included within such term.

(vi) The words "include", "includes" and "including" are not limiting.

(vii) All terms not specifically defined herein or by GAAP, which terms are defined in the Uniform Commercial Code as in effect in New York, have the meanings assigned to them therein.

(viii) Reference to a particular "ss." refers to that section of this Agreement unless otherwise indicated.

(ix) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

(x) Any provision granting any right to the Borrower or any Guarantor during the continuance of (a) an Event of Default shall not modify, limit, waive or estopp the rights of the Lenders during the continuance of such Event of Default, including the rights of the Lenders to accelerate the Loans under ss.12.1 and the rights of the Lenders under ss.ss.12.2 or 12.3, or (b) a Default, shall not extend the time for curing same or modify any otherwise applicable notice regarding same.

(xi) As applied to Real Estate, the word "owns" includes the ownership of the fee interest in such Real Estate or the tenant's interest in a ground lease of such Real Estate.

ss.2. THE REVOLVING CREDIT FACILITY.

ss.2.1. Commitment to Lend. Subject to the provisions of ss.2.5 and the other terms and conditions set forth in this Agreement, each of the Lenders severally agrees to lend to the Borrower and the Borrower may borrow, repay, and reborrow from each Lender from time to time from the Closing Date up to but not including the Maturity Date upon notice by the Borrower to the Administrative Agent given in accordance with ss.2.5 hereof, such sums as are requested by the Borrower up to a maximum aggregate principal amount outstanding (after giving effect to all amounts requested) at any one time equal to such Lender's Commitment minus such Lender's Commitment Percentage of the Maximum Drawing Amount; provided that the sum of the outstanding amount of the Revolving Credit Loans (after giving effect to all amounts requested) and the Competitive Bid Loans plus the Maximum Drawing Amount shall not at any time exceed the Total Commitment in effect at such time.

The Revolving Credit Loans shall be made pro rata in accordance with each Lender's Commitment Percentage. Each request for a Revolving Credit Loan made pursuant to ss.2.5 hereof shall constitute a representation and warranty by the Borrower that the conditions set forth in ss.10 have been satisfied as of the Closing Date and that the conditions set forth in ss.11 have been satisfied on the date of such request and will be satisfied on the proposed Drawdown Date of the requested Revolving Credit Loan, provided that the making of such representation and warranty by the Borrower shall not limit the right of any Lender not to lend if such conditions have not been met. No Revolving Credit Loan shall be required to be made by any Lender unless all of the conditions

contained in ss.10 have been satisfied as of the Closing Date and all of the conditions set forth in ss.11 have been met at the time of any request for a Revolving Credit Loan. Notwithstanding the foregoing, the Borrower shall be able to borrow under this Agreement during the occurrence of a Default or an Event of Default arising solely from the Borrower's failure to comply with the provisions of ss.7.22 if such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default.

ss.2.2. Increase of Total Commitment. Unless a Default or an Event of Default has occurred and is continuing, the Borrower, by written notice to the Administrative Agent, may request on one occasion during the term of this Agreement that the Total Commitment be increased by an amount not to exceed $130,000,000 (to an amount not to exceed $1,000,000,000); provided that (a) any Lender which is a party to this Agreement prior to such request for increase, at its sole discretion, may elect to increase its Commitment but shall not have any obligation to so increase its Commitment, and (b) in the event that each Lender does not elect to increase its Commitment, the Arrangers shall use commercially reasonable efforts to locate additional lenders willing to hold commitments for the requested increase, and the Borrower may also identify additional lenders willing to hold commitments for the requested increase, provided that the Administrative Agent shall have the right to approve any such additional lender, which approval will not be unreasonably withheld or delayed. In the event that lenders commit to such increase the Total Commitment and the Commitments of the Lenders shall be increased, the Commitment Percentages of the Lenders shall be adjusted, new Notes shall be issued, and other changes shall be made to the Loan Documents as may be necessary to reflect the aggregate amount, if any, by which Lenders have agreed to increase their respective Commitments or make new Commitments in response to the Borrower's request for an increase in the Total Commitment pursuant to this ss.2.2. The fees payable by the Borrower upon any such increase in the Total Commitment shall be agreed upon by the Arrangers and the Borrower at the time of such increase.

Notwithstanding the foregoing, nothing in this ss.2.2 shall constitute or be deemed to constitute an agreement by any Lender to increase its Commitment hereunder.

ss.2.3. The Revolving Credit Notes. The Revolving Credit Loans shall be evidenced by the Revolving Credit Notes. A Revolving Credit Note shall be payable to the order of each Lender in an aggregate principal amount equal to such Lender's Commitment. The Borrower irrevocably authorizes each Lender to make or cause to be made, at or about the time of the Drawdown Date of any Revolving Credit Loan or at the time of receipt of any payment of principal on such Lender's Revolving Credit Notes, an appropriate notation on such Lender's

Revolving Credit Note Record reflecting the making of such Revolving Credit Loan or (as the case may be) the receipt of such payment. The outstanding amount of the Revolving Credit Loans set forth on such Lender's Revolving Credit Note Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender's Revolving Credit Note Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Revolving Credit Note to make payments of principal of or interest on any Revolving Credit Note when due. The Administrative Agent hereby agrees to

provide the Borrower with a statement concerning the outstanding amount of the Revolving Credit Loans, in reasonable detail, on a monthly basis. Although each Revolving Credit Note shall be dated the Closing Date, interest in respect thereof shall be payable only for the periods during which the Revolving Credit Loans evidenced thereby to the Borrower are outstanding, and although the stated amount of such Revolving Credit Notes shall be equal to the Total Commitment as of the date hereof, such Revolving Credit Notes shall be enforceable, with respect to obligations of the Borrower to pay the principal amount thereof, only to the extent of the unpaid principal amount of the Revolving Credit Loans to them as of any date of determination.

ss.2.4. Interest on Revolving Credit Loans; Fees.

(a) Interest on Alternate Base Rate Loans. Except as otherwise provided in ss.4.9, each Alternate Base Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of the Interest Period with respect thereto (unless earlier paid in accordance with ss.2.9) at a rate equal to the Alternate Base Rate plus the Applicable Margin for Alternate Base Rate Loans, if any.

(b) Interest on Revolving Credit LIBOR Rate Loans. Except as otherwise provided in ss.4.9, each Revolving Credit LIBOR Rate Loan shall bear interest for the period commencing with the Drawdown Date thereof and ending on the last day of the Interest Period with respect thereto (unless earlier paid in accordance with ss.2.9) at a rate equal to the LIBOR Rate determined for such Interest Period plus the Applicable Margin for Revolving Credit LIBOR Rate Loans.

(c) Interest Payments. The Borrower unconditionally promises to pay interest on each Revolving Credit Loan in arrears on each Interest Payment Date with respect thereto.

(d) Certain Fees. The Borrower agrees to pay to the Administrative Agent, the Syndication Agent and the Arrangers those certain fees as set forth in that certain letter agreement dated as of March 10, 1998 between the Borrower, the Administrative Agent and the Arrangers (the "Fee Letter").

(e) Commitment Fee. From and after the date hereof until the earliest of (i) the Maturity Date, (ii) the date on which the Commitments terminate, or (iii) the Borrower successfully makes and continues to qualify for the Competitive Bid Loans Election, the Borrower agrees to pay to the Administrative Agent, for the accounts of the Lenders in accordance with their respective Commitment Percentages, a commitment fee in an amount equal to 0.175% per annum of the Daily Unused Commitment, calculated during each calendar quarter or portion thereof for the first calendar quarter of the term of this Agreement and the last calendar quarter of the term of this Agreement, if either of same is not a full calendar quarter from the date hereof to the Maturity Date (the "Commitment Fee"). The Commitment Fee shall be payable quarterly in arrears on the fifteenth (15th) day of each January, April, July and October quarter for the immediately preceding calendar quarter commencing on the first such date following the Closing Date, with a final payment on the

earliest of (i) Maturity Date, (ii) any earlier date on which the Commitments shall terminate or (iii) any earlier date on which the Borrower successfully makes, and during the continued qualification for, the Competitive Bid Loans Election.

(f) Facility Fee. From and after the date on which the Borrower successfully makes and continues to qualify for the Competitive Bid Loans Election, the Borrower agrees to pay to the Administrative Agent, for the account of the Lenders based on their respective Commitment Percentages, a fee (the "Facility Fee"), accruing at a per annum rate equal to 0.175% per annum of the Total Commitment, such fee being payable quarterly, in arrears, on the fifteenth (15th) day of each January, April, July, and October, commencing on the first such day of the calendar quarter next succeeding the date on which the Borrower successfully makes the Competitive Bid Loans Election. Upon the Borrower's having successfully made, and during the continuance of its qualification for, the Competitive Bid Loans Election, the Facility Fee shall be in lieu of the Commitment Fee for the remaining term of this Agreement.

(g) Administrative Agent's Fee. The Borrower shall pay to the Administrative Agent an Administrative Agent's fee as set forth in the Fee Letter.

ss.2.5. Requests for Revolving Credit Loans.

The following provisions shall apply to each request by the Borrower for a Revolving Credit Loan:

(i) The Borrower shall submit a Completed Revolving Credit Loan Request to the Administrative Agent as provided in this ss.2.5. Except as otherwise provided herein, each Completed Revolving Credit Loan Request shall be in a minimum amount of $2,000,000 or an integral multiple of $500,000 in excess thereof. Each Completed Revolving Credit Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Revolving Credit Loans requested from the Lenders on the proposed Drawdown Date, unless such Completed Revolving Credit Loan Request is withdrawn (x) in the case of a request for a Revolving Credit LIBOR Rate Loan, at least three (3) Business Days prior to the proposed Drawdown Date for such Revolving Credit Loan, and (y) in the case of a request for a Alternate Base Rate Loan, at least one (1) Business Day prior to the proposed Drawdown Date for such Revolving Credit Loan.

(ii) Each Completed Revolving Credit Loan Request may be delivered by the Borrower to the Administrative Agent by 12:00 p.m. noon (New York City time) on any Business Day, and at least one (1) Business Day prior to the proposed Drawdown Date of any Alternate Base Rate Loan, and at least three (3) Business Days prior to the proposed Drawdown Date of any Revolving Credit LIBOR Rate Loan.

(iii) Each Completed Revolving Credit Loan Request shall include a completed writing in the form of Exhibit C hereto specifying: (1) the principal amount of the Revolving

Credit Loan requested, (2) the proposed Drawdown Date of such Revolving Credit Loan, (3) the Interest Period applicable to such Revolving Credit Loan, and (4) the Type of such Revolving Credit Loan being requested.

(iv) No Lender shall be obligated to fund any Revolving Credit Loan unless:

(a) a Completed Revolving Credit Loan Request has been timely received by the Administrative Agent as provided in subsection (i) above; and

(b) both before and after giving effect to the Revolving Credit Loan to be made pursuant to the Completed Revolving Credit Loan Request, all of the conditions contained in ss.10 shall have been satisfied as of the Closing Date and all of the conditions set forth in ss.11 shall have been met, including, without limitation, the condition under ss.11.1 that there be no Default or Event of Default under this Agreement (provided that notwithstanding the foregoing, the Borrower shall be able to borrow under this Agreement during the occurrence of a Default or an Event of Default arising solely from the Borrower's failure to comply with the provisions of ss.7.22 if such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default); and

(c) the Administrative Agent shall have received a certificate in the form of Exhibit D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower setting forth computations evidencing compliance with the covenants contained in ss.ss.9.1 and 9.6 on a pro forma basis after giving effect to such requested Revolving Credit Loan (including, to the extent necessary to evidence compliance thereunder, the estimated results for all Real Estate to be acquired with the proceeds of such requested Revolving Credit Loan), and, certifying that, both before and after giving effect to such requested Revolving Credit Loan, no Default or Event of Default exists or will exist under this Agreement or any other Loan Document (other than a Default or Event of Default arising solely from the Borrower's failure to comply with ss.7.22 as permitted in the proviso at the end of clause (b) above), and that after taking into account such requested Revolving Credit Loan, no Default or Event of Default will exist as of the Drawdown Date or thereafter.

(v) The Administrative Agent will cause the Completed Revolving Credit Loan Request (and the Certificate in the form of Exhibit D) to be delivered to each Lender in accordance with ss.14.12 and in any event on

the same day or the Business Day following the day a Completed Revolving Credit Loan Request is received by the Administrative Agent.

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ss.2.6. Conversion Options.

(a) The Borrower may elect from time to time by delivering a Conversion Request in the form of Exhibit L to convert any outstanding Revolving Credit Loan to a Revolving Credit Loan of another Type, provided that (i) with respect to any such conversion of a Revolving Credit LIBOR Rate Loan to a Alternate Base Rate Loan, the Borrower shall give the Administrative Agent at least three (3) Business Days prior written notice of such election; (ii) with respect to any such conversion of a Alternate Base Rate Loan to a Revolving Credit LIBOR Rate Loan, the Borrower shall give the Administrative Agent at least three (3) LIBOR Business Days prior written notice of such election; (iii) with respect to any such conversion of a Revolving Credit LIBOR Rate Loan into a Alternate Base Rate Loan, such conversion shall only be made on the last day of the Interest Period with respect thereto unless the Borrower pays the related LIBOR Breakage Costs at the time of such conversion and (iv) no Revolving Credit Loan may be converted into a Revolving Credit LIBOR Rate Loan when any Default or Event of Default has occurred and is continuing. All or any part of outstanding Revolving Credit Loans of any Type may be converted into a Revolving Credit Loan of another Type as provided herein, provided that any partial conversion shall be in an aggregate principal amount of $2,000,000 or a integral multiple of $500,000 in excess thereof. Each Conversion Request relating to the conversion of a Alternate Base Rate Loan to a Revolving Credit LIBOR Rate Loan shall be irrevocable by the Borrower.

(b) Any Revolving Credit Loan of any Type may be continued as such upon the expiration of the Interest Period with respect thereto (i) in the case of Alternate Base Rate Loans, automatically and (ii) in the case of Revolving Credit LIBOR Rate Loans by compliance by the Borrower with the notice provisions contained in ss.2.6(a) or (c); provided that no Revolving Credit LIBOR Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing but shall be automatically converted to a Alternate Base Rate Loan on the last day of the first Interest Period relating thereto ending during the continuance of any Default or Event of Default. The Administrative Agent shall notify the Lenders promptly when any such automatic conversion contemplated by this ss.2.6(b) is scheduled to occur.

(c) In the event that the Borrower does not notify the Administrative Agent of its election hereunder with respect to the continuation of any Revolving Credit LIBOR Rate Loan as such, the affected Revolving Credit LIBOR Rate Loan shall automatically be continued as a Revolving Credit LIBOR Rate Loan with an Interest Period of one (1) month at the end of the applicable Interest Period other than during the continuance of a Default or Event of Default, in which case it will be continued as a Alternate Base Rate Loan at the end of the applicable Interest Period. In such event, the Borrower shall be deemed to have requested a Revolving Credit LIBOR Rate Loan hereunder and shall be subject to all provisions of this Agreement relating to LIBOR Rate Loans, including, without limitation, those set forth in ss.ss.4.5, 4.6, and 4.8 hereof.

(d) The Borrower may not request or elect a Revolving Credit LIBOR Rate Loan pursuant to ss.2.5, elect to convert a Alternate Base Rate Loan to a Revolving Credit LIBOR Rate Loan pursuant to ss.2.6(a), elect to continue a Revolving Credit LIBOR Rate Loan pursuant to ss.2.6(b)

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or have continued a Revolving Credit LIBOR Rate Loan pursuant to ss.2.6(c) if, after giving effect thereto, there would be greater than twelve (12) Revolving Credit LIBOR Rate Loans then outstanding. Any Loan Request for a Revolving Credit LIBOR Rate Loan that would create greater than twelve (12) Revolving Credit LIBOR Rate Loans outstanding shall be deemed to be a Loan Request for a Alternate Base Rate Loan.

ss.2.7. Funds for Revolving Credit Loans.

(a) Subject to the other provisions of this ss.2, not later than 12:00 p.m. (New York City time) on the proposed Drawdown Date of any Revolving Credit Loan, each of the Lenders will make available to the Administrative Agent, at the Administrative Agent's Head Office, in immediately available funds, the amount of such Lender's Commitment Percentage of the amount of the requested Revolving Credit Loan; provided that each Lender shall provide notice to the Administrative Agent of its intent not to make available its Commitment Percentage of any requested Revolving Credit Loan as soon as possible after receipt of any Completed Revolving Credit Loan Request, and in any event not later than 4:00 p.m. (New York City time) on (x) the Business Day prior to the Drawdown Date of any requested Alternate Base Rate Loan and (y) the third Business Day prior to the Drawdown Date of any requested Revolving Credit LIBOR Rate Loan. Upon receipt from each Lender of such amount, the Administrative

Agent will make available to the Borrower, in the Borrower's account with the Administrative Agent or as otherwise directed to the Administrative Agent by the Borrower, the aggregate amount of such Revolving Credit Loan made available to the Administrative Agent by the Lenders; all such funds received by the Administrative Agent by 12:00 p.m. (New York City time) on any Business Day will be made available to the Borrower not later than 2:00 p.m. on the same Business Day. Funds received after such time will be made available by not later than 12:00 p.m. on the next Business Day. The Administrative Agent hereby agrees to promptly provide the Borrower with a statement confirming the particulars of each Revolving Credit LIBOR Rate Loan, in reasonable detail, when each such Loan is made. The failure or refusal of any Lender to make available to the Administrative Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Revolving Credit Loan shall not relieve any other Lender from its several obligation hereunder to make available to the Administrative Agent the amount of its Commitment Percentage of any requested Revolving Credit Loan but in no event shall the Administrative Agent (in its capacity as Administrative Agent) have any obligation to make any funding or shall any Lender be obligated to fund more than its Commitment Percentage of the requested Revolving Credit Loan or to increae its Commitment Percentage on account of such failure or otherwise.

(b) The Administrative Agent may, unless notified to the contrary by any Lender prior to a Drawdown Date, assume that such Lender has made available to the Administrative Agent on such Drawdown Date the amount of such Lender's Commitment Percentage of the Revolving Credit Loan to be made on such Drawdown Date, and the Administrative Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender makes available to the Administrative Agent such amount on a date after such Drawdown Date, such Lender shall pay to the Administrative Agent on demand an amount

equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by the Administrative Agent for federal funds acquired by the Administrative Agent during each day included in such period, multiplied by (ii) the amount of such Lender's Commitment Percentage of such Revolving Credit Loan, multiplied by (iii) a fraction, the numerator of which is the number of days that elapsed from and including such Drawdown Date to the date on which the amount of such Lender's Commitment Percentage of such Revolving Credit Loan shall become immediately available to the Administrative Agent, and the denominator of which is 360. A statement of the Administrative Agent submitted to such Lender with respect to any amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to the Administrative Agent by such Lender. If the amount of such Lender's Commitment Percentage of such Revolving Credit Loans is not made available to the Administrative Agent by such Lender within three (3) Business Days following such Drawdown Date, the Administrative Agent shall be entitled to recover such amount from the Borrower on demand, with interest thereon at the rate per annum applicable to the Revolving Credit Loans made on such Drawdown Date.

ss.2.8. Repayment of the Revolving Credit Loans at Maturity. The Borrower promises to pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all unpaid principal of the Revolving Credit Loans outstanding on such date, together with any and all accrued and unpaid interest thereon, the unpaid balance of the Commitment Fee or Facility Fee accrued through such date, and any and all other unpaid amounts due under this Agreement, the Revolving Credit Notes or any other of the Loan Documents.

ss.2.9. Optional Repayments of Revolving Credit Loans. The Borrower shall have the right, at its election, to prepay the outstanding amount of the Revolving Credit Loans, in whole or in part, at any time without penalty or premium; provided that the outstanding amount of any Revolving Credit LIBOR Rate Loans may not be prepaid unless the Borrower pays any LIBOR Breakage Costs for each Revolving Credit LIBOR Rate Loan so prepaid at the time of such prepayment. The Borrower shall give the Administrative Agent, no later than 11:00 a.m., New York City time, at least one (1) Business Day's prior written notice of any prepayment pursuant to this ss.2.9 of any Alternate Base Rate Loans, and at least three (3) LIBOR Business Days' notice of any proposed prepayment pursuant to this ss.2.9 of Revolving Credit LIBOR Rate Loans, specifying the proposed date of prepayment of Revolving Credit Loans and the principal amount to be prepaid. Each such partial prepayment shall be in an amount of $2,000,000 or integral multiple of $500,000 in excess thereof or, if less, the outstanding balance of the Revolving Credit Loans then being repaid, shall be accompanied by the payment of all charges outstanding on all Revolving Credit Loans so prepaid and of all accrued interest on the principal prepaid to the date of payment, and shall be applied, in the absence of instruction by the Borrower, first to the principal of Alternate Base Rate Loans and then to the principal of Revolving Credit LIBOR Rate Loans, at the Administrative Agent's option.

ss.2A. COMPETITIVE BID LOANS.

ss.2A.1. The Competitive Bid Options. In addition to the Revolving Credit

Loans made pursuant to ss.2 hereof, and provided that the Borrower has made the Competitive Bid Loans Election

and that at the time of such request no Default or Event of Default has occurred and is continuing and MCRLP maintains an Investment Grade Credit Rating from two nationally-recognized rating agencies reasonably acceptable to the Administrative Agent (one of which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings for the REIT industry), the Borrower may request Competitive Bid Loans pursuant to the terms of this ss.2A. The Lenders may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept such offers in the manner set forth in this ss.2A. Notwithstanding any other provision herein to the contrary, at no time shall the aggregate principal amount of Competitive Bid Loans outstanding at any time exceed the lesser of (a) the Total Commitment minus the sum of (i) the aggregate outstanding principal amount of Revolving Credit Loans, plus (ii) the Maximum Drawing Amount of Letters of Credit outstanding at such time, or (b) $350,000,000.

ss.2A.2. Competitive Bid Loan Accounts: Competitive Bid Notes.

(a) The obligation of the Borrower to repay the outstanding principal amount of any and all Competitive Bid Loans, plus interest at the applicable Competitive Bid Rate or the sum of the Competitive Bid Margin plus the applicable LIBOR Rate (as the case may be) accrued thereon, shall be evidenced by this Credit Agreement and by individual loan accounts (the "Competitive Bid Loan Accounts" and individually, a "Competitive Bid Loan Account") maintained by the Administrative Agent on its books for each of the Lenders, it being the intention of the parties hereto that, except as provided for in paragraph (b) of this ss.2A.2, the Borrower's obligations with respect to Competitive Bid Loans are to be evidenced only as stated herein and not by separate promissory notes and shall hereby constitute an absolute promise to pay when due, without notice, demand, presentment or setoff.

(b) Any Lender may at any time, and from time to time, request that any Competitive Bid Loans outstanding to such Lender be evidenced by a promissory note of the Borrower in substantially the form of Exhibit G hereto (each, a "Competitive Bid Note"), dated as of the Closing Date and completed with appropriate insertions. One Competitive Bid Note shall be payable to the order of each Lender in an amount equal to the principal amount of the Competitive Bid Loan made by such Lender to the Borrower, and representing the obligation of the Borrower to pay such Lender such principal amount or, if less, the outstanding principal amount of any and all Competitive Bid Loans made by such Lender, plus interest at the applicable Competitive Bid Rate or the sum of the Competitive Bid Margin plus the applicable LIBOR Rate accrued thereon, as set forth herein. Upon execution and delivery by the Borrower of a Competitive Bid Note, the Borrower's obligation to repay any and all Competitive Bid Loans made to them by such Lender and all interest thereon shall thereafter be evidenced by such Competitive Bid Note.

(c) The Borrower irrevocably authorizes (i) each Lender to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal on such Lender's Competitive Bid Note in the case of a Competitive Bid Note, and (ii) the Administrative Agent to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal

on such Lender's Competitive Bid Loan Account in the case of a Competitive Bid Loan Account, an appropriate notation on such Lender's records or on the schedule attached to such Lender's Competitive Bid Note or a continuation of such schedule attached thereto, or the Administrative Agent's records, as applicable, reflecting the making of the Competitive Bid Loan or the receipt of such payment (as the case may be) and may, prior to any transfer of a Competitive Bid Note, endorse on the reverse side thereof the outstanding principal amount of Competitive Bid Loans evidenced thereby. The outstanding amount of the Competitive Bid Loans set forth on such Lender's record or the Administrative Agent's records, as applicable, shall be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of the Borrower hereunder to make payments of principal of or interest on any Competitive Bid Loan when due.

ss.2A.3. Competitive Bid Quote Request; Invitation for Competitive Bid Quotes.

(a) When the Borrower wishes to request offers to make Competitive Bid Loans under this ss.2A, it shall transmit to the Administrative Agent by telex or facsimile a Competitive Bid Quote Request substantially in the form of Exhibit H hereto (a "Competitive Bid Quote Request") so as to be received no

later than 11:00 a.m. (New York City time) (i) five (5) Business Days prior to the requested Drawdown Date in the case of a Competitive Bid Loan bearing interest calculated by reference to the LIBOR Rate (a "LIBOR Competitive Bid Loan") or (ii) one (1) Business Day prior to the requested Drawdown Date in the case of an Competitive Bid Loan bearing interest calculated by reference to a fixed rate of interest (an "Absolute Competitive Bid Loan"), specifying:

(A) the requested Drawdown Date (which must be a Business Day);

(B) the aggregate amount of such Competitive Bid Loans, which shall be $5,000,000 or larger multiple of $1,000,000;

(C) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period; and

(D) whether the Competitive Bid Quotes requested are for LIBOR Competitive Bid Loans or Absolute Competitive Bid Loans.

The Borrower may request offers to make Competitive Bid Loans for more than one Interest Period in a single Competitive Bid Quote Request. No new Competitive Bid Quote Request shall be given until the Borrower has notified the Administrative Agent of its acceptance or non-acceptance of the Competitive Bid Quotes relating to any outstanding Competitive Bid Quote Request.

(b) Promptly upon receipt of a Competitive Bid Quote Request, the Administrative Agent shall send to the Lenders by telecopy or facsimile transmission an Invitation for Competitive Bid Quotes substantially in the form of Exhibit I hereto, which shall constitute an

invitation by the Borrower to each Lender to submit Competitive Bid Quotes in accordance with this ss.2A.

ss.2A.4. Alternative Manner of Procedure. If, after receipt by the Administrative Agent and each of the Lenders of a Competitive Bid Quote Request from the Borrower in accordance with ss.2A.3, the Administrative Agent or any Lender shall be unable to complete any procedure of the auction process described in ss.ss.2A.5 through 2A.6 (inclusive) due to the inability of such Person to transmit or receive communications through the means specified therein, such Person may rely on telephonic notice for the transmission or receipt of such communications. In any case where such Person shall rely on telephone transmission or receipt, any communication made by telephone shall, as soon as possible thereafter, be followed by written confirmation thereof.

ss.2A.5. Submission and Contents of Competitive Bid Quotes.

(a) Each Lender may, but shall be under no obligation to, submit a Competitive Bid Quote containing an offer or offers to make Competitive Bid Loans in response to any Competitive Bid Quote Request. Each Competitive Bid Quote must comply with the requirements of this ss.2A.5 and must be submitted to the Administrative Agent by telex or facsimile transmission at its offices as specified in or pursuant to ss.19 not later than (i) 2:00 p.m. (New York City time) on the fourth LIBOR Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (ii) 10:00 a.m. (New York City time) on the proposed Drawdown Date, in the case of an Absolute Competitive Bid Loan, provided that Competitive Bid Quotes may be submitted by the Administrative Agent in its capacity as a Lender only if it submits its Competitive Bid Quote to the Borrower not later than (x) one hour prior to the deadline for the other Lenders, in the case of a LIBOR Competitive Bid Loan or (y) 15 minutes prior to the deadline for the other Lenders, in the case of an Absolute Competitive Bid Loan. Subject to the provisions of ss.ss.10 and 11 hereof, any Competitive Bid Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(b) Each Competitive Bid Quote shall be in substantially the form of Exhibit J hereto and shall in any case specify:

(i) the proposed Drawdown Date;

(ii) the principal amount of the Competitive Bid Loan for which each proposal is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Lender, (x) must be $1,000,000 or a larger multiple of $500,000, (y) may not exceed the aggregate principal amount of Competitive Bid Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Competitive Bid Loans for which offers being made by such quoting Lender may be accepted;

(iii) the Interest Periods for which Competitive Bid Quotes are being submitted;

(iv) in the case of a LIBOR Competitive Bid Loan, the margin above or below the applicable LIBOR Rate (the "Competitive Bid Margin") offered for each such Competitive Bid Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such LIBOR Rate;

(v) in the case of an Absolute Competitive Bid Loan, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Competitive Bid Rate") offered for each such Absolute Competitive Bid Loan; and

(vi) the identity of the quoting Lender.

A Competitive Bid Quote may include up to five (5) separate offers by the quoting Lender with respect to each Interest Period specified in the related Invitation for Competitive Bid Quotes.

(c) Any Competitive Bid Quote shall be disregarded if it:

(i) is not substantially in the form of Exhibit J hereto;

(ii) contains qualifying, conditional or similar language;

(iii) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bid Quotes; or

(iv) arrives after the time set forth in ss.2A.5(a) hereof.

ss.2A.6. Notice to Borrower. The Administrative Agent shall promptly notify the Borrower of the terms (a) of any Competitive Bid Quote submitted by a Lender that is in accordance with ss.2A.5 and (b) of any Competitive Bid Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Quote submitted by such Lender with respect to the same Competitive Bid Quote Request. Any such subsequent Competitive Bid Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Quote is submitted solely to correct a manifest error in such former Competitive Bid Quote and was received by the Administrative Agent within the time period required in ss.2A.5(a) for receipt of Competitive Bid Quotes. The Administrative Agent's notice to the Borrower shall specify (i) the aggregate principal amount of Competitive Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Quote Request, (ii) the respective principal amounts and Competitive Bid Margins or Competitive Bid Rates, as the case may be, so offered, and the identity of the respective Lenders submitting such offers, and (iii) if applicable, limitations on the aggregate principal amount of Competitive Bid Loans for which offers in any single Competitive Bid Quote may be accepted.

ss.2A.7. Acceptance and Notice by Borrower and Administrative Agent. Not later than 11:00 a.m. (New York City time) on (a) the third Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (b) the proposed Drawdown

Date, in the case of an Absolute Competitive Bid Loan, the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of each Competitive Bid Quote in substantially the form of Exhibit K hereto. The Borrower may accept any Competitive Bid Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Competitive Bid Loan may not exceed the applicable amount set forth in the related Competitive Bid Quote Request;

(ii) acceptance of offers may only be made on the basis of ascending Competitive Bid Margins or Competitive Bid Rates, as the case may be, and

(iii) the Borrower may not accept any offer that is described in subsection 2A.5(c) or that otherwise fails to comply with the requirements of this Agreement.

The Administrative Agent shall promptly notify each Lender which submitted a Competitive Bid Quote of the Borrower's acceptance or non-acceptance thereof. At the request of any Lender which submitted a Competitive Bid Quote and with the consent of the Borrower, the Administrative Agent will promptly notify all Lenders which submitted Competitive Bid Quotes of (a) the aggregate principal amount of, and (b) the range of Competitive Bid Rates or Competitive Bid Margins of, the accepted Competitive Bid Loans for each requested Interest Period.

ss.2A.8. Allocation by Administrative Agent. If offers are made by two (2) or more Lenders with the same Competitive Bid Margin or Competitive Bid Rate, as the case may be, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Competitive Bid Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Lenders as

nearly as possible (in such multiples, not less than $1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determination by the Administrative Agent of the amounts of Competitive Bid Loans shall be conclusive in the absence of manifest error.

ss.2A.9. Funding of Competitive Bid Loans. If, on or prior to the Drawdown Date of any Competitive Bid Loan, the Total Commitment has not terminated in full and if, on such Drawdown Date, the applicable conditions of ss.ss.10 and 11 hereof are satisfied, and the Administrative Agent shall have received a certificate in the form of Exhibit D hereto, the Lender or Lenders whose offers the Borrower has accepted will fund each Competitive Bid Loan so accepted. Notwithstanding the foregoing, the Borrower shall be able to borrow under this Agreement during the occurrence of a Default or an Event of Default arising solely from the Borrower's failure to comply with the provisions of ss.7.22 if such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default. Such Lender or Lenders will make such Competitive Bid Loans by crediting the Administrative Agent for further credit to the Borrower's specified account with the

Administrative Agent, in immediately available funds not later than 1:00 p.m. (New York City time) on such Drawdown Date.

ss.2A.10. Funding Losses. If, after acceptance of any Competitive Bid Quote pursuant to ss.2A, the Borrower (a) fails to borrow any Competitive Bid Loan so accepted on the date specified therefor, or (b) repays the outstanding amount of the Competitive Bid Loan on or prior to the last day of the Interest Period relating thereto, the Borrower shall indemnify the Lender making such Competitive Bid Quote or funding such Competitive Bid Loan against any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such unborrowed Loans, including, without limitation compensation as provided in ss.4.8.

ss.2A.11. Repayment of Competitive Bid Loans; Interest. The principal of each Competitive Bid Loan shall become absolutely due and payable by the Borrower on the last day of the Interest Period relating thereto, and the Borrower hereby absolutely and unconditionally promises to pay to the Administrative Agent for the account of the relevant Lenders at or before 1:00 p.m. (New York City time) on the last day of the Interest Periods relating thereto the principal amount of all such Competitive Bid Loans, plus interest thereon at the applicable Competitive Bid Rates or the sum of the Competitive Bid Margin plus the applicable LIBOR Rate (as the case may be). The Competitive Bid Loans shall bear interest at the rate per annum specified in the applicable Competitive Bid Quotes. Interest on the Competitive Bid Loans shall be payable (a) on the last day of the applicable Interest Periods, and if any such Interest Period is longer than three months, also on the last day of the third month following the commencement of such Interest Period, and (b) on the Maturity Date for all Loans. Subject to the terms of this Credit Agreement, the Borrower may make Competitive Bid Quote Requests with respect to new borrowings of any amounts so repaid prior to the Maturity Date. The provisions of ss.2.6 shall not apply to Competitive Bid Loans.

ss.2A.12. Optional Repayment of Competitive Bid Loans. The Borrower shall have the right, at its election, to repay the outstanding amount of any of the Competitive Bid Loans, as a whole or in part, at any time without penalty or premium, provided that any full or partial prepayment of the outstanding amount of any Competitive Bid Loan pursuant to this ss.2A.12 may be made only on the last day of the Interest Period relating thereto, or, if made prior to such date, shall be made subject to the provisions of ss.2A.10 hereof. The Borrower shall give the Administrative Agent no less than three (3) Business Days notice of any proposed prepayment pursuant to this ss.2A.12, specifying the proposed date of prepayment of the Competitive Bid Loan and the principal amount to be prepaid. Each such partial prepayment of any Competitive Bid Loan shall be in an integral multiple of $500,000, and shall be accompanied by the payment of accrued interest on the principal prepaid to the date of prepayment.

ss.3. LETTERS OF CREDIT.

ss.3.1. Letter of Credit Commitments.

ss.3.1.1. Commitment to Issue Letters of Credit. Subject to the terms and conditions hereof and the execution and delivery by the Borrower of a letter of credit application on the Fronting Bank's customary form as part of a Completed Revolving Credit Loan Request (a "Letter of Credit Application"), the Fronting Bank on behalf of the Lenders and in reliance upon the agreement of the Lenders set forth in ss.3.1.4 and upon the representations and warranties of the Borrower contained herein, agrees, in its individual capacity, to issue, extend and renew for the account of the Borrower one or more standby or documentary letters of credit (individually, a "Letter of Credit"), in such form as may be

requested from time to time by the Borrower and reasonably agreed to by the Fronting Bank; provided, however, that, after giving effect to such Completed Revolving Credit Loan Request, (a) the Maximum Drawing Amount shall not exceed $100,000,000 at any one time, (b) the sum of (i) the Maximum Drawing Amount on all Letters of Credit and (ii) the amount of all Revolving Credit Loans and Competitive Bid Loans outstanding shall not exceed the Total Commitment in effect at such time, and (c) the total number of Letters of Credit outstanding shall not exceed twenty (20).

ss.3.1.2. Letter of Credit Applications. Each Letter of Credit Application shall be completed to the reasonable satisfaction of the Administrative Agent and the Fronting Bank. In the event that any provision of any Letter of Credit Application shall be inconsistent with any provision of this Agreement (including provisions applicable to a Completed Revolving Credit Loan Request), then the provisions of this Agreement shall, to the extent of any such inconsistency, govern.

ss.3.1.3. Terms of Letters of Credit. Each Letter of Credit issued, extended or renewed hereunder shall, among other things, (i) provide for the payment of sight drafts for honor thereunder when presented in accordance with the terms thereof and when accompanied by the documents described therein, and (ii) have an expiry date no later than the earlier of (x) one year from the date of issuance or (y) the date which is thirty (30) days prior to the Maturity Date. Each Letter of Credit so issued, extended or renewed shall be subject to the Uniform Customs.

ss.3.1.4. Reimbursement Obligations of Lenders. Each Lender severally agrees that it shall be absolutely liable, without regard to the occurrence of any Default or Event of Default or any other condition precedent whatsoever, to the extent of such Lender's Commitment Percentage, to reimburse the Fronting Bank on demand pursuant to ss.3.3 for the amount of each draft paid by the Fronting Bank under each Letter of Credit to the extent that such amount is not reimbursed by the Borrower pursuant to ss.3.2 (such agreement for a Lender being called herein the "Letter of Credit Participation" of such Lender).

ss.3.2. Reimbursement Obligation of the Borrower. In order to induce the Fronting Bank to issue, extend and renew each Letter of Credit and the Lenders to participate therein,

the Borrower hereby agrees, except as contemplated in ss.3.3 below, to reimburse or pay to the Fronting Bank, for the account of the Fronting Bank or (as the case may be) the Lenders, with respect to each Letter of Credit issued, extended or renewed by the Fronting Bank hereunder,

(a) except as otherwise expressly provided in ss.3.2(b) or ss.3.3, on each date that any draft presented under such Letter of Credit is honored in accordance with its terms by the Fronting Bank, or the Fronting Bank otherwise makes a payment with respect thereto in accordance with applicable law, (i) the amount paid by the Fronting Bank under or with respect to such Letter of Credit, and (ii) any amounts payable pursuant to ss.4.5 hereof under, or with respect to, such Letter of Credit, and

(b) upon the termination of the Total Commitment, or the acceleration of the Reimbursement Obligations with respect to all Letters of Credit in accordance with ss.12, an amount equal to the then Maximum Drawing Amount on all Letters of Credit, which amount shall be held by the Administrative Agent as cash collateral for the benefit of the Fronting Bank, the Lenders and the Administrative Agent for all Reimbursement Obligations.

Each such payment shall be made to the Administrative Agent at the Administrative Agent's Head Office in immediately available funds. Interest on any and all amounts not converted to a Revolving Credit Loan pursuant to ss.3.3 and remaining unpaid by the Borrower under this ss.3.2 at any time from the date such amounts become due and payable (whether as stated in this ss.3.2, by acceleration or otherwise) until payment in full (whether before or after judgment) shall be payable to the Administrative Agent for the benefit of the Lenders on demand at the rate specified in ss.4.9 for overdue principal on the Revolving Credit Loans.

ss.3.3. Letter of Credit Payments; Funding of a Loan. If any draft shall be presented or other demand for payment shall be made under any Letter of Credit, the Fronting Bank shall notify the Borrower and the Lenders of the date and amount of the draft presented or demand for payment and of the date and time when it expects to pay such draft or honor such demand for payment, and, except as provided in this ss.3.3, the Borrower shall reimburse Administrative Agent, as set forth in ss.3.2 above. Notwithstanding anything contained in ss.3.2 above or this ss.3.3 to the contrary, however, unless the Borrower shall have notified the Administrative Agent and the Fronting Bank prior to 11:00 a.m. (New York time) on the Business Day immediately prior to the date of such drawing that the Borrower intends to reimburse the Fronting Bank for the amount of such drawing with funds other than the proceeds of the Loans, the Borrower shall be deemed to have timely given a Completed Revolving Credit Loan Request pursuant to ss.2.5

to the Administrative Agent, requesting a Alternate Base Rate Loan on the date on which such drawing is honored and in an amount equal to the amount of such drawing. The Borrower may thereafter convert any such Alternate Base Rate Loan to a Revolving Credit Loan of another Type in accordance with ss.2.6. Each Lender shall, in accordance with ss.2.7, make available such Lender's Commitment Percentage of such Revolving Credit Loan to the Administrative Agent, the proceeds of which shall be applied directly by the Administrative Agent to reimburse the Fronting Bank for the

amount of such draw. In the event that any Lender fails to make available to the Administrative Agent the amount of such Lender's Commitment Percentage of such Revolving Credit Loan on the date of the drawing, the Administrative Agent shall be entitled to recover such amount on demand from such Lender plus any additional amounts payable under ss.2.7(b) in the event of a late funding by a Lender. The Fronting Bank is irrevocably authorized by the Borrower and each of the Lenders to honor draws on each Letter of Credit by the beneficiary thereof in accordance with the terms of the Letter of Credit. The responsibility of the Fronting Bank to the Borrower and the Lenders shall be only to determine that the documents (including each draft) delivered under each Letter of Credit in connection with such presentment shall be in conformity in all material respects with such Letter of Credit.

ss.3.4. Obligations Absolute. The Borrower's obligations under this ss.3 shall be absolute and unconditional under any and all circumstances and irrespective of the occurrence of any Default or Event of Default or any condition precedent whatsoever or any setoff, counterclaim or defense to payment which the Borrower may have or have had against the Administrative Agent, the Fronting Bank, any Lender or any beneficiary of a Letter of Credit. The Borrower further agrees with the Administrative Agent, the Fronting Bank and the Lenders that the Administrative Agent, the Fronting Bank and the Lenders shall not be responsible for, and the Borrower's Reimbursement Obligations under ss.3.2 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon (so long as the documents delivered under each Letter of Credit in connection with such presentment shall be in the form required by, and in conformity in all material respects with, such Letter of Credit), even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among any of the Borrower, the beneficiary of any Letter of Credit or any financing institution or other party to whom any Letter of Credit may be transferred, or any claims or defenses whatsoever of the Borrower against the beneficiary of any Letter of Credit or any such transferee. If done in good faith and absent gross negligence, the Administrative Agent, the Fronting Bank and the Lenders shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit. The Borrower agrees that any action taken or omitted by the Administrative Agent, the Fronting Bank or any Lender under or in connection with each Letter of Credit and the related drafts and documents, if done in good faith and absent gross negligence, shall be binding upon the Borrower and shall not result in any liability on the part of the Administrative Agent, the Fronting Bank or any Lender to the Borrower.

ss.3.5. Reliance by Issuer. To the extent not inconsistent with ss.3.4, the Administrative Agent and the Fronting Bank shall be entitled to rely, and shall be fully protected in relying upon, any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent or the Fronting Bank.

The Administrative Agent and the Fronting Bank shall in all cases be fully protected by the Lenders in acting, or in refraining from acting, under this ss.3 in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and all future holders of the Notes or of a Letter of Credit Participation.

ss.3.6. Letter of Credit Fee. The Borrower shall pay to the Administrative Agent a fee (in each case, a "Letter of Credit Fee") in an amount equal to the Applicable L/C Percentage of the face amount of each outstanding Letter of Credit, which fee (a) shall be payable quarterly in arrears on the first day of each calendar quarter for the immediately preceding calendar quarter, with a final payment on the Maturity Date or any earlier date on which the Commitments shall terminate (which Letter of Credit Fee shall be pro-rated for any calendar quarter in which such Letter of Credit is issued, drawn upon or otherwise reduced or terminated) and (b) shall be for the accounts of the Lenders as follows: (i) an amount equal to 0.125% per annum of the face amount of the Letter of Credit shall be for the account of the Fronting Bank and (ii) the

remainder of the Letter of Credit Fee shall be for the accounts of the Lenders (including the Fronting Bank) pro rata in accordance with their respective Commitment Percentages. In respect of each Letter of Credit, the Borrower shall also pay to the Fronting Bank for the Fronting Bank's own account, at such other time or times as such charges are customarily made by the Fronting Bank, the Fronting Bank's customary issuance, amendment, negotiation or document examination and other administrative fees as in effect from time to time.

ss.3.7. Existing Letters of Credit. Those Letters of Credit issued to the Borrower by Fleet under the Revolving Credit Agreement dated as of August 6, 1997 and identified on Schedule 3.7 hereto (the "Existing Letters of Credit") shall for all purposes be deemed to be Letters of Credit issued under this Agreement.

ss.4. CERTAIN GENERAL PROVISIONS.

ss.4.1. Funds for Payments.

(a) All payments of principal, interest, fees, and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent, for the respective accounts of the Lenders or (as the case may be) the Administrative Agent, at the Administrative Agent's Head Office, in each case in Dollars and in immediately available funds.

(b) All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory liens, restrictions or conditions of any nature now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein

unless the Borrower is compelled by law to make such deduction or withholding. If any such obligation is imposed upon the Borrower with respect to any amount payable by it hereunder or under any of the other Loan Documents, the Borrower shall pay to the Administrative Agent, for the account of the Lenders or (as the case may be) the Administrative Agent, on the date on which such amount is due and payable hereunder or under such other Loan Document, such additional amount in Dollars as shall be necessary to enable the Lenders to receive the same net amount which the Lenders would have received on such due date had no such obligation been imposed upon the Borrower. The Borrower will deliver promptly to the Administrative Agent certificates or other valid vouchers for all taxes or other charges deducted from or paid with respect to payments made by the Borrower hereunder or under such other Loan Document.

ss.4.2. Computations. All computations of interest on the Loans and of other fees to the extent applicable shall be based on a 360-day year and paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "Interest Period" with respect to LIBOR Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension. The outstanding amount of the Loans as reflected on the Note Records from time to time shall constitute prima facie evidence of the principal amount thereof.

ss.4.3. Inability to Determine LIBOR Rate. In the event, prior to the commencement of any Interest Period relating to any LIBOR Rate Loan, the Administrative Agent shall reasonably determine that adequate and reasonable methods do not exist for ascertaining the LIBOR Rate that would otherwise determine the rate of interest to be applicable to any LIBOR Rate Loan during any Interest Period, the Administrative Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower) to the Borrower and the Lenders. In such event (a) any Loan Request or Competitive Bid Request with respect to LIBOR Rate Loans shall be automatically withdrawn and shall be deemed a request for Alternate Base Rate Loans (in the case of Revolving Credit Loans) or Absolute Competitive Bid Loans (in the case of Competitive Bid Loans), (b) each Revolving Credit LIBOR Rate Loan will automatically, on the last day of the then current Interest Period thereof, become a Alternate Base Rate Loan, and (c) the obligations of the Lenders to make LIBOR Rate Loans shall be suspended until the Administrative Agent reasonably determines that the circumstances giving rise to such suspension no longer exist, whereupon the Administrative Agent shall so notify the Borrower and the Lenders.

ss.4.4. Illegality. Subject to ss.ss.4.11 and 4.12 hereof, but notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain LIBOR Rate Loans, such Lender shall forthwith give notice of such circumstances to the Borrower and the other Lenders and thereupon (a) the commitment of such Lender to make LIBOR Rate Loans or convert Alternate Base Rate Loans to LIBOR Rate Loans shall

forthwith be suspended and (b) such Lender's Commitment Percentage of Revolving Credit LIBOR Rate Loans then outstanding shall be converted automatically to Alternate Base Rate Loans on the last day of each Interest Period applicable to such LIBOR Rate Loans or within such earlier period as may be required by law, all until such time as it is no longer unlawful for such Lender to make or maintain LIBOR Rate Loans. Subject to ss.ss.4.11 and 4.12 hereof, the Borrower hereby agrees to promptly pay the Administrative Agent for the account of such Lender, upon demand, any additional amounts necessary to compensate such Lender for any costs incurred by such Lender in making any conversion required by this ss.4.4 prior to the last day of an Interest Period with respect to a LIBOR Rate Loan, including any interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain its LIBOR Rate Loans hereunder.

ss.4.5. Additional Costs, Etc. Subject to ss.ss.4.11 and 4.12 hereof, if any present or future applicable law, which expression, as used herein, includes statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Lender or the Administrative Agent by any central bank or other fiscal, monetary or other authority (whether or not having the force of law), shall:

(a) subject any Lender or the Administrative Agent to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, any Letters of Credit, such Lender's Commitment or the Loans (other than taxes based upon or measured by the income or profits of such Lender or the Administrative Agent), or

(b) materially change the basis of taxation (except for changes in taxes on income or profits) of payments to any Lender of the principal of or the interest on any Loans or any other amounts payable to the Administrative Agent or any Lender under this Agreement or the other Loan Documents, or

(c) impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or letters of credit issued by, or commitments of an office of any Lender, or

(d) impose on any Lender or the Administrative Agent any other conditions or requirements with respect to this Agreement, the other Loan Documents, any Letters of Credit, the Loans, such Lender's Commitment, or any class of loans, letters of credit or commitments of which any of the Loans or such Lender's Commitment forms a part;

and the result of any of the foregoing is

(i) to increase the cost to any Lender of making, funding, issuing, renewing, extending or maintaining any of the Loans or such Lender's Commitment or any Letter of Credit, or

(ii) to reduce the amount of principal, interest, Reimbursement Obligation or other amount payable to such Lender or the Administrative Agent hereunder on account of such Lender's Commitment, any Letter of Credit or any of the Loans, or

(iii) to require such Lender or the Administrative Agent to make any payment or to forego any interest or Reimbursement Obligation or other sum payable hereunder, the amount of which payment or foregone interest or Reimbursement Obligation or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Lender or the Administrative Agent from the Borrower hereunder,

then; and in each such case arising or occurring in the immediately preceding 365 days from such demand, the Borrower will, within thirty (30) days after demand made by such Lender or (as the case may be) the Administrative Agent at any time and from time to time and as often as the occasion therefor may arise, within the shorter of such maximum allowable period as permitted by law or such Lender's internal policies (but no longer than one year or the occurrence of the Maturity Date, if sooner) pay to such Lender such additional amounts as such Lender shall determine in good faith to be sufficient to compensate such Lender for such additional cost, reduction, payment or foregone interest or other sum, provided that such Lender is generally imposing similar charges on its other similarly situated borrowers.

ss.4.6. Capital Adequacy. Subject to ss.ss.4.11 and 4.12 hereof, if after

the date hereof any Lender or the Administrative Agent determines in good faith that (i) the adoption of or change in any law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) regarding capital requirements for banks or bank holding companies or any change in the interpretation or application thereof by a court or governmental authority with appropriate jurisdiction, or (ii) compliance by such Lender or the Administrative Agent or any Person controlling such Lender or the Administrative Agent with any law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) of any such Person regarding capital adequacy, has the effect of reducing the return on such Lender's or the Administrative Agent's Commitment with respect to any Loans to a level below that which such Lender or the Administrative Agent could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or the Administrative Agent's then existing policies with respect to capital adequacy and assuming full utilization of such entity's capital) by any amount deemed by such Lender or (as the case may be) the Administrative Agent to be material, then such Lender or the Administrative Agent may notify the Borrower

of such fact. To the extent that the amount of such reduction in the return on capital is not reflected in the Alternate Base Rate, the Borrower agrees to pay such Lender or (as the case may be) the Administrative Agent the amount of such reduction in the return on capital as and when such reduction is determined, within thirty (30) days after presentation by such Lender or (as the case may be) the Administrative Agent of a certificate in accordance with ss.4.7 hereof which certificate shall be presented within the shorter of such maximum allowable period as permitted by law or such Lender's internal policies (but no longer than one year or the occurrence of the Maturity Date, if sooner). Each Lender shall allocate such cost increases among its customers in good faith and on an equitable basis.

ss.4.7. Certificate. A certificate setting forth any additional amounts payable pursuant to ss.ss.4.5 or 4.6 and a brief explanation of such amounts which are due, submitted by any Lender or the Administrative Agent to the Borrower shall be prima facie evidence that such amounts are due and owing.

ss.4.8. Indemnity. In addition to the other provisions of this Agreement regarding such matters, the Borrower agrees to indemnify the Administrative Agent and each Lender and to hold the Administrative Agent and each Lender harmless from and against any loss, cost or expense (including LIBOR Breakage Costs, but excluding any loss of Applicable Margin on the relevant Loans) that the Administrative Agent or such Lender may sustain or incur as a consequence of (a) the failure by the Borrower to pay any principal amount of or any interest on any LIBOR Rate Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by the Administrative Agent or such Lender to lenders of funds obtained by it in order to maintain its LIBOR Rate Loans, (b) the failure by the Borrower to make a borrowing or conversion after the Borrower has given or is deemed pursuant to ss.2.6(c) to have given a Completed Revolving Credit Loan Request or Competitive Bid Request for a LIBOR Rate Loan or a Conversion Request to convert a Alternate Base Rate Loan into a LIBOR Rate Loan, and (c) the making of any payment of a LIBOR Rate Loan or the making of any conversion of any such Loan to a Alternate Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto, including interest or fees payable by the Administrative Agent or a Lender to lenders of funds obtained by it in order to maintain any such LIBOR Rate Loans.

ss.4.9. Interest During Event of Default. During the continuance of an Event of Default, outstanding principal and (to the extent permitted by applicable law) interest on the Loans and all other amounts payable hereunder or under any of the other Loan Documents shall bear interest at a rate per annum equal to four percent (4%) above the rate otherwise then in effect until such amount shall be paid in full (after as well as before judgment). In addition, the Borrower shall pay on demand a late charge equal to five percent (5%) of any amount of principal (other than principal due on the Maturity Date) and/or interest charges on the Loans which is not paid within ten (10) days of the date when due.

ss.4.10. [Intentionally Omitted]

ss.4.11. Reasonable Efforts to Mitigate. Each Lender agrees that as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected under ss.ss.4.4, 4.5 or 4.6, such Lender will give notice thereof to the Borrower, with a copy to the Administrative Agent and, to the extent so requested by the Borrower and not inconsistent with regulatory policies applicable to such Lender, such Lender shall use reasonable efforts and take such actions as are reasonably appropriate (including the changing of its lending office or branch) if as a result thereof the additional moneys which would otherwise be required to be paid to such Lender pursuant to such sections would be reduced other than for de minimus

amounts, or the illegality or other adverse circumstances which would otherwise require a conversion of such Loans or result in the inability to make such Loans pursuant to such sections would cease to exist, and in each case if, as determined by such Lender in its sole discretion, the taking such actions would not adversely affect such Loans.

ss.4.12. Replacement of Lenders. If any Lender (an "Affected Lender") (i) makes demand upon the Borrower for (or if the Borrower is otherwise required to pay) amounts pursuant to ss.ss.4.4, 4.5 or 4.6, or (ii) is unable to make or maintain LIBOR Rate Loans as a result of a condition described in ss.4.4, the Borrower may, within 90 days of receipt of such demand, notice (or the occurrence of such other event causing the Borrower to be required to pay such compensation or causing ss.4.4 to be applicable) as the case may be, by notice (a "Replacement Notice") in writing to the Administrative Agent and such Affected Lender (A) request the Affected Lender to cooperate with the Borrower in obtaining a replacement lender satisfactory to the Administrative Agent and the Borrower (the "Replacement Lender"); (B) request the non-Affected Lenders to acquire and assume all of the Affected Lender's Loans and Commitment, and/or participate in Letters of Credit, as provided herein, but none of such Lenders shall be under an obligation to do so; or (C) designate a Replacement Lender which is an Eligible Assignee and is reasonably satisfactory to the Administrative Agent other than when an Event of Default has occurred and is continuing and absolutely satisfactory to the Administrative Agent when an Event of Default has occurred and is continuing. If any satisfactory Replacement Lender shall be obtained, and/or any of the non-Affected Lenders shall agree to acquire and assume all of the Affected Lender's Loans and Commitment, and/or participate in Letters of Credit, then such Affected Lender shall assign, in accordance with ss.18, all of its Commitment, Loans, Notes and other rights and obligations under this Agreement and all other Loan Documents to such Replacement Lender or non-Affected Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Affected Lender; provided, however, that (x) such assignment shall be in accordance with the provisions of ss.18, shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Affected Lender and such Replacement Lender and/or non-Affected Lenders, as the case may be, and (y) prior to any such assignment, the Borrower shall have paid to such Affected Lender all amounts properly demanded and unreimbursed under ss.ss.4.4, 4.5 and 4.8.

ss.5. GUARANTIES.

ss.5.1. Guaranties. Each of the Guarantors will jointly and severally guaranty all of the Obligations pursuant to its Guaranty. The Obligations are full recourse obligations of the Borrower and each Guarantor, and all of the respective assets and properties of the Borrower and each such Guarantor shall be available for the payment in full in cash and performance of the Obligations (subject to Permitted Liens and senior claims enforceable as senior in accordance with applicable law, without the Lenders hereby agreeing to any such senior claim that is otherwise prohibited by this Agreement). Other than during the continuance of a Default or Event of Default, at the request of the Borrower, the Guaranty of any Subsidiary Guarantor shall be released by the Administrative Agent if and when all of the Real Estate owned or ground-leased by such Subsidiary Guarantor shall cease (not thereby creating a Default or Event of Default) to be owned by such Subsidiary Guarantor or by any other Borrower, Guarantor, Subsidiary or other Affiliate of any of same, provided the foregoing shall never permit the release of MCRC.

ss.5.2. [Intentionally Omitted]

ss.6. REPRESENTATIONS AND WARRANTIES. The Borrower for itself and for each Guarantor insofar as any such statements relate to such Guarantor represents and warrants to the Administrative Agent and the Lenders all of the statements contained in this ss.6.

ss.6.1. Authority; Etc.

(a) Organization; Good Standing.

(i) MCRLP is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware; each Subsidiary of MCRLP that owns Real Estate is duly organized or formed, validly existing and in good standing as a corporation or a partnership or other entity, as the case may be, under the laws of the state of its organization or formation; the Borrower and each of the Borrower's Subsidiaries that owns Real Estate has all requisite partnership or corporate or other entity, as the case may be, power to own its respective properties and

conduct its respective business as now conducted and as presently contemplated; and the Borrower and each of the Borrower's Subsidiaries that owns Real Estate is in good standing as a foreign entity and is duly authorized to do business in the jurisdictions where the Unencumbered Properties or other Real Estate owned or ground-leased by it are located and in each other jurisdiction where such qualification is necessary except where a failure to be so qualified in such other jurisdiction would not have a materially adverse effect on any of their respective businesses, assets or financial conditions.

(ii) MCRC is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland; each Subsidiary of MCRC that owns Real Estate is duly organized or formed, validly existing and in good standing as a corporation or partnership or other entity, as the case may be, under the laws of the state of its organization or formation; MCRC and each of its Subsidiaries that owns Real Estate has all requisite corporate or partnership or other entity, as the case may be, power to own its respective properties and conduct its respective business as now conducted and as presently contemplated; and MCRC and each of its Subsidiaries that owns Real Estate is in good standing as a foreign entity and is duly authorized to do business in the jurisdictions where such qualification is necessary (including, as to MCRC, in the State of New Jersey) except where a failure to be so qualified in such other jurisdiction would not have a materially adverse effect on the business, assets or financial condition of MCRC or such Subsidiary.

(iii) As to each subsequent Guarantor, a provision similar, as applicable, to (a) (i) or (ii) above shall be included in each such subsequent Guarantor's Subsidiary Guaranty, and the Borrower

shall be deemed to make for itself and on behalf of each such subsequent Guarantor a representation and warranty as to such provision regarding such subsequent Guarantor.

(b) Capitalization.

(i) The outstanding equity of MCRLP is comprised of a general partner interest and limited partner interests, all of which have been duly issued and are outstanding and fully paid and non-assessable as set forth in Schedule 6.1(b) hereto. All of the issued and outstanding general partner interests of MCRLP are owned and held of record by MCRC. Except as disclosed in Schedule 6.1(b) hereto, as of the Closing Date there are no outstanding securities or agreements exchangeable for or convertible into or carrying any rights to acquire any general partnership interests in MCRLP. Except as disclosed in Schedule 6.1(b), there are no outstanding commitments, options, warrants, calls or other agreements (whether written or oral) binding on MCRLP or MCRC which require or could require MCRLP or MCRC to sell, grant, transfer, assign, mortgage, pledge or otherwise dispose of any general partnership interests of MCRLP. Except as set forth in the Agreement of Limited Partnership of MCRLP, no general partnership interests of MCRLP are subject to any restrictions on transfer or any partner agreements, voting agreements, trust deeds, irrevocable proxies, or any other similar agreements or interests (whether written or oral).

(ii) As of the Closing Date, the authorized capital stock of, or any other equity interests in, each of MCRC's Subsidiaries are as set forth in Schedule 6.1(b), and the issued and outstanding voting and non-voting shares of the common stock of each of MCRC's Subsidiaries, and all of the other equity interests in such Subsidiaries, all of which have been duly issued and are outstanding and fully paid and non-assessable, are owned and held of record as set forth in Schedule 6.1(b). Except as disclosed in Schedule 6.1(b), as of the Closing Date there are no outstanding securities or agreements exchangeable for or convertible into or carrying any rights to acquire any equity interests in any of MCRC's Subsidiaries, and there are no outstanding options, warrants, or other similar rights to acquire any shares of any class in the capital of or any other equity interests in any of MCRC's Subsidiaries. Except as disclosed in Schedule 6.1(b), as of the Closing Date there are no outstanding commitments,

options, warrants, calls or other agreements or obligations (whether written or oral) binding on any of MCRC's Subsidiaries to issue, sell, grant, transfer, assign, mortgage, pledge or otherwise dispose of any shares of any class in the capital of or other

equity interests in any of MCRC's Subsidiaries. Except as disclosed in Schedule 6.1(b), no shares of, or equity interests in, any of MCRC's Subsidiaries held by MCRC are subject to any restrictions on transfer pursuant to any of MCRC's Subsidiaries' applicable partnership, charter, by-laws or any shareholder agreements, voting agreements, voting trusts, trust agreements, trust deeds, irrevocable proxies or any other similar agreements or instruments (whether written or oral).

(c) Due Authorization. The execution, delivery and performance of this Agreement and the other Loan Documents to which the Borrower or any of the Guarantors is a party and the transactions contemplated hereby and thereby (i) are within the authority of the Borrower and such Guarantor, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower or such Guarantor and any general partner or other controlling Person thereof, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which the Borrower or such Guarantor is subject or any judgment, order, writ, injunction, license or permit applicable to the Borrower or such Guarantor, (iv) do not conflict with any provision of the agreement of limited partnership, any certificate of limited partnership, the charter documents or by-laws of the Borrower or such Guarantor or any general partner or other controlling Person thereof, and (v) do not contravene any provisions of, or constitute a default, Default or Event of Default hereunder or a failure to comply with any term, condition or provision of, any other agreement, instrument, judgment, order, decree, permit, license or undertaking binding upon or applicable to the Borrower or such Guarantor or any of the Borrower's or such Guarantor's properties (except for any such failure to comply under any such other agreement, instrument, judgment, order, decree, permit, license, or undertaking as would not materially and adversely affect the condition (financial or otherwise), properties, business or results of operations of the Borrower, the Operating Subsidiaries or any Guarantor) or result in the creation of any mortgage, pledge, security interest, lien, encumbrance or charge upon any of the properties or assets of the Borrower, the Operating Subsidiaries or any Guarantor.

(d) Enforceability. Each of the Loan Documents to which the Borrower or any of the Guarantors is a party has been duly executed and delivered and constitutes the legal, valid and binding obligations of the Borrower and each such Guarantor, as the case may be, subject only to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and to the fact that the availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

ss.6.2. Governmental Approvals. The execution, delivery and performance by the Borrower of this Agreement and by the Borrower and each Guarantor of the other Loan Documents to which the Borrower or such Guarantor is a party and the transactions contemplated hereby and thereby do not require (i) the approval or consent of any governmental agency or authority other than those already obtained, or (ii) filing with any

governmental agency or authority, other than filings which will be made with the SEC when and as required by law.

ss.6.3. Title to Properties; Leases.

The Borrower, the Guarantors and their respective Subsidiaries that own Real Estate each has good title to all of its respective Real Estate purported to be owned by it, including, without limitation, that:

(a) As of the Closing Date (with respect to Unencumbered Properties designated as such on the Closing Date) or the date of designation as an Unencumbered Property (with respect to Unencumbered Properties acquired and/or designated as such after the Closing Date), and in each case to its knowledge thereafter, the Borrower or (if after the Closing Date) a Guarantor holds good and clear record and marketable fee simple or leasehold title to the Unencumbered Properties, subject to no rights of others, including any mortgages, conditional sales agreements, title retention agreements, liens or encumbrances, except for Permitted Liens and, in the case of any ground-leased Unencumbered Property, the terms of such ground lease (which shall be an Eligible Ground Lease), as the same may then or thereafter be amended from time

to time in a manner consistent with the requirements for an Eligible Ground Lease.

(b) The Borrower and each of the then Guarantors will, as of the Closing Date, own all of the assets as reflected in the financial statements of the Borrower and MCRC described in ss.6.4 or acquired in fee title (or, if Real Estate, permitted leasehold title) since the date of such financial statements (except property and assets sold or otherwise disposed of in the ordinary course of business since that date).

(c) As of the Closing Date, each of the direct or indirect interests of MCRC, the Borrower or MCRC's other Subsidiaries in any Partially-Owned Entity that owns Real Estate is set forth on Schedule 6.3 hereto, including the type of entity in which the interest is held, the percentage interest owned by MCRC, the Borrower or such Subsidiary in such entity, the capacity in which MCRC, the Borrower or such Subsidiary holds the interest, and MCRC's, the Borrower's or such Subsidiary's ownership interest therein. Schedule 6.3 will be updated quarterly at the time of delivery of the financial statements pursuant to ss.7.4(b).

ss.6.4. Financial Statements. The following financial statements have been furnished to each of the Lenders:

(a) The audited consolidated balance sheet of MCRC and its Subsidiaries (including, without limitation, MCRLP and its Subsidiaries) as of December 31, 1997 and their related consolidated income statements for the fiscal year ended December 31, 1997. Such balance sheet and income statements have been prepared in accordance with GAAP and fairly present the financial condition of MCRC and its Subsidiaries as of the close of business on the

date thereof and the results of operations for the fiscal year then ended. There are no contingent liabilities of MCRC as of such dates involving material amounts, known to the officers of the Borrower or of MCRC, not disclosed in said financial statements and the related notes thereto.

(b) The SEC Filings.

ss.6.5 Fiscal Year. MCRC, the Borrower and its Subsidiaries each has a fiscal year which is the twelve months ending on December 31 of each calendar year, unless changed in accordance with ss.8.9 hereof.

ss.6.6. Franchises, Patents, Copyrights, Etc. The Borrower, each Guarantor and each of their respective Subsidiaries that owns Real Estate possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of their respective businesses substantially as now conducted without known material conflict with any rights of others, including all Permits.

ss.6.7. Litigation. Except as stated on Schedule 6.7, as updated at the time of each compliance certificate, there are no actions, suits, proceedings or investigations of any kind pending or, to the knowledge of the Borrower and the Guarantors, threatened against the Borrower, any Guarantor or any of their respective Subsidiaries before any court, tribunal or administrative agency or board that, if adversely determined, could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect or materially impair the rights of the Borrower or such Guarantor to carry on their respective businesses substantially as now conducted by them, or result in any substantial liability not adequately covered by insurance, or for which adequate reserves are not maintained, as reflected in the applicable financial statements of MCRLP and MCRC, or which question the validity of this Agreement or any of the other Loan Documents, or any action taken or to be taken pursuant hereto or thereto.

ss.6.8. No Materially Adverse Contracts, Etc. None of the Borrower, any Guarantor or any of their respective Subsidiaries is subject to any charter, corporate, partnership or other legal restriction, or any judgment, decree, order, rule or regulation that has or is reasonably expected to have a Material Adverse Effect. None of the Borrower, any Guarantor or any of their respective Subsidiaries that owns Real Estate is a party to any contract or agreement that has or is reasonably expected, in the judgment of their respective officers, to have a Material Adverse Effect.

ss.6.9. Compliance With Other Instruments, Laws, Etc. None of the Borrower, any Guarantor or any of their respective Subsidiaries that owns Real Estate is in violation of any provision of its partnership agreement, charter documents, bylaws or other organizational documents, as the case may be, or any respective agreement or instrument to which it is subject or by which it or any of its properties (including, in the case of MCRC and MCRLP,

any of their respective Subsidiaries) are bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could reasonably be expected to result, individually or in the aggregate, in the imposition of substantial penalties or have a Material Adverse Effect.

ss.6.10. Tax Status.

(a) (i) Each of the Borrower, the Guarantors and their respective Subsidiaries (A) has timely made or filed all federal, state and local income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (B) has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings, and except those which would not be in violation of ss.8.1(b) hereof and (C) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply, and (ii) there are no unpaid taxes in any amount in violation of ss.8.1(b) hereof claimed to be due by the taxing authority of any jurisdiction, and the respective officers of the Borrower and the Guarantors and their respective Subsidiaries know of no basis for any such claim.

(b) To the Borrower's knowledge, each Partially-Owned Entity (i) has timely made or filed all federal, state and local income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings and except those which would not be in violation of ss.8.1(b) hereof, and (iii) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. To the best of the Borrower's knowledge, except as otherwise disclosed in writing to the Administrative Agent, there are no unpaid taxes in any amount in violation of ss.8.1(b) hereof claimed to be due by the taxing authority of any jurisdiction from any Partially-Owned Entity, and the officers of the Borrower know of no basis for any such claim.

ss.6.11. No Event of Default; No Materially Adverse Changes. No Default or Event of Default has occurred and is continuing. Since December 31, 1997 there has occurred no materially adverse change in the financial condition or business of MCRC and its Subsidiaries or MCRLP and its Subsidiaries as shown on or reflected in the SEC Filings or the consolidated balance sheet of MCRC and its Subsidiaries as at December 31, 1997, or the consolidated statement of income for the fiscal quarter then ended, other than changes in the ordinary course of business that have not had a Material Adverse Effect on the Borrower, Guarantors and their respective Subsidiaries, taken as a whole.

ss.6.12. Investment Company Acts. None of the Borrower, any Guarantor or any of their respective Subsidiaries is an "investment company", or an "affiliated company" or a

"principal underwriter" of an "investment company", as such terms are defined in the Investment Company Act of 1940.

ss.6.13. Absence of UCC Financing Statements, Etc. Except for Permitted Liens, as of the Closing Date there will be no financing statement, security agreement, chattel mortgage, real estate mortgage, equipment lease, financing lease, option, encumbrance or other document filed or recorded with any filing records, registry, or other public office, that purports to cover, affect or give notice of any present or possible future lien or encumbrance on, or security interest in, any Unencumbered Property. Neither the Borrower nor any Guarantor has pledged or granted any lien on or security interest in or otherwise encumbered or transferred any of their respective interests in any Subsidiary (including in the case of MCRC, its interests in MCRLP, and in the case of the Borrower, its interests in the Operating Subsidiaries) or in any Partially-Owned Entity, except for the Harborside Pledged Interests pledged to PSC in connection with the Harborside Transaction.

ss.6.14. Absence of Liens The Borrower or a Guarantor is the owner of or the holder of a ground leasehold interest under an Eligible Ground Lease in the Unencumbered Properties free from any lien, security interest, encumbrance and any other claim or demand, except for Permitted Liens.

ss.6.15. Certain Transactions. Except as set forth on Schedule 6.15 or for transactions that have been determined by the Board of Directors of the relevant Borrower, Guarantor or Subsidiary (or its respective general partner) to be on terms as favorable to such Person as in an arms-length transaction with a third party, none of the officers, partners, directors, or employees of the Borrower or any Guarantor or any of their respective Subsidiaries is presently a party to any transaction with the Borrower, any Guarantor or any of their respective Subsidiaries (other than for or in connection with services as employees, officers and directors), including any contract, agreement or other arrangement

providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, partner, director or such employee or, to the knowledge of the Borrower, any corporation, partnership, trust or other entity in which any officer, partner, director, or any such employee or natural Person related to such officer, partner, director or employee or other Person in which such officer, partner, director or employee has a direct or indirect beneficial interest has a substantial interest or is an officer, director, trustee or partner.

ss.6.16. Employee Benefit Plans.

ss.6.16.1 In General.

Each Employee Benefit Plan and each Guaranteed Pension Plan has been maintained and operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the

provisions thereunder respecting prohibited transactions and the bonding of fiduciaries and other persons handling plan funds as required by ss.412 of ERISA. The Borrower has heretofore delivered to the Administrative Agent the most recently completed annual report, Form 5500, with all required attachments, and actuarial statement required to be submitted under ss.103(d) of ERISA, with respect to each Guaranteed Pension Plan.

ss.6.16.2 Terminability of Welfare Plans.

No Employee Benefit Plan, which is an employee welfare benefit plan within the meaning of ss.3(1) or ss.3(2)(B) of ERISA, provides benefit coverage subsequent to termination of employment, except as required by Title I, Part 6 of ERISA or the applicable state insurance laws. The Borrower may terminate each such Plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) in the discretion of the Borrower without material liability to any Person other than for claims arising prior to termination.

ss.6.16.3 Guaranteed Pension Plans.

Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of ss.302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan, and neither the Borrower nor any Guarantor nor any ERISA Affiliate is obligated to or has posted security in connection with an amendment to a Guaranteed Pension Plan pursuant to ss.307 of ERISA or ss.401(a)(29) of the Code. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the Borrower nor any Guarantor nor any ERISA Affiliate with respect to any Guaranteed Pension Plan and there has not been any ERISA Reportable Event (other than an ERISA Reportable Event as to which the requirement of 30 days notice has been waived), or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within twelve months of the date of this representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of ss.4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities, by more than $500,000.

ss.6.16.4 Multiemployer Plans.

Neither the Borrower nor any Guarantor nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under ss.4201 of ERISA or as a result of a sale of assets described in ss.4204 of ERISA. Neither the Borrower nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or insolvent under and within the meaning of ss.4241 or ss.4245 of ERISA or is at material risk of entering reorganization or becoming insolvent, or that any Multiemployer Plan intends to terminate or has been terminated under ss.4041A of ERISA.

ss.6.17. Regulations U and X. The proceeds of the Loans shall be used for the purposes described in ss.7.12. No portion of any Loan is to be used, and no

portion of any Letter of Credit is to be obtained, for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

ss.6.18. Environmental Compliance. The Borrower has caused environmental assessments to be conducted and/or taken other steps to investigate the past and present environmental condition and usage of the Real Estate and the operations conducted thereon. Except as disclosed in the environmental assessments provided to the Administrative Agent pursuant to ss.10.7 and based upon such assessments and/or investigation, to the Borrower's knowledge, the Borrower has determined that:

(a) None of the Borrower, any Guarantor, any of their respective Subsidiaries or any operator of the Real Estate or any portion thereof, or any operations thereon is in violation, or alleged violation (in writing), of any judgment, order, law, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any state or local statute, regulation, ordinance or order relating to health, safety or the environment (hereinafter "Environmental Laws"), which violation or alleged violation (in writing) has, or its remediation would have, by itself or when aggregated with all such other violations or alleged violations, a Material Adverse Effect or constitutes a Disqualifying Environmental Event.

(b) None of the Borrower, any Guarantor or any of their respective Subsidiaries has received notice from any third party, including, without limitation, any federal, state or local governmental authority, (i) that it has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986), (ii) that any hazardous waste, as defined by 42 U.S.C. ss.6903(5), any

hazardous substances as defined by 42 U.S.C. ss. 9601(14), any pollutant or contaminant as defined by 42 U.S.C. ss.9601(33) or any toxic substances, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("Hazardous Substances") which it has generated, transported or disposed of has been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that the Borrower, any Guarantor or any of their respective Subsidiaries conduct a remedial investigation, removal or other response action pursuant to any Environmental Law, or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, or legal or administrative proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Substances; which event described in any such notice would have a Material Adverse Effect or constitutes a Disqualifying Environmental Event.

(c) (i) No portion of the Real Estate has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance with applicable Environmental Laws; and no underground tank or other underground storage receptacle for Hazardous Substances is located on any portion of any Real Estate except in accordance with applicable Environmental Laws, (ii) in the course of any activities conducted by the Borrower, the Guarantors, their respective Subsidiaries or to the knowledge of the Borrower, without any independent inquiry other than as set forth in the environmental assessments, the operators of the Real Estate, or any ground or space tenants on any Real Estate, no Hazardous Substances have been generated or are being used on such Real Estate except in accordance with applicable Environmental Laws, (iii) there has been no present or past releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping (a "Release") or threatened Release of Hazardous Substances on, upon, into or from the Real Estate, (iv) to the knowledge of the Borrower without any independent inquiry other than as set forth in the environmental assessments, there have been no Releases on, upon, from or into any real property in the vicinity of any of the Real Estate which, through soil or groundwater contamination, may have come to be located on such Real Estate, and (v) any Hazardous Substances that have been generated by the Borrower or a Guarantor or any of their respective Subsidiaries at any of the Real Estate have been transported off-site only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws; any of which events described in clauses (i) through (v) above would have a Material Adverse Effect, or constitutes a Disqualifying Environmental Event.

(d) By virtue of the use of the Loans proceeds contemplated hereby, or as a condition to the effectiveness of any of the Loan Documents, none of the Borrower, any Guarantor or any of the Real Estate is subject to any applicable

Environmental Law requiring the performance of Hazardous Substances site assessments, or the removal or remediation of Hazardous Substances, or the giving of notice to any governmental agency or the recording or delivery to other Persons of an environmental disclosure document or statement.

ss.6.19. Subsidiaries. As of the Closing Date, Schedule 6.19 sets forth all of the respective Subsidiaries of MCRC or MCRLP and any other Guarantor, and Schedule 6.19 will be updated annually at the time of delivery of the financial statements pursuant to ss.7.4(a) to reflect any changes, including subsequent Guarantor and its Subsidiaries, if any.

ss.6.20. Loan Documents. All of the representations and warranties of the Borrower and the Guarantors made in this Agreement and in the other Loan Documents or any document or instrument delivered to the Administrative Agent or the Lenders pursuant to or in connection with any of such Loan Documents are true and correct in all material respects and do not include any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make such representations and warranties not materially misleading.

ss.6.21. REIT Status. MCRC has not taken any action that would prevent it from maintaining its qualification as a REIT for its tax year ended December 31, 1997 or from maintaining such qualification at all times during the term of the Loans.

ss.6.22. Subsequent Guarantors. The foregoing representations and warranties in ss.6.3 through ss.6.20, as the same are true, correct and applicable to Guarantors existing on the Closing Date, shall be true, correct and applicable to each subsequent Guarantor in all material respects as of the date it becomes a Guarantor.

ss.6.23. Year 2000. The Borrower shall use all commercially reasonable efforts to diligently complete in good faith substantially all reprogramming required to permit the proper functioning, in and following the year 2000, of (i) the Borrower's and the Guarantors' computer systems and (ii) equipment containing embedded microchips (including systems and equipment supplied by others or with which Borrower's or the Guarantors' systems interface) and the testing of all such systems and equipment, as so reprogrammed. Such reprogramming and testing, and the reasonably foreseeable consequences of year 2000 to the Borrower and the Guarantors will not result in an Event of Default or have a Material Adverse Effect on the Borrower, the Guarantors and their Subsidiaries taken as a whole. Except for such of the reprogramming referred to in the preceding sentence as may be necessary, the computer and management information systems of each of the Borrower, the Guarantors and their Subsidiaries are and, with ordinary course upgrading and maintenance, will continue for the term of this Agreement to be, sufficient to permit the Borrower and the Guarantors to conduct their respective businesses without any Material Adverse Effect on the Borrower, the Guarantors and their Subsidiaries taken as a whole.

ss.7. AFFIRMATIVE COVENANTS OF THE BORROWER AND THE GUARANTORS. The Borrower for itself and on behalf of each of the Guarantors (if and to the extent expressly included in Subsections contained in this Section) covenants and agrees that, so long as any Loan, Letter of Credit or Note is outstanding or the Lenders have any

obligation to make any Loans or any Lender has any obligation to issue, extend or renew any Letters of Credit:

ss.7.1. Punctual Payment. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans and all interest, fees, charges and other amounts provided for in this Agreement and the other Loan Documents, all in accordance with the terms of this Agreement and the Notes, and the other Loan Documents.

ss.7.2. Maintenance of Office. The Borrower and each of the Guarantors will maintain its chief executive office in Cranford, New Jersey, or at such other place in the United States of America as each of them shall designate upon written notice to the Administrative Agent to be delivered within five (5) days of such change, where notices, presentations and demands to or upon the Borrower and the Guarantors, as the case may be, in respect of the Loan Documents may be given or made.

ss.7.3. Records and Accounts. The Borrower and each of the Guarantors will (a) keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP in all material respects, and will cause each of its Subsidiaries that owns Real Estate to keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP in all material respects, (b) maintain

adequate accounts and reserves for all taxes (including income taxes), contingencies, depreciation and amortization of its properties and the properties of its Subsidiaries and (c) at all times engage Price Waterhouse LLP or other Accountants as the independent certified public accountants of MCRC, MCRLP and their respective Subsidiaries and will not permit more than thirty (30) days to elapse between the cessation of such firm's (or any successor firm's) engagement as the independent certified public accountants of MCRC, MCRLP and their respective Subsidiaries and the appointment in such capacity of a successor firm as Accountants.

ss.7.4. Financial Statements, Certificates and Information. The Borrower will deliver and will cause MCRC to deliver to the Administrative Agent:

(a) as soon as practicable, but in any event not later than ninety (90) days after the end of each of its fiscal years:

(i) in the case of MCRLP, if prepared, the audited consolidated balance sheet of MCRLP and its subsidiaries at the end of such year, the related audited consolidated statements of operations, owner's equity (deficit) and cash flows for the year then ended, in each case (except for statements of cash flow and owner's equity) with supplemental consolidating schedules provided by MCRLP; and

(ii) in the case of MCRC, the audited consolidated balance sheet of MCRC and its subsidiaries (including, without limitation, MCRLP and its subsidiaries)

at the end of such year, the related audited consolidated statements of operations, stockholders' equity (deficit) and cash flows for the year then ended, in each case with supplemental consolidating schedules (except for statements of cash flow and stockholders' equity) provided by MCRC;

each setting forth in comparative form the figures for the previous fiscal year and all such statements to be in reasonable detail, prepared in accordance with GAAP, and, in each case, accompanied by an auditor's report prepared without qualification by the Accountants;

(b) as soon as practicable, but in any event not later than forty-five (45) days after the end of each of its fiscal quarters:

(i) in the case of MCRLP, if prepared, copies of the unaudited consolidated balance sheet of MCRLP and its subsidiaries as at the end of such quarter, the related unaudited consolidated statements of operations, owner's equity (deficit) and cash flows for the portion of MCRLP's fiscal year then elapsed, with supplemental consolidating schedules (except with respect to statements of cash flow and owner's equity) provided by MCRLP; and

(ii) in the case of MCRC, copies of the unaudited consolidated balance sheet of MCRC and its subsidiaries (including, without limitation, MCRLP and its subsidiaries) as at the end of such quarter, the related unaudited consolidated statements of operations, stockholders' equity (deficit) and cash flows for the portion of MCRC's fiscal year then elapsed, with supplemental consolidating schedules (except with respect to statements of cash flow and stockholders' equity) provided by MCRC;

all in reasonable detail and prepared in accordance with GAAP on the same basis as used in preparation of MCRC's Form 10-Q statements filed with the SEC, together with a certification by the chief financial officer or vice president of finance of MCRLP or MCRC, as applicable, that the information contained in such financial statements fairly presents the financial position of MCRLP or MCRC (as the case may be) and its subsidiaries on the date thereof (subject to year-end adjustments);

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) (for the fourth fiscal quarter of each fiscal year) above and (b) (for the first three fiscal quarters of each fiscal year), a statement in the form of Exhibit D hereto signed by the chief financial officer or vice president of finance of the MCRLP or MCRC, as applicable, and (if applicable) reconciliations to reflect changes in GAAP since the applicable Financial Statement Date, but only to the extent that such changes in GAAP affect the financial covenants set forth in ss.9 hereof; and, in the case of MCRLP, setting forth in reasonable detail computations evidencing compliance with the covenants contained in ss.8.7 and ss.9 hereof;

(d) promptly if requested by the Administrative Agent, a copy of each report (including any so-called letters of reportable conditions or letters of no material weakness) submitted to the Borrower, MCRC, or any other Guarantor or any of their respective subsidiaries by the Accountants in connection with

each annual audit of the books of the Borrower, MCRC, or any other Guarantor or such subsidiary by such Accountants or in connection with any interim audit thereof pertaining to any phase of the business of the Borrower, MCRC or any other Guarantor or any such subsidiary;

(e) contemporaneously with the filing or mailing thereof, copies of all material of a financial nature sent to the holders of any Indebtedness of the Borrower or any Guarantor (other than the Loans) for borrowed money, to the extent that the information or disclosure contained in such material refers to or could reasonably be expected to have a Material Adverse Effect;

(f) subject to subsection (g) below, contemporaneously with the filing or mailing thereof, copies of all material of a financial nature filed with the SEC or sent to the stockholders of MCRC;

(g) as soon as practicable, but in any event not later than ninety (90) days after the end of each fiscal year of MCRC, copies of the Form 10-K statement filed by MCRC with the SEC for such fiscal year, and as soon as practicable, but in any event not later than forty-five (45) days after the end of each fiscal quarter of MCRC, copies of the Form 10-Q statement filed by MCRC with the SEC for such fiscal quarter, provided that, in either case, if MCRC has filed an extension for the filing of such statements, MCRC shall deliver such statements to the Administrative Agent within ten (10) days after the filing thereof with the SEC which filing shall be within fifteen (15) days of MCRC's filing for such extension or such sooner time as required to avert a Material Adverse Effect on MCRC;

(h) from time to time, but not more frequently than once each calendar quarter so long as no Default or Event of Default has occurred and is continuing, such other financial data and information about the Borrower, MCRC, the other Guarantors, their respective Subsidiaries, the Real Estate and the Partially-Owned Entities as the Administrative Agent or any Lender acting through the Administrative Agent may reasonably request, and which is prepared by such Person in the normal course of its business or is required for securities and tax law compliance, including without limitation, pro forma financial statements described in ss.9.9(b)(ii) complete rent rolls for the Unencumbered Properties and summary rent rolls for the other Real Estate, existing environmental reports, and insurance certificates with respect to the Real Estate (including the Unencumbered Properties) and tax returns (following the occurrence of a Default or Event of Default or, in the case of MCRC, to confirm MCRC's REIT status); and

(i) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, updates to Schedule 6.3 and Schedule 6.19 hereto.

ss.7.5. Notices.

(a) Defaults. The Borrower will, and will cause each Guarantor, as applicable, to, promptly notify the Administrative Agent in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice or take any other action in respect of (x) a claimed default (whether or not constituting a Default or Event of Default under this Agreement) or (y) a claimed default by the Borrower, any Guarantor or any of their respective Subsidiaries, as applicable, under any note, evidence of Indebtedness, indenture or other obligation for borrowed money to which or with respect to which any of them is a party or obligor, whether as principal, guarantor or surety, and such default would permit the holder of such note or obligation or other evidence of Indebtedness to accelerate the maturity thereof or otherwise cause the entire Indebtedness to become due, the Borrower, MCRC or such other Guarantor, as the case may be, shall forthwith give written notice thereof to the Administrative Agent, describing the notice or action and the nature of the claimed failure to comply.

(b) Environmental Events. The Borrower will, and will cause each Guarantor to, promptly give notice in writing to the Administrative Agent (i) upon the Borrower's or such Guarantor's obtaining knowledge of any material violation of any Environmental Law affecting any Real Estate or the Borrower's or such Guarantor's operations or the operations of any of their Subsidiaries, (ii) upon the Borrower's or such Guarantor's obtaining knowledge of any known Release of any Hazardous Substance at, from, or into any Real Estate which it reports in writing or is reportable by it in writing to any governmental authority and which is material in amount or nature or which could materially adversely affect the value of such Real Estate, (iii) upon the Borrower's or such Guarantor's receipt of any notice of material violation of any Environmental Laws or of any material Release of Hazardous Substances in violation of any Environmental Laws or any matter that may be a Disqualifying Environmental Event, including a notice or claim of liability or potential responsibility from any third party (including without limitation any federal, state or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A) the Borrower's or such Guarantor's or any other Person's operation of any Real

Estate, (B) contamination on, from or into any Real Estate, or (C) investigation or remediation of off-site locations at which the Borrower or such Guarantor or any of its predecessors are alleged to have directly or indirectly disposed of Hazardous Substances, or (iv) upon the Borrower's or such Guarantor's obtaining knowledge that any expense or loss has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Substances with respect to which the Borrower or such Guarantor or any Partially-Owned Entity may be liable or for which a lien may be imposed on any Real Estate; any of which events described in clauses (i) through (iv) above would have a Material Adverse Effect or constitute a Disqualifying Environmental Event with respect to any Unencumbered Property.

(c) Notification of Claims against Unencumbered Properties. The Borrower will, and will cause each Guarantor to, promptly upon becoming aware thereof, notify the Administrative Agent in writing of any setoff, claims, withholdings or other defenses to which any of the Unencumbered Properties are subject, which (i) would have a material adverse effect on the value of such Unencumbered Property, (ii) would have a Material Adverse Effect, or (iii) with respect to such Unencumbered Property, would constitute a Disqualifying Environmental Event or a Lien which is not a Permitted Lien.

(d) Notice of Litigation and Judgments. The Borrower will, and will cause each Guarantor and each Guarantor's Subsidiaries to, and the Borrower will cause each of its respective Subsidiaries to, give notice to the Administrative Agent in writing within ten (10) days of becoming aware of any litigation or proceedings threatened in writing or any pending litigation and proceedings an adverse determination in which could reasonably be expected to have a Material Adverse Effect or materially adversely affect any Unencumbered Property, or to which the Borrower, any Guarantor or any of their respective Subsidiaries is or is to become a party involving an uninsured claim against the Borrower, any Guarantor or any of their respective Subsidiaries that could reasonably be expected to have a Materially Adverse Effect or materially adversely affect the value or operation of the Unencumbered Properties and stating the nature and status of such litigation or proceedings. The Borrower will, and will cause each of the Guarantors and the Subsidiaries to, give notice to the Administrative Agent, in writing, in form and detail reasonably satisfactory to the Administrative Agent, within ten (10) days of any judgment not covered by insurance, final or otherwise, against the Borrower, any Guarantor or any of their Subsidiaries in an amount in excess of $1,000,000.

(e) Acquisition of Real Estate. The Borrower shall promptly provide the Administrative Agent and the Lenders with any press releases relating to the acquisition of any Real Estate by the Borrower, any Guarantor, any of their respective Subsidiaries or any Partially-Owned Entity. In addition, to the extent not otherwise provided to the Administrative Agent in its press release and Form 10-Q filings with the SEC, the Borrower shall provide to the Administrative Agent on a quarterly basis together with the financial statements referred to in ss.7.4(b) the following information with respect to all Real Estate acquired during the prior quarter: its address, a brief description, a brief summary of the key business terms of such acquisition (including sources and uses of funds for such acquisition), a brief summary of the principal terms of any financing for such Real Estate, and a statement as to whether such Real Estate qualifies as an Unencumbered Property.

ss.7.6. Existence of Borrower and Subsidiary Guarantors; Maintenance of Properties. The Borrower for itself and for each Subsidiary Guarantor insofar as any such statements relate to such Subsidiary Guarantor will do or cause to be done all things necessary to, and shall, preserve and keep in full force and effect its existence as a limited partnership or its existence as another legally constituted entity, and will do or cause to be done all things necessary to preserve and keep in full force all of its material rights and franchises and those of its Subsidiaries. The Borrower (a) will cause all necessary repairs, renewals, replacements,

betterments and improvements to be made to all Real Estate owned or controlled by it or by any of its Subsidiaries or any Subsidiary Guarantor, all as in the judgment of the Borrower or such Subsidiary or such Subsidiary Guarantor may be necessary so that the business carried on in connection therewith may be properly conducted at all times, subject to the terms of the applicable Leases and partnership agreements or other entity charter documents, (b) will cause all of its other properties and those of its Subsidiaries and the Subsidiary Guarantors used or useful in the conduct of its business or the business of its Subsidiaries or such Subsidiary Guarantor to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear excepted, and (c) will, and will cause each of its Subsidiaries and each Subsidiary Guarantor to, continue to engage primarily in the businesses now conducted by it and in related businesses consistent with the requirements of the fourth sentence of ss.7.7 hereof; provided that nothing in this ss.7.6 shall prevent the Borrower from discontinuing the operation and

maintenance of any of its properties or any of those of its Subsidiaries if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of its or their business and such discontinuance does not cause a Default or an Event of Default hereunder and does not in the aggregate have a Material Adverse Effect on the Borrower, Guarantors and their respective Subsidiaries taken as a whole.

ss.7.7. Existence of MCRC; Maintenance of REIT Status of MCRC; Maintenance of Properties. The Borrower will cause MCRC to do or cause to be done all things necessary to preserve and keep in full force and effect MCRC's existence as a Maryland corporation. The Borrower will cause MCRC at all times to maintain its status as a REIT and not to take any action which could lead to its disqualification as a REIT. The Borrower shall cause MCRC at all times to maintain its listing on the New York Stock Exchange. The Borrower will cause MCRC to continue to operate as a fully-integrated, self-administered and self-managed real estate investment trust which, together with its Subsidiaries (including, without limitation MCRLP) owns and operates an improved property portfolio comprised primarily (i.e., 85% or more by value) of office, office/flex, warehouse and industrial/warehouse properties. The Borrower will cause MCRC not to engage in any business other than the business of acting as a REIT and serving as the general partner and limited partner of MCRLP, as a member, partner or stockholder of other Persons and as a Guarantor. The Borrower shall cause MCRC to conduct all or substantially all of its business operations through MCRLP or through subsidiary partnerships or other entities in which (x) MCRLP directly or indirectly owns at least 95% of the economic interests and (y) MCRC directly or indirectly (through wholly-owned Subsidiaries) acts as sole general partner or managing member. The Borrower shall cause MCRC not to own real estate assets outside of its interests in MCRLP. The Borrower will cause MCRC to do or cause to be done all things necessary to preserve and keep in full force all of its rights and franchises and those of its Subsidiaries. The Borrower will cause MCRC (a) to cause all of its properties and those of its Subsidiaries used or useful in the conduct of its business or the business of its Subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear excepted, (b) to cause to be made all necessary repairs, renewals, replacements,

betterments and improvements thereof, all as in the judgment of MCRC may be necessary so that the business carried on in connection therewith may be properly conducted at all times, and (c) to cause each of its Subsidiaries to continue to engage primarily in the businesses now conducted by it and in related businesses, consistent with the requirements of the fourth sentence of this ss.7.7; provided that nothing in this ss.7.7 shall prevent MCRC from discontinuing the operation and maintenance of any of its properties or any of those of its Subsidiaries if such discontinuance is, in the judgment of MCRC, desirable in the conduct of its or their business and such discontinuance does not cause a Default or an Event of Default hereunder and does not in the aggregate materially adversely affect the business of MCRC and its Subsidiaries on a consolidated basis.

ss.7.8. Insurance. The Borrower will, and will cause each Guarantor to, maintain with respect to its properties, and will cause each of its Subsidiaries to maintain with financially sound and reputable insurers, insurance with respect to such properties and its business against such casualties and contingencies as shall be commercially reasonable and in accordance with the customary and general practices of businesses having similar operations and real estate portfolios in similar geographic areas and in amounts, containing such terms, in such forms and for such periods as may be reasonable and prudent for such businesses.

ss.7.9. Taxes. The Borrower will, and will cause each Guarantor to, pay or cause to be paid real estate taxes, other taxes, assessments and other governmental charges against the Real Estate before the same become delinquent and will duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges imposed upon its sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon any of the Real Estate; provided that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Guarantor shall have set aside on its books adequate reserves with respect thereto; and provided further that the Borrower or such Guarantor will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement of proceedings to foreclose any lien that may have attached as security therefor. If requested by the Agent, the Borrower will provide evidence of the payment of real estate taxes, other taxes, assessments and other governmental charges against the Real Estate in the form of receipted tax bills or other form reasonably acceptable to the Agent. Notwithstanding the foregoing, a breach of the covenants set forth in this ss.7.9 shall only constitute an Event of Default if such breach results in a violation of the covenant set forth in ss.8.1(b) hereof.

ss.7.10. Inspection of Properties and Books. The Borrower will, and will

cause each Guarantor to, permit the Lenders, coordinated through the Administrative Agent, (a) on an annual basis as a group, or more frequently if required by law or by regulatory requirements of a Lender or if a Default or an Event of Default shall have occurred and be continuing, to visit and inspect any of the properties of the Borrower, any Guarantor or any of their

respective Subsidiaries, and to examine the books of account of the Borrower, the Guarantors and their respective Subsidiaries (and to make copies thereof and extracts therefrom) and (b) to discuss the affairs, finances and accounts of the Borrower, the Guarantors and their respective Subsidiaries with, and to be advised as to the same by, its officers, all at such reasonable times and intervals during normal business hours as the Administrative Agent may reasonably request; provided that the Borrower shall only be responsible for the costs and expenses incurred by the Administrative Agent in connection with such inspections after the occurrence and during the continuance of an Event of Default; and provided further that such Person has executed a confidentiality agreement in substantially the form executed by the Administrative Agent as of the date hereof. The Administrative Agent and each Lender agrees to treat any non-public information delivered or made available by the Borrower to it in accordance with the provisions of the confidentiality agreement executed by such Person.

ss.7.11. Compliance with Laws, Contracts, Licenses, and Permits. The Borrower will, and will cause each Guarantor to, comply with, and will cause each of their respective Subsidiaries to comply with (a) all applicable laws and regulations now or hereafter in effect wherever its business is conducted, including, without limitation, all Environmental Laws and all applicable federal and state securities laws, (b) the provisions of its partnership agreement and certificate or corporate charter and other charter documents and by-laws, as applicable, (c) all material agreements and instruments to which it is a party or by which it or any of its properties may be bound (including the Real Estate and the Leases) and (d) all applicable decrees, orders, and judgments; provided that any such decree, order or judgment need not be complied with if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Guarantor shall have set aside on its books adequate reserves with respect thereto; and provided further that the Borrower or such Guarantor will comply with any such decree, order or judgment forthwith upon the commencement of proceedings to foreclose any Lien that may have attached as security therefor.

ss.7.12. Use of Proceeds. Subject at all times to the other provisions of this Agreement, the Borrower will use the proceeds of the Loans solely (a) to finance the acquisition, renovation and development of office, office/flex, industrial/warehouse and multifamily residential properties, (b) to finance the repayment or prepayment of Indebtedness, (c) for general working capital needs (including letters of credit), (d) to finance investments in Opportunity Funds, and (e) to finance the acquisition of mortgage receivables.

ss.7.13. Acquisition of Unencumbered Properties. The Borrower shall promptly, but in any event within thirty (30) days of the acquisition of an Unencumbered Property or the qualification of any Real Estate as an Unencumbered Property, deliver to the Administrative Agent a copy of the Title Policy or commitment for a Title Policy and the final environmental site assessment for such Unencumbered Property.

ss.7.14. Additional Guarantors; Solvency of Guarantors.

(a) If, after the Closing Date, a Subsidiary, that is not a Guarantor, acquires any Real Estate that then or thereafter qualifies under (a)-(d) of the definition of Unencumbered Property and is wholly-owned or ground leased under an Eligible Ground Lease, the Borrower shall cause such Person (which Person must be or become a wholly-owned Subsidiary) to execute and deliver a Guaranty to the Administrative Agent and the Lenders in substantially the form of Exhibit B hereto. Such Guaranty shall evidence consideration and equivalent value. The Borrower will not permit any Guarantor that owns or ground leases any Unencumbered Properties to have any Subsidiaries unless such Subsidiary's business, obligations and undertakings are exclusively related to the business of such Guarantor in the ownership of the Unencumbered Properties.

(b) The Borrower, MCRC, and each Subsidiary Guarantor is solvent, other than for Permitted Event(s) permitted by this Agreement which shall be the only Non-Material Breaches under this ss.7.14(b). The Borrower and MCRC each acknowledge that, subject to the indefeasible payment and performance in full of the Obligations, the rights of contribution among each of the them and the Subsidiary Guarantors are in accordance with applicable laws and in accordance with each such Person's benefits under the Loans and this Agreement. The Borrower further acknowledges that, subject to the indefeasible payment and performance in full of the Obligations, the rights of subrogation of the Subsidiary Guarantors as against the Borrower and MCRC are in accordance with

applicable laws.

ss.7.15. Further Assurances. The Borrower will, and will cause each Guarantor to, cooperate with, and to cause each of its Subsidiaries to cooperate with, the Administrative Agent and the Lenders and execute such further instruments and documents as the Lenders or the Administrative Agent shall reasonably request to carry out to their reasonable satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

ss.7.16. [Intentionally Omitted]

ss.7.17. Environmental Indemnification. The Borrower covenants and agrees that it and its Subsidiaries will indemnify and hold the Administrative Agent and each Lender, and each of their respective Affiliates, harmless from and against any and all claims, expense, damage, loss or liability incurred by the Administrative Agent or any Lender (including all reasonable costs of legal representation incurred by the Administrative Agent or any Lender in connection with any investigative, administrative or judicial proceeding, whether or not the Administrative Agent or any Lender is party thereto, but excluding, as applicable for the Administrative Agent or a Lender, any claim, expense, damage, loss or liability as a result of the gross negligence or willful misconduct of the Administrative Agent or such Lender or any of their respective Affiliates) relating to (a) any Release or threatened Release of Hazardous Substances on any Real Estate; (b) any violation of any Environmental Laws with respect to conditions at any Real Estate or the operations conducted thereon; (c) the investigation or remediation of off-site locations at which the Borrower, any Guarantor or any of their respective Subsidiaries or their predecessors are alleged to have directly or indirectly disposed

of Hazardous Substances; or (d) any action, suit, proceeding or investigation brought or threatened with respect to any Hazardous Substances relating to Real Estate (including, but not limited to, claims with respect to wrongful death, personal injury or damage to property). In litigation, or the preparation therefor, the Lenders and the Administrative Agent shall be entitled to select their own counsel and participate in the defense and investigation of such claim, action or proceeding, and the Borrower shall bear the expense of such separate counsel of the Administrative Agent and the Lenders if (i) in the written opinion of counsel to the Administrative Agent and the Lenders, use of counsel of the Borrower's choice could reasonably be expected to give rise to a conflict of interest, (ii) the Borrower shall not have employed counsel reasonably satisfactory to the Administrative Agent and the Lenders within a reasonable time after notice of the institution of any such litigation or proceeding, or (iii) the Borrower authorizes the Administrative Agent and the Lenders to employ separate counsel at the Borrower's expense. It is expressly acknowledged by the Borrower that this covenant of indemnification shall survive the payment of the Loans and shall inure to the benefit of the Administrative Agent and the Lenders and their respective Affiliates, their respective successors, and their respective assigns under the Loan Documents permitted under this Agreement.

ss.7.18. Response Actions. The Borrower covenants and agrees that if any Release or disposal of Hazardous Substances shall occur or shall have occurred on any Real Estate owned by it or any of its Subsidiaries, the Borrower will cause the prompt containment and removal of such Hazardous Substances and remediation of such Real Estate if necessary to comply with all Environmental Laws.

ss.7.19. Environmental Assessments. If the Majority Lenders have reasonable grounds to believe that a Disqualifying Environmental Event has occurred with respect to any Unencumbered Property, after reasonable notice by the Administrative Agent, whether or not a Default or an Event of Default shall have occurred, the Majority Lenders may determine that the affected Real Estate no longer qualifies as an Unencumbered Property; provided that prior to making such determination, the Administrative Agent shall give the Borrower reasonable notice and the opportunity to obtain one or more environmental assessments or audits of such Unencumbered Property prepared by a hydrogeologist, an independent engineer or other qualified consultant or expert approved by the Administrative Agent, which approval will not be unreasonably withheld, to evaluate or confirm (i) whether any Release of Hazardous Substances has occurred in the soil or water at such Unencumbered Property and (ii) whether the use and operation of such Unencumbered Property materially complies with all Environmental Laws (including not being subject to a matter that is a Disqualifying Environmental Event). Such assessment will then be used by the Administrative Agent to determine whether a Disqualifying Environmental Event has in fact occurred with respect to such Unencumbered Property. All such environmental assessments shall be at the sole cost and expense of the Borrower.

ss.7.20. Employee Benefit Plans.

(a) In General. Each Employee Benefit Plan maintained by the Borrower, any Guarantor or any of their respective ERISA Affiliates will be operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions.

(b) Terminability of Welfare Plans. With respect to each Employee Benefit Plan maintained by the Borrower, any Guarantor or any of their respective ERISA Affiliates which is an employee welfare benefit plan within the meaning of ss.3(1) or ss.3(2)(B) of ERISA, the Borrower, such Guarantor, or any of their respective ERISA Affiliates, as the case may be, has the right to terminate each such plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) without material liability other than liability to pay claims incurred prior to the date of termination.

(c) Unfunded or Underfunded Liabilities. The Borrower will not, and will not permit any Guarantor to, at any time, have accruing or accrued unfunded or underfunded liabilities with respect to any Employee Benefit Plan, Guaranteed Pension Plan or Multiemployer Plan, or permit any condition to exist under any Multiemployer Plan that would create a withdrawal liability.

ss.7.21. No Amendments to Certain Documents. The Borrower will not, and will not permit any Guarantor to, at any time cause or permit its certificate of limited partnership, agreement of limited partnership, articles of incorporation, by-laws or other charter documents, as the case may be, to be modified, amended or supplemented in any respect whatever, without (in each case) the express prior written consent or approval of the Administrative Agent, if such changes would adversely affect MCRC's REIT status or otherwise materially adversely affect the rights of the Administrative Agent and the Lenders hereunder or under any other Loan Document.

ss.7.22. Primary Credit Facility. The Borrower will at all times use this Agreement as the Borrower's primary revolving credit agreement and will not at any time during the term of this Agreement permit that ratio of (a) the sum of the outstanding principal balance of the Loans plus the Maximum Drawing Amount to (b) the Total Commitment (the "Outstanding Ratio") to be less than the corresponding ratio under any other revolving credit agreement maintained by the Borrower or any Guarantor, including MCRC, except that the corresponding ratio under the $100,000,000 credit facility with PSC (as amended, modified, restated or refinanced so long as the amount of such facility does not exceed $100,000,000) may exceed the Outstanding Ratio from time to time.

ss.7.23. Management. Except by reason of death or incapacity, at least three (3) of the Key Management Individuals (as hereinafter defined) shall remain active in the executive and/or operational management, in their current (or comparable) positions, of MCRC (which

is and shall remain the sole general partner and management of MCRLP); provided, however, if at least three (3) of the Key Management Individuals are not so active in such positions (except by reason of death or incapacity as aforesaid), then within ninety (90) days of the occurrence of such event, MCRC shall propose and appoint such individual(s) of comparable experience, reputation and otherwise reasonably acceptable to the Majority Lenders to such position(s) such that, after such appointment, such acceptable replacement individuals, together with the Key Management Individuals remaining so active in such positions with MCRC, if any, total at least three (3). For purposes hereof, "Key Management Individuals" shall mean and include Thomas A. Rizk, Mitchell E. Hersh, John R. Cali, Brant B. Cali, Barry Lefkowitz, Roger W. Thomas and Timothy M. Jones.

ss.7.24. Distributions in the Ordinary Course. In the ordinary course of business MCRLP causes all of its and MCRC's Subsidiaries to make net Distributions, as described in clause (iii) of the definition thereof, upstream to MCRLP and MCRC, and shall continue to follow such ordinary course of business.

ss.8. CERTAIN NEGATIVE COVENANTS OF THE BORROWER AND THE GUARANTORS. The Borrower for itself and on behalf of the Guarantors covenants and agrees that, so long as any Loan, Letter of Credit or Note is outstanding or any of the Lenders has any obligation to make any Loans or any Lender has any obligation to issue, extend or renew any Letters of Credit:

ss.8.1. Restrictions on Indebtedness.

The Borrower and the Guarantors may, and may permit their respective Subsidiaries to, create, incur, assume, guarantee or be or remain liable for, contingently or otherwise, any Indebtedness other than the specific Indebtedness which is prohibited under this ss.8.1 and with respect to which each of the Borrower and the Guarantors will not, and will not permit any Subsidiary to, create, incur, assume, guarantee or be or remain liable for, contingently or otherwise, singularly or in the aggregate as follows:

(a) Indebtedness which would result in a Default or Event of Default

under ss.9 hereof or under any other provision of this Agreement;

(b) An aggregate amount in excess of $10,000,000 at any one time in respect of (i) taxes, assessments, governmental charges or levies and claims for labor, materials and supplies for which payment therefor is required to be made in accordance with the provisions of ss.7.9 and has not been timely made, (ii) uninsured judgments or awards, with respect to which the applicable periods for taking appeals have expired, or with respect to which final and unappealable judgments or awards have been rendered, and (iii) current unsecured liabilities incurred in the ordinary course of business, which (A) are overdue for more than sixty (60) days, and (B) are not being contested in good faith; and

(c) Guarantees of the Indebtedness of any Opportunity Fund.

The terms and provisions of this ss.8.1 are in addition to, and not in limitation of, the covenants set forth in ss.9 of this Agreement.

ss.8.2. Restrictions on Liens, Etc. None of the Borrower, any Guarantor, any Operating Subsidiary and any wholly-owned Subsidiary will: (a) create or incur or suffer to be created or incurred or to exist any lien, encumbrance, mortgage, pledge, negative pledge, charge, restriction or other security interest of any kind upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; (d) suffer to exist for a period of more than thirty (30) days after the same shall have been incurred any Indebtedness or claim or demand against it that if unpaid might by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over its general creditors; or (e) sell, assign, pledge or otherwise transfer any accounts, contract rights, general intangibles, chattel paper or instruments, with or without recourse (the foregoing items (a) through (e) being sometimes referred to in this ss.8.2 collectively as "Liens"), provided that the Borrower, the Guarantors and any Subsidiary may create or incur or suffer to be created or incurred or to exist:

(i) Liens securing taxes, assessments, governmental charges (including, without limitation, water, sewer and similar charges) or levies or claims for labor, material and supplies, the Indebtedness with respect to which is not prohibited by ss.8.1(b);

(ii) deposits or pledges made in connection with, or to secure payment of, worker's compensation, unemployment insurance, old age pensions or other social security obligations; and deposits with utility companies and other similar deposits made in the ordinary course of business;

(iii) Liens (other than affecting the Unencumbered Properties) in respect of judgments or awards, the Indebtedness with respect to which is not prohibited by ss.8.1(b);

(iv) encumbrances on properties consisting of easements, rights of way, covenants, notice of use limitations under Environmental Laws, restrictions on the use of real property and defects and irregularities in the title thereto; landlord's or lessor's Liens under Leases to which the Borrower, any Guarantor, or any Subsidiary is a party or bound; purchase options granted at a price not less than the market value of such property; and other similar Liens or encumbrances on properties, none of which interferes materially and adversely with the use of the property affected in the ordinary conduct of the business of the owner thereof, and which matters neither (x) individually or in the aggregate have a Material

Adverse Effect nor (xx) make title to such property unmarketable by the conveyancing standards in effect where such property is located;

(v) any Leases (excluding "synthetic leases") entered into good faith with Persons that are not Affiliates; provided that Leases with Affiliates on market terms and with monthly market rent payments required to be paid are Permitted Liens;

(vi) Liens and other encumbrances or rights of others which exist on the date of this Agreement and which do not otherwise constitute a breach of this Agreement;

(vii) as to Real Estate which are acquired after the date of this Agreement, Liens and other encumbrances or rights of others which exist on the date of acquisition and which do not otherwise constitute a breach of this Agreement;

(viii) Liens affecting the Unencumbered Properties in respect of judgments or awards that have been in force for less than the applicable period for taking an appeal, so long as execution is not levied thereunder or in respect of which, at the time, a good faith appeal or proceeding for review is being prosecuted, and in respect of which a stay of execution shall have been obtained pending such appeal or review; provided that the Borrower shall have obtained a bond or insurance with respect thereto to the Administrative Agent's reasonable satisfaction;

(ix) Liens securing Indebtedness for the purchase price of capital assets (other than Real Estate but including Indebtedness in respect of Capitalized Leases for equipment and other equipment leases) to the extent not otherwise prohibited by ss.8.1;

(x) other Liens (other than affecting the Unencumbered Properties) in connection with any Indebtedness not prohibited under ss.8.1 which do not otherwise result in a Default or Event of Default under this Agreement; and

(xi) Liens granted in accordance with ss.8.4(b) hereof.

Notwithstanding the foregoing provisions of this ss.8.2, the failure of any Unencumbered Property to comply with the covenants set forth in this ss.8.2 shall result in such Unencumbered Property's no longer qualifying as Unencumbered Property under this Agreement, but such disqualification shall not by itself constitute a Default or Event of Default, unless the cause of such non-qualification otherwise constitutes a Default or an Event of Default.

ss.8.3. Restrictions on Investments. None of the Borrower, any Guarantor, or any Subsidiary will make or permit to exist or to remain outstanding any Investment except Investments in:

(a) marketable direct or guaranteed obligations of the United States of America that mature within one (1) year from the date of purchase;

(b) demand deposits, certificates of deposit, bankers acceptances and time deposits of United States banks having total assets in excess of $1,000,000,000 provided that any such deposits may be moved to a qualifying bank within thirty (30) days after the Borrower, Guarantor or Subsidiary has knowledge that any depository bank no longer has total assets in excess of such amounts;

(c) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States of America or any state thereof, or in both cases any governmental subdivision, that at the time of purchase have been rated and the ratings for which are not less than "P 1" if rated by Moody's, and not less than "A 1" if rated by S&P;

(d) Investments existing on the Closing Date and listed on Schedule 8.3(d) hereto;

(e) So long as no Event of Default enumerated in ss.8.7(a)(ii) has occurred and is continuing or would occur after giving effect thereto, acquisitions of Real Estate consistent with the requirements of the fourth sentence of ss.7.7 hereof and the equity of Persons, provided (i) that within thirty (30) days after any such Investment the total assets of MCRLP, MCRC and their Subsidiaries, taken as a whole, shall be comprised of assets of which eighty-five percent (85%) or more comply with the parameters of the fourth sentence of ss.7.7 hereof and (ii) that the Borrower shall not permit any of its Subsidiaries which is not a Guarantor, or which does not become a Guarantor, to acquire any Unencumbered Property, and in all cases such Guarantor shall be a wholly-owned Subsidiary of MCRLP;

(f) any Investments now or hereafter made in the Borrower, any Guarantor or other Subsidiary, as identified or which will be identified from time to time in Schedule 8.3(f) hereto, which Schedule 8.3(f) shall be updated annually at the time of the delivery of the financial statements referred to in ss. 7.4(a) hereof;

(g) Investments in respect of (1) equipment, inventory and other tangible personal property acquired in the ordinary course of business, (2) current trade and customer accounts receivable for services rendered in the ordinary course of business and payable in accordance with customary trade terms, (3) advances to employees for travel expenses, drawing accounts and similar expenditures, and (4) prepaid expenses made in the ordinary course of business;

(h) any other Investments made in the ordinary course of business and consistent with past business practices;

(i) interest rate hedges in connection with Indebtedness;

(j) shares of so-called "money market funds" registered with the SEC under the Investment Company Act of 1940 which maintain a level per-share value, invest principally in marketable direct or guaranteed obligations of the United States of America and agencies and instrumentalities thereof, and have total assets in excess of $50,000,000 provided that any such shares are moved to a qualifying money market fund within thirty (30) days after the Borrower, any Guarantor or any Subsidiary has knowledge that any money market fund no longer has total assets in excess of that amount; and

(k) Investments permitted under ss.9.8 hereof.

ss.8.4. Merger, Consolidation and Disposition of Assets.

None of the Borrower, any Guarantor, any Operating Subsidiary or any wholly-owned Subsidiary will:

(a) Become a party to any merger, consolidation or reorganization without the prior Unanimous Lender Approval, except that so long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, the merger, consolidation or reorganization of one or more Persons with and into the Borrower, any Guarantor, or any wholly-owned Subsidiary, shall be permitted if (i) such action is not hostile, (ii) the Borrower, any Guarantor, or any wholly-owned Subsidiary, as the case may be, is the surviving entity and (iii) such merger, consolidation or reorganization does not cause a breach of ss.7.23 hereof or a Default or Event of Default under ss.12.1(m) hereof; provided, that for any such merger, consolidation or reorganization (other than (w) the merger or consolidation of one or more Subsidiaries of MCRLP with and into MCRLP, (x) the merger or consolidation of two or more Subsidiaries of MCRLP, (y) the merger or consolidation of one or more Subsidiaries of MCRC with and into MCRC, or (z) the merger or consolidation of two or more Subsidiaries of MCRC), the Borrower shall provide to the Administrative Agent a statement in the form of Exhibit D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing compliance with the covenants contained in ss.9 hereof and certifying that no Default or Event of Default has occurred and is continuing, or would occur and be continuing after giving effect to such merger, consolidation or reorganization and all liabilities, fixed or contingent, pursuant thereto;

(b) Sell, transfer or otherwise dispose of (collectively and individually, "Sell" or a "Sale") or grant a Lien to secure Indebtedness (an "Indebtedness Lien") on any of its now owned, ground leased or hereafter acquired assets without obtaining the prior written consent of the Required Lenders, except after written notice to the Administrative Agent for:

(i) the Sale of or granting of an Indebtedness Lien on any Unencumbered Property or other Real Estate so long as no Default or Event of Default has then occurred and is continuing, or would occur and be continuing after giving effect to such

Sale or Indebtedness Lien; provided, that prior to any Sale of any Unencumbered Property or other Real Estate or the granting of an Indebtedness Lien under this clause (i), the Borrower shall provide to the Administrative Agent a statement in the form of Exhibit D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing compliance with the covenants contained in ss.9 hereof and certifying that no Default or Event of Default has occurred and is continuing, or would occur and be continuing after giving effect to such proposed Sale or Indebtedness Lien and all liabilities, fixed or contingent, pursuant thereto;

(ii) the Sale of or the granting of an Indebtedness Lien on any Unencumbered Property while a Default or Event of Default (other than a Default or an Event of Default under ss.12.1(a) (including, without limitation, any such failure to pay resulting from acceleration of the Loans), ss.12.1(b), ss.12.1(c) (resulting from a failure to comply with ss.7.7 (as to the legal existence and REIT status of MCRC) or ss.9), ss.12.1(g), ss.12.1(h), or ss.12.1(j)) has then occurred and is continuing or would occur and be continuing after giving effect to such Sale or Indebtedness Lien; provided, that the Borrower shall (A) apply the net proceeds of each such permitted Sale or Indebtedness Lien to the repayment of the Loans or (B) segregate the net proceeds of such permitted Sale or Indebtedness Lien in an escrow account with the Administrative Agent or with a financial institution reasonably acceptable to the Administrative Agent and apply such net proceeds solely to a qualified, deferred exchange under ss. 1031 of the Code or to another use with the prior written approval of the Required Lenders or (C) complete an exchange of such

Unencumbered Property for other real property of equivalent value under ss. 1031 of the Code so long as such other real property becomes an Unencumbered Property upon acquisition, and, in any event, the Borrower shall provide to the Administrative Agent a statement in the form of Exhibit D hereto signed by the chief financial officer, or treasurer or vice president of finance or other thereon designated officer and setting forth in reasonable detail computations evidencing compliance with the covenant in ss.9 hereof and certifying the use of the proceeds of such Sale or Indebtedness Lien and certifying that no Default or Event of Default above enumerated has occurred and is continuing or would occur and be continuing after giving effect to such Sale or Indebtedness Lien, and all liabilities fixed or contingent pursuant thereto;

(iii) the Sale of or the granting of an Indebtedness Lien on any Real Estate (other than an Unencumbered Property) while a Default or Event of Default has then occurred and is continuing or would occur and be continuing after giving effect to such Sale or Indebtedness Lien; provided, that the Borrower shall (A) apply the net proceeds of each such Sale or Indebtedness Lien to the repayment of the Loans or (B) segregate the net proceeds of such Sale or Indebtedness Lien in an escrow account with the Administrative Agent or with a financial institution reasonably acceptable to the Administrative Agent and apply such net proceeds solely to a qualified, deferred

exchange under ss. 1031 of the Code or to another use with the prior written approval of the Required Lenders or (C) complete an exchange of such Real Estate for other real property of equivalent value under ss. 1031 of the Code;

(iv) the Sale or granting of an Indebtedness Lien on any Unencumbered Property while any Default or Event of Default has then occurred and is continuing provided (A) the Borrower shall provide to the Administrative Agent a statement in the form of Exhibit D hereto signed by the chief financial officer or treasurer or vice president of finance or other thereon designated officer of the Borrower and setting forth in reasonable detail computations evidencing the status of compliance with the covenants contained in ss.9 hereof and certifying that the continuing Default or Event of Default will be cured by such proposed Sale or Indebtedness Lien and no other Default or Event of Default would occur and be continuing after giving effect to such proposed Sale or Indebtedness Lien and all liabilities fixed or contingent, pursuant thereto and (B) the Sale or granting of an Indebtedness Lien pursuant to this ss.8.4(b) (iv) shall not (x) occur more than four times during the period that any Commitment is outstanding, (y) involve a Sale or Indebtedness Lien for greater than $200,000,000 in the aggregate in the combined four permitted occasions (which shall be the maximum member of permitted occasions) under (x), or (z) involve a Sale at less than fair market value or an Indebtedness Lien on terms more onerous or expensive than fair market terms from institutional lenders; and

(v) the Sale of or the granting of an Indebtedness Lien on any of its now owned or hereafter acquired assets (other than Real Estate) in one or more transactions.

ss.8.5. Negative Pledge. From and after the date hereof, neither the Borrower nor any Guarantor will, and will not permit any Subsidiary to, enter into any agreement containing any provision prohibiting the creation or assumption of any Lien upon its properties (other than prohibitions on liens for particular assets (other than an Unencumbered Property) set forth in a security instrument in connection with Secured Indebtedness for such assets and the granting or effect of such liens does not otherwise constitute a Default or Event of Default), revenues or assets, whether now owned or hereafter acquired, or restricting the ability of the Borrower or the Guarantors to amend or modify this Agreement or any other Loan Document. The Borrower shall be permitted a period of (i) thirty (30) days to cure any Non-Material Breach affecting other than MCRC or MCRLP and (ii) ten (10) days to cure any Non-Material Breach affecting MCRC or MCRLP under this ss.8.5 before the same shall be an Event of Default under ss.12.1(c).

ss.8.6. Compliance with Environmental Laws. None of the Borrower, any Guarantor, or any Subsidiary will do any of the following: (a) use any of the Real Estate or any portion thereof as a facility for the handling, processing, storage or disposal of Hazardous Substances except for quantities of Hazardous Substances used in the ordinary course of business and in

compliance with all applicable Environmental Laws, (b) cause or permit to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances except in compliance with Environmental Laws, (c) generate any Hazardous Substances on any of the Real

Estate except in compliance with Environmental Laws, or (d) conduct any activity at any Real Estate or use any Real Estate in any manner so as to cause a Release causing a violation of Environmental Laws or a Material Adverse Effect or a violation of any Environmental Law; provided that a breach of this covenant shall result in the affected Real Estate no longer being an Unencumbered Property, but shall only constitute an Event of Default under ss.12.1(d) if such breach is not a Non-Material Breach.

ss.8.7. Distributions. (a) The Borrower (i) will not in any period of four (4) consecutive completed fiscal quarters make Distributions with respect to common stock or other common equity interests (other than pursuant to clause (iii) in the definition of Distribution) in such period in an aggregate amount in excess of 90% of Funds From Operations for such period or (ii) will not make any Distributions (other than pursuant to clause (iii) in the definition of Distribution) during any period when any Event of Default under ss.12.1(a) (including, without limitation, any failure to pay resulting from acceleration of the Loans) ss.12.1(b), ss.12.1(c) resulting from a failure to comply with ss.7.7 (as to the legal existence and REIT status of MCRC), ss.9, ss.12(g), ss.12.1(h), or ss.12.1(j) has occurred and is continuing or (iii) will not make any Distributions to any Guarantor or its Subsidiaries when such Person is the subject of a Permitted Event except as required by order of the tribunal in which such Permitted Event is occurring; and except that such Person may make Distributions to a Guarantor or Subsidiary while such distributing Person is the subject of a Permitted Event; provided, however, that the Borrower may at all times make Distributions (after taking into account all available funds of MCRC from all other sources) in the minimum aggregate amount required in order to enable MCRC to continue to qualify as a REIT. In the event that MCRC or MCRLP raises equity during the term of this Agreement, the permitted percentage of Distributions will be adjusted based on the total declared distribution per share and partnership units over the most recent four (4) quarters to Funds From Operations per weighted average share and partnership unit based on the most recent four (4) quarters.

(b) MCRC will not, during any period when any Event of Default has occurred and is continuing, make any Distributions in excess of the Distributions required to be made by MCRC in order to maintain its status as a REIT.

ss.8.8. Employee Benefit Plans. None of the Borrower, any Guarantor or any ERISA Affiliate will

(a) engage in any "prohibited transaction" within the meaning of ss.406 of ERISA or ss.4975 of the Code which could result in a material liability for the Borrower, any Guarantor or any of their respective Subsidiaries; or

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in ss.302 of ERISA, whether or not such deficiency is or may be waived; or

(c) fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of the Borrower, any Guarantor or any of their respective Subsidiaries pursuant to ss.302(f) or ss.4068 of ERISA; or

(d) amend any Guaranteed Pension Plan in circumstances requiring the posting of security pursuant to ss.307 of ERISA or ss.401(a)(29) of the Code; or

(e) permit or take any action which would result in the aggregate benefit liabilities (with the meaning of ss.4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities; provided that none of (a) - (e) shall be an Event of Default under ss.12.1(c) if the prohibited matters occurring are in the aggregate within the Dollar limits permitted within ss.12.1(l) and are otherwise the subject of the matters that are covered by the Events of Default in ss.12.1(l)

ss.8.9. Fiscal Year. The Borrower will not, and will not permit the Guarantors or any of their respective Subsidiaries to, change the date of the end of its fiscal year from that set forth in ss.6.5; provided that such persons may change their respective fiscal years if they give the Administrative Agent thirty (30) days prior written notice of such change and the parties make appropriate adjustments satisfactory to the Borrower and the Lenders to the provisions of this Agreement (including without limitation those set forth in ss.9) to reflect such change in fiscal year.

ss.9. FINANCIAL COVENANTS OF THE BORROWER. The Borrower covenants and agrees that, so long as any Loan, Letter of Credit or Note is outstanding or any Lender has any obligation to make any Loan or any Lender has any obligation to issue, extend or renew any Letters of Credit:

ss.9.1. Leverage Ratio. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Total Liabilities to exceed 55% of Consolidated Total Capitalization.

ss.9.2. Secured Indebtedness. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Secured Indebtedness to exceed 40% of Consolidated Capitalized NOI.

ss.9.3. Tangible Net Worth. As at the end of any fiscal quarter or any other date of measurement, the Borrower shall not permit Consolidated Tangible Net Worth to be less than

the sum of (a) $1,250,000,000 plus (b) 75% of the sum of (i) the aggregate proceeds received by MCRC (net of fees and expenses customarily incurred in transactions of such type) in connection with any offering of stock in MCRC and (ii) the aggregate value of operating units issued by MCRLP in connection with asset or stock acquisitions (valued at the time of issuance by reference to the terms of the agreement pursuant to which such units are issued), in each case after the Closing Date and on or prior to the date such determination of Consolidated Tangible Net Worth is made.

ss.9.4. Debt Service Coverage. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Adjusted Net Income to be less than two (2) times Consolidated Total Debt Service, based on the results of the most recent two (2) complete fiscal quarters. For purposes of this ss.9.4, the Consolidated Total Debt Service of the Borrower shall include, on a net basis, positive amortization and negative amortization of each of the Harborside Assumed Debt.

ss.9.5. Fixed Charge Coverage. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Adjusted Net Income to be less than one and three-quarters (1.75) times Consolidated Fixed Charges, based on the results of the most recent two (2) complete fiscal quarters.

ss.9.6. Unsecured Indebtedness. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit Consolidated Unsecured Indebtedness to exceed 60% of aggregate Capitalized Unencumbered Property NOI for all Unencumbered Properties.

ss.9.7. Unencumbered Property Debt Service Coverage. As at the end of any fiscal quarter or other date of measurement, the Borrower shall not permit the aggregate Adjusted Unencumbered Property NOI for all Unencumbered Properties to be less than two (2) times Consolidated Total Unsecured Debt Service, based on the results of the most recent two (2) complete fiscal quarters.

ss.9.8. Investment Limitation. None of the Borrower, any Guarantor, or any Subsidiary will make or permit to exist or to remain outstanding any Investment in violation of the following restrictions and limitations:

(a) As at the end of any fiscal quarter or other date of measurement, the book value of Unimproved Non-Income Producing Land shall not exceed ten (10%) of Consolidated Capitalized NOI.

(b) Investments in Opportunity Funds shall be Without Recourse to the Borrower, the Guarantors and their Subsidiaries as required in the definition of Opportunity Fund, shall otherwise comply with the requirements of the definition of Opportunity Fund, and shall not exceed the lesser of 7.5% of Consolidated Capitalized NOI or $150,000,000.

(c) As at the end of any fiscal quarter or other date of measurement, the aggregate Budgeted Project Costs of all Construction-in-Process shall not exceed fifteen (15%) percent of Consolidated Capitalized NOI. For purposes of this ss.9.8(c), Construction-in- Process shall not include so-called "build to suit" properties which are (i) seventy-five (75%) percent pre-leased (by rentable square foot) to tenants which have a minimum credit rating of BBB-from S&P or Baa3 from Moody's, as the case may be, or which have a financial condition reasonably acceptable to the Majority Lenders (provided that the Borrower shall submit any such request for the Lender's acceptance of a tenant's financial condition to the Administrative Agent in writing, and the Administrative Agent shall, in turn, promptly forward such request to each Lender; each Lender shall then have five (5) Business Days from its deemed receipt of such request to approve or disapprove of such tenant's financial condition, with any Lender's failure to send notice of disapproval to the Administrative Agent within five (5) Business Days being deemed to be its approval) and (ii) in substantial compliance, with respect to both time and cost, with the original construction budget and construction schedule, as amended by change orders or otherwise updated.

(d) As at the end of any fiscal quarter or other date of measurement, the value of Indebtedness of third parties to the Borrower, the Guarantors, or their Subsidiaries for borrowed money which is unsecured or is secured by mortgage liens (valued at the book value of such Indebtedness) shall not exceed fifteen (15%) percent of Consolidated Capitalized NOI.

(e) The Investments set forth in clauses (a) through (d) above, taken in the aggregate, shall not exceed thirty (30%) percent of Consolidated Capitalized NOI.

(f) Investments in Real Estate other than office, office flex, and industrial/warehouse properties, taken in the aggregate, shall not exceed fifteen (15%) of Consolidated Capitalized NOI.

ss.9.9. Covenant Calculations.

(a) For purposes of the calculations to be made pursuant to ss.ss.9.1-9.8 (and the defined terms relevant thereto, including, without limitation, those relating to "debt service"), references to Indebtedness or liabilities of the Borrower shall mean Indebtedness or liabilities (including, without limitation, Consolidated Total Liabilities) of the Borrower, plus (but without double-counting):

(i) all Indebtedness or liabilities of the Operating Subsidiaries, the Guarantors and any other wholly-owned Subsidiary (excluding any such Indebtedness or liabilities owed to the Borrower or any Guarantor; provided that, as to MCRC, MCRC has a corresponding Indebtedness or liability to the Borrower),

(ii) all Indebtedness or liabilities of each Partially-Owned Entity (including for Capitalized Leases), but only to the extent, if any, that said Indebtedness or liability is Recourse to the Borrower, the Guarantors or their respective Subsidiaries or any of their respective assets (other than their respective interests in such Partially- Owned Entity); provided that Recourse Indebtedness arising from such Person's acting as general partner or guarantor of collection only (and not of payment or performance) of a Partially-Owned Entity shall be limited to the amount by which the Indebtedness exceeds the liquidation value of the Real Estate and other assets owned by such Partially-Owned Entity if the creditor owed such Indebtedness is required by law or by contract to seek repayment of such Indebtedness from such Real Estate and other assets before seeking repayment from such Person, and

(iii) Indebtedness or liabilities of each Partially-Owned Entity to the extent of the pro-rata share of such Indebtedness or liability allocable to the Borrower, the Guarantors or their respective Subsidiaries without double counting.

(b) For purposes of ss.ss.9.1-9.8 hereof, Consolidated Adjusted Net Income, Revised Consolidated Adjusted Net Income, Adjusted Unencumbered Property NOI and Revised Adjusted Unencumbered Property NOI (and all defined terms and calculations using such terms) shall be adjusted (i) to deduct the actual results of any Real Estate disposed of by the Borrower, a Guarantor or any of their respective Subsidiaries during the relevant fiscal period (for Revised Consolidated Adjusted Net Income and Revised Adjusted Unencumbered Property NOI only), (ii) to include the pro forma results of any Real Estate acquired by the Borrower, a Guarantor or any of their respective Subsidiaries during the relevant fiscal period, with such pro forma results being calculated by (x) using the Borrower's pro forma projections for such acquired property, subject to the Administrative Agent's reasonable approval, if such property has been owned by the Borrower, a Guarantor or any of their respective Subsidiaries for less than one complete fiscal quarter or (y) using the actual results for such acquired property and adjusting such results for the appropriate period of time required by the applicable financial covenant, if such property has been owned by the Borrower, a Guarantor or any of their respective Subsidiaries for at least one complete fiscal quarter (for Revised Consolidated Adjusted Net Income and Revised Adjusted Unencumbered Property NOI only) and (iii) to the extent applicable, to include the pro rata share of results attributable to the Borrower from unconsolidated Subsidiaries of MCRC, the Borrower and their respective Subsidiaries and from unconsolidated Partially-Owned Entities; provided that income shall not be included until received without restriction in cash by the Borrower.

(c) For purposes ofss.ss.9.1 - 9.8 hereof, if any change in GAAP after the Financial Statement Date results in a material change in the calculation to be performed in any such section, solely as a result of such change in GAAP, the Lenders and the Borrower shall negotiate in good faith a modification of any such covenant(s) so that the economic effect of the calculation of such covenant(s) using GAAP as so changed is as close as feasible to what the

economic effect of the calculation of such covenant(s) would have been using GAAP in effect as of the Financial Statement Date.

ss.10. CONDITIONS TO THE CLOSING DATE. The obligations of the Lenders to make the initial Revolving Credit Loans and of the Fronting Bank to issue any initial Letters of Credit shall be subject to the satisfaction of the following conditions precedent on or prior to April ___, 1998:

ss.10.1. Loan Documents. Each of the Loan Documents shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect.

ss.10.2. Certified Copies of Organization Documents. The Administrative Agent shall have received (i) from the Borrower and each of the Subsidiary Guarantors a copy, certified as of the Closing Date by a duly authorized officer of such Person (or its general partner, if such Person is a partnership, or its managing member, if such Person is a limited liability company), to be true and complete, of each of its certificate of limited partnership, agreement of limited partnership, incorporation documents, by-laws, and/or other organizational documents as in effect on the Closing Date, and (ii) from MCRC a copy, certified as of a date within thirty (30) days prior to the Closing Date by the appropriate officer of the State of Maryland to be true and correct, of the corporate charter of MCRC, in each case along with any other organization documents of the Borrower and each Subsidiary Guarantor (and its general partner, if such Person is a partnership, or its managing member, if such Person is a limited liability company) or MCRC, as the case may be, and each as in effect on the date of such certification.

ss.10.3. By-laws; Resolutions. All action on the part of the Borrower, the Subsidiary Guarantors and MCRC necessary for the valid execution, delivery and performance by the Borrower, the Subsidiary Guarantors and MCRC of this Agreement and the other Loan Documents to which any of them is or is to become a party as of the Closing Date shall have been duly and effectively taken, and evidence thereof satisfactory to the Lenders shall have been provided to the Administrative Agent. Without limiting the foregoing, the Administrative Agent shall have received from MCRC true copies of its by-laws and the resolutions adopted by its board of directors authorizing the transactions described herein and evidencing the due authorization, execution and delivery of the Loan Documents to which MCRC and the Borrower and Subsidiary Guarantors of which MCRC is a controlling Person are a party, each certified by the secretary as of a recent date to be true and complete.

ss.10.4. Incumbency Certificate; Authorized Signers. The Administrative Agent shall have received from each of the Borrower, MCRC and the Subsidiary Guarantors an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer such Person and giving the name of each individual who shall be authorized: (a) to sign, in the name and on behalf of such Person, each of the Loan Documents to which such Person is or is to become a party as of the Closing Date; (b) in the case of the Borrower, to make Loan Requests,

Conversion Requests and Competitive Bid Requests and to apply for Letters of Credit on behalf of the Borrower; and (c) in the case of the Borrower, to give notices and to take other action on behalf of the Borrower and the Guarantors under the Loan Documents.

ss.10.5. Title Policies. The Administrative Agent (on behalf of the Lenders) shall have received copies of the Title Policies for all Real Estate which are Unencumbered Properties as of the Closing Date.

ss.10.6. Certificates of Insurance. The Administrative Agent shall have received (a) current certificates of insurance as to all of the insurance maintained by the Borrower and its Subsidiaries on the Real Estate (including flood insurance if necessary) from the insurer or an independent insurance broker, identifying insurers, types of insurance, insurance limits, and policy terms; and (b) such further information and certificates from the Borrower, its insurers and insurance brokers as the Administrative Agent may reasonably request.

ss.10.7. Environmental Site Assessments. The Administrative Agent shall have received environmental site assessments from a hydrogeologist, environmental engineer, qualified consultant or other expert and in form and substance reasonably satisfactory to the Administrative Agent, covering all Real Estate and all other real property in respect of which the Borrower or any of its Subsidiaries may have material liability, whether contingent or otherwise, for dumping or disposal of Hazardous Substances and which are in the possession of the Borrower.

ss.10.8. Opinion of Counsel Concerning Organization and Loan Documents. Each of the Lenders and the Administrative Agent shall have received favorable opinions addressed to the Lenders and the Administrative Agent in form and

substance reasonably satisfactory to the Lenders and the Administrative Agent from (a) Pryor, Cashman, Sherman & Flynn, as counsel to the Borrower, and the Subsidiary Guarantors MCRC and their respective Subsidiaries with respect to New York and New Jersey law and certain matters of Delaware law, (b) Ballard, Spahr, Andrews and Ingersoll, as counsel to MCRC, with respect to Maryland law, (c) Cohn & Birnbaum, as counsel to the Borrower and the Subsidiary Guarantors with respect to Connecticut law, (d) Eckell Sparks Levy Auerbach Monte & Emper, as counsel to the Borrower and the Subsidiary Guarantors with respect to Pennsylvania law, (e) Jones, Day, Reavis & Pogue, as counsel to the Borrower and the Subsidiary Guarantors with respect to Texas law, (f) Gunster, Yoakley, Valdes-Fauli & Stewart P.A., as counsel to the Borrower and the Subsidiary Guarantors with respect to Florida law, and (g) Battle Fowler LLP as counsel to the Borrower and the Subsidiary Guarantors with respect to California law.

ss.10.9. Tax and Securities Law Compliance. Each of the Lenders and the Administrative Agent shall also have received from Pryor, Cashman, Sherman & Flynn, as counsel to the Borrower and MCRC, a favorable opinion addressed to the Lenders and the Administrative Agent, in form and substance satisfactory to each of the Lenders and the

Administrative Agent, with respect to the qualification of MCRC as a REIT and certain other tax and securities laws matters.

ss.10.10. Guaranties. Each of the Guaranties to be executed and delivered on the Closing Date shall have been duly executed and delivered by the Guarantor thereunder.

ss.10.11. Certifications from Government Officials; UCC-11 Reports. The Administrative Agent shall have received (i) long-form certifications from government officials evidencing the legal existence, good standing and foreign qualification of the Borrower and each Guarantor, along with a certified copy of the certificate of limited partnership or certificate of incorporation of the Borrower and each Guarantor, all as of the most recent practicable date; and (ii) UCC-11 search results from the appropriate jurisdictions for the Borrower and each Guarantor with respect to the Unencumbered Properties.

ss.10.12. Proceedings and Documents. All proceedings in connection with the transactions contemplated by this Agreement, the other Loan Documents and all other documents incident thereto shall be satisfactory in form and substance to each of the Lenders', the Borrower's, the Guarantors' and the Administrative Agent's counsel, and the Administrative Agent, each of the Lenders and such counsel shall have received all information and such counterpart originals or certified or other copies of such documents as the Administrative Agent may reasonably request.

ss.10.13. Fees. The Borrower shall have paid to the Administrative Agent, for the accounts of the Lenders, the Syndication Agent, the Arrangers or for its own account, as applicable, all of the fees and expenses that are due and payable as of the Closing Date in accordance with this Agreement and the Fee Letter.

ss.10.14. Closing Certificate; Compliance Certificate. The Borrower shall have delivered a Closing Certificate to the Administrative Agent, the form of which is attached hereto as Exhibit E. The Borrower shall have delivered a compliance certificate in the form of Exhibit D hereto evidencing compliance with the covenants set forth in ss.9 hereof, the absence of any Default or Event of Default, and the accuracy of all representations and warranties in all material respects.

ss.10.15. Subsequent Guarantors. As a condition to the effectiveness of any subsequent Guaranty, each subsequent Guarantor shall deliver such documents, agreements, instruments and opinions as the Administrative Agent shall reasonably require as to such Guarantor and the Unencumbered Property owned or ground-leased by such Guarantor that are analogous to the deliveries made by the Guarantors as of the Closing Date pursuant to ss.10.2 through ss.10.8, ss.10.10 and ss.10.11.

ss.10.16. Existing Credit Facility. The existing Indebtedness of the Borrower to the lenders party to the Revolving Credit Agreement dated as of August 6, 1997 among the

Borrower, such lenders, Fleet, as agent for such lenders and the other parties thereto, shall have been satisfied in full, or will be satisfied in full with the proceeds of the initial Revolving Credit Loan hereunder, and such Revolving Credit Agreement shall have been (or will be) terminated; provided that the Existing Letters of Credit (as defined in ss.3.7 hereof) shall remain outstanding and become Letters of Credit under this Agreement.

ss.11. CONDITIONS TO ALL BORROWINGS. The obligations of the Lenders to

make any Loan and of any Lender to issue, extend or renew any Letter of Credit, in each case, whether on or after the Closing Date, shall also be subject to the satisfaction of the following conditions precedent:

ss.11.1. Representations True; No Event of Default; Compliance Certificate. Each of the representations and warranties of the Borrower and the Guarantors contained in this Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true as of the date as of which they were made and shall also be true at and as of the time of the making of each Loan or the issuance, extension or renewal of each Letter of Credit, with the same effect as if made at and as of that time (except to the extent (i) of changes resulting from transactions contemplated or not prohibited by this Agreement or the other Loan Documents (ii) of changes occurring in the ordinary course of business, (iii) that such representations and warranties relate expressly to an earlier date and (iv) that such untruth is disclosed when first known to the Borrower or a Guarantor in the next delivered compliance certificate, and is a Non-Material Breach); and no Default or Event of Default under this Agreement shall have occurred and be continuing on the date of any Loan Request or Competitive Bid Request or on the Drawdown Date of any Loan (other than a Default or Event of Default arising solely from the Borrower's failure to comply with the provision of ss. 7.22 and such borrowing is to cure, and will cure, such Default or Event of Default without causing any other Default or Event of Default). Each of the Lenders shall have received a certificate of the Borrower as provided in ss.2.5(iv)(c) or ss.2A.9.

ss.11.2. No Legal Impediment. No change shall have occurred in any law or regulations thereunder or interpretations thereof that in the reasonable opinion of the Administrative Agent or any Lender would make it illegal for any Lender to make such Loan or to participate in the issuance, extension or renewal of such Letter of Credit or, in the reasonable opinion of the Administrative Agent, would make it illegal to issue, extend or renew such Letter of Credit.

ss.11.3. Governmental Regulation. Each Lender shall have received such statements in substance and form reasonably satisfactory to such Lender as such Lender shall require for the purpose of compliance with any applicable regulations of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System.

ss.12. EVENTS OF DEFAULT; ACCELERATION; ETC.

ss.12.1. Events of Default and Acceleration. If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment; none of the foregoing is a Non-Material Breach.

(b) the Borrower shall fail to pay any interest on the Loans, the Commitment Fee, the Facility Fee, any Letter of Credit Fee or any other sums due hereunder or under any of the other Loan Documents (including, without limitation, amounts due under ss.7.17) when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment, and such failure continues for five (5) days; none of the foregoing is a Non-Material Breach.

(c) the Borrower or any Guarantor or any of their respective Subsidiaries shall fail to comply with any of their respective covenants contained in: ss.7.1 within ten (10) days of any such amount being due (except with respect to interest, fees and other sums covered by clause (b) above or principal covered by clause (a) above); ss.7.6 (as to the legal existence of MCRLP for which no period to cure is granted); ss.7.7 (as to the legal existence and REIT status of MCRC for which no period to cure is granted); ss.7.12; ss.7.21 within ten (10) days of the occurrence of same; ss.7.22 within thirty (30) days of any non-compliance; ss.8 (except with respect to ss.8.1(b), ss.8.5 for Non-Material Breaches only, or ss.8.6); or ss.9; none of the foregoing is a Non-Material Breach.

(d) the Borrower or any Guarantor or any of their respective Subsidiaries shall fail to perform any other term, covenant or agreement contained herein or in any other Loan Document (other than those specified elsewhere in this ss.12) and such failure continues for thirty (30) days (other than a Non-Material Breach (excluding ss.8.5 for which the Non- Material Breach must be cured within the thirty or ten days, as applicable, provided therein) and such cure period shall not extend any specific cure period set forth in any term, covenant or agreement covered by this ss.12.1(d)).

(e) any representation or warranty of the Borrower or any Guarantor or any of their respective Subsidiaries in this Agreement or any of the other Loan Documents or in any other document or instrument delivered pursuant to or in connection with this Agreement shall prove to have been false in any material

respect upon the date when made or deemed to have been made or repeated (other than a Non-Material Breach).

(f) the Borrower or any Guarantor or any of their respective Subsidiaries shall (i) fail to pay at maturity, or within any applicable period of grace or cure, any obligation

for borrowed money or credit received (other than current obligations in the ordinary course of business) or in respect of any Capitalized Leases (x) in respect of any Recourse obligations or credit in an aggregate amount in excess of $5,000,000 (determined in accordance with ss. 9.9 hereof) or (y) in respect of any Without Recourse obligations or credit in an aggregate amount in excess of $50,000,000 (determined in accordance with ss. 9.9 hereof), or (ii) fail to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing borrowed money or credit received (other than current obligations in the ordinary course of business) or in respect of any Capitalized Leases (x) in respect of any Recourse obligations or credit in an aggregate amount in excess of $5,000,000 (determined in accordance with ss. 9.9 hereof) for such period of time (after the giving of appropriate notice if required) as would permit the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof or (y) in respect of any Without Recourse obligations or credit in an aggregate amount in excess of $50,000,000 (determined in accordance with ss. 9.9 hereof), and the holder or holders thereof shall have accelerated the maturity thereof; none of the foregoing is a Non-Material Breach.

(g) any Credit Party (other than for a Permitted Event) shall make an assignment for the benefit of creditors, or admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for the appointment of a trustee or other custodian, liquidator or receiver of any Credit Party or of any substantial part of the properties or assets of any Credit Party (other than for a Permitted Event) or shall commence any case or other proceeding relating to any Credit Party (other than for a Permitted Event) under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or shall take any action to authorize or in furtherance of any of the foregoing, or if any such petition or application shall be filed or any such case or other proceeding shall be commenced against any Credit Party (other than for a Permitted Event) and (i) any Credit Party (other than for a Permitted Event) shall indicate its approval thereof, consent thereto or acquiescence therein or (ii) any such petition, application, case or other proceeding shall continue undismissed, or unstayed and in effect, for a period of seventy-five (75) days.

(h) a decree or order is entered appointing any trustee, custodian, liquidator or receiver or adjudicating any Credit Party (other than for a Permitted Event) bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of any Credit Party (other than for a Permitted Event) in an involuntary case under federal bankruptcy laws as now or hereafter constituted, and such proceeding, decree or order shall continue undismissed, or unstayed and in effect, for a period of seventy-five (75) days.

(i) there shall remain in force, undischarged, unsatisfied and unstayed, for a period of more than thirty (30) days, any uninsured final judgment against the Borrower, any Guarantor or any of their respective Subsidiaries that, with other outstanding uninsured

final judgments, undischarged, unsatisfied and unstayed, against the Borrower, any Guarantor or any of their respective Subsidiaries exceeds in the aggregate $10,000,000 (other than for a Permitted Event).

(j) any of the Loan Documents or any material provision of any Loan Documents shall be canceled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Administrative Agent, or any Guaranty shall be canceled, terminated, revoked or rescinded at any time or for any reason whatsoever, or any action at law, suit or in equity or other legal proceeding to make unenforceable, cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower or any of its Subsidiaries or any Guarantor or any of its Subsidiaries, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable as to any material terms thereof, other than as any of the same may occur from a Permitted Event permitted by this Agreement.

(k) any "Event of Default" or default (after notice and expiration of any period of grace, to the extent provided, and if none is specifically

provided or denied, then for a period of thirty (30) days after notice), as defined or provided in any of the other Loan Documents, shall occur and be continuing.

(l) the Borrower or any ERISA Affiliate incurs any liability to the PBGC or a Guaranteed Pension Plan pursuant to Title IV of ERISA in an aggregate amount exceeding $5,000,000, or the Borrower or any ERISA Affiliate is assessed withdrawal liability pursuant to Title IV of ERISA by a Multiemployer Plan requiring aggregate annual payments exceeding $5,000,000, or any of the following occurs with respect to a Guaranteed Pension Plan: (i) an ERISA Reportable Event, or a failure to make a required installment or other payment (within the meaning of ss.302(f)(1) of ERISA), provided that the Administrative Agent determines in its reasonable discretion that such event (A) could be expected to result in liability of the Borrower or any of its Subsidiaries to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding $5,000,000 and (B) could constitute grounds for the termination of such Guaranteed Pension Plan by the PBGC, for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan or for the imposition of a lien in favor of such Guaranteed Pension Plan; or (ii) the appointment by a United States District Court of a trustee to administer such Guaranteed Pension Plan; or (iii) the institution by the PBGC of proceedings to terminate such Guaranteed Pension Plan; to the extent that any breach of ss.6.16 or ss.7.20 is a matter that constitutes a specific breach of a provision of this ss.12.1(l), the breach of ss.6.16 or ss.7.20 shall not be a Non-Material Breach.

(m) Notwithstanding the provisions of ss.8.4(a), any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by

the Securities and Exchange Commission under said Act) of 40% or more of the outstanding shares of common stock of MCRC in a transaction or a series of related transactions and, if at any time within one (1) year following such acquisition (i) fewer than 5 of the 7 Key Management Individuals (as defined in ss.7.23) remain active in the executive and/or operational management in their current (or comparable) positions with MCRC or (ii) individuals who were directors of MCRC on the date of such acquisition shall cease to constitute a majority of the voting members of the board of directors of MCRC.

then, and in any such event, so long as the same may be continuing, the Administrative Agent may, and upon the request of the Required Lenders shall, by notice in writing to the Borrower, declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents and all Reimbursement Obligations to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and each Guarantor; provided that in the event of any Event of Default specified in ss.12.1(g) or ss.12.1(h), all such amounts shall become immediately due and payable automatically and without any requirement of notice from any of the Lenders or the any of Administrative Agent or action by the Lenders or the Administrative Agent.

A Non-Material Breach shall require that the Borrower commence and continue to exercise reasonable diligent efforts to cure such breach (which shall occur within any specific time period for curing a Non-Material Breach elsewhere set forth in this Agreement if any). Such efforts may include (and for a Permitted Event shall include) the release of the affected Person(s) (other than MCRC) as the Guarantor pursuant to ss.5 so long as such release (i) cures such Non-Material Breach (ii) does not otherwise cause a Default or Event of Default, and (iii) does not have a Material Adverse Effect on the Borrower, the remaining Guarantors, and their respective Subsidiaries, taken as a whole. Continuing failure of the Borrower to comply with the requirements to commence and continue to exercise reasonable diligent efforts to cure such Non-Material Breach shall constitute a material breach after notice from the Administrative Agent.

ss.12.2. Termination of Commitments. If any one or more Events of Default specified in ss.12.1(g) or ss.12.1(h) shall occur, any unused portion of the Commitments hereunder shall forthwith terminate and the Lenders shall be relieved of all obligations to make Loans to the Borrower and the Administrative Agent and any Fronting Bank shall be relieved of all further obligations to issue, extend or renew Letters of Credit. If any other Event of Default shall have occurred and be continuing, whether or not the Lenders shall have accelerated the maturity of the Loans pursuant to ss.12.1, the Administrative Agent may, and upon the request of the Required Lenders shall, by notice to the Borrower, terminate the unused portion of the credit hereunder, and upon such notice being given such unused portion of the credit hereunder shall terminate immediately and each of the Lenders shall be relieved of all further obligations to make Loans, the Administrative Agent and any Fronting Bank shall be relieved of all further obligations to issue, extend or renew Letters of Credit. No such termination of the credit

hereunder shall relieve the Borrower or any Guarantor of any of the Obligations or any of its existing obligations to the Lenders arising under other agreements or instruments.

ss.12.3. Remedies. In the event that one or more Events of Default shall have occurred and be continuing, whether or not the Lenders shall have accelerated the maturity of the Loans pursuant to ss.12.1, the Required Lenders may direct the Administrative Agent to proceed to protect and enforce the rights and remedies of the Administrative Agent and the Lenders under this Agreement, the Notes, any or all of the other Loan Documents or under applicable law by suit in equity, action at law or other appropriate proceeding (including for the specific performance of any covenant or agreement contained in this Agreement or the other Loan Documents or any instrument pursuant to which the Obligations are evidenced and, to the full extent permitted by applicable law, the obtaining of the ex parte appointment of a receiver), and, if any amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right or remedy of the Administrative Agent and the Lenders under the Loan Documents or applicable law. No remedy herein conferred upon the Lenders or the Administrative Agent or the holder of any Note or purchaser of any Letter of Credit Participation is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any of the other Loan Documents or now or hereafter existing at law or in equity or by statute or any other provision of law.

ss.13. SETOFF. Without demand or notice, during the continuance of any Event of Default, any deposits (general or specific, time or demand, provisional or final, regardless of currency, maturity, or the branch at which such deposits are held, but specifically excluding tenant security deposits, other fiduciary accounts and other segregated escrow accounts required to be maintained by the Borrower for the benefit of any third party) or other sums credited by or due from any of the Lenders to the Borrower or its Subsidiaries or any other property of the Borrower or its Subsidiaries in the possession of the Administrative Agent or a Lender may be applied to or set off against the payment of the Obligations. Each of the Lenders agrees with each other Lender that (a) if pursuant to any agreement between such Lender and the Borrower (other than this Agreement or any other Loan Document), an amount to be set off is to be applied to Indebtedness of the Borrower to such Lender, other than with respect to the Obligations, such amount shall be applied ratably to such other Indebtedness and to the Obligations, and (b) if such Lender shall receive from the Borrower or its Subsidiaries, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the Obligations by proceedings against the Borrower or its Subsidiaries at law or in equity or by proof thereof in bankruptcy, reorganization, liquidation, receivership or similar proceedings, or otherwise, and shall retain and apply to the payment of the Note or Notes held by, or Reimbursement Obligations owed to, such Lender any amount in excess of its ratable portion of the payments received by all of the Lenders with respect to the Notes held by, and Reimbursement Obligations owed to, all of the Lenders, such Lender will make such disposition and arrangements with the other Lenders with respect to such excess, either by way of distribution, pro tanto assignment of claims, subrogation or otherwise,

as shall result in each Lender receiving in respect of the Notes held by it or Reimbursement Obligations owed it, its proportionate payment as contemplated by this Agreement; provided that if all or any part of such excess payment is thereafter recovered from such Lender, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest. Notwithstanding the foregoing, no Lender shall exercise a right of setoff if such exercise would limit or prevent the exercise of any other remedy or other recourse against the Borrower or its Subsidiaries; and provided further, if a Lender receives any amount in connection with the enforcement by such Lender against any particular assets held as collateral for Secured Indebtedness existing on the date hereof and unrelated to the Obligations which is owing to such Lender by the Borrower, such Lender shall not be required to ratably apply such amount to the Obligations.

ss.14. THE ADMINISTRATIVE AGENT.

ss.14.1. Authorization. (a) The Administrative Agent is authorized to take such action on behalf of each of the Lenders and to exercise all such powers as are hereunder and under any of the other Loan Documents and any related documents delegated to the Administrative Agent, together with such powers as are reasonably incident thereto, provided that no duties or responsibilities not expressly assumed herein or therein shall be implied to have been assumed by the Administrative Agent. The relationship between the Administrative Agent and the Lenders is and shall be that of agent and principal only, and nothing contained in this Agreement or any of the other Loan Documents shall be construed to constitute the Administrative Agent as a trustee or fiduciary for any Lender.

Subject to the terms and conditions hereof, the Administrative Agent shall discharge its functions as "Administrative Agent" with the same degree of care as it performs administrative services for loans in which it is the sole lender.

The Administrative Agent and the Fronting Bank shall be fully justified in failing or refusing to take any action under ss.3 hereof unless it shall first have received such advice or concurrence of the Majority Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

(b) The Borrower, without further inquiry or investigation, shall, and is hereby authorized by the Lenders to, assume that all actions taken by the Administrative Agent hereunder and in connection with or under the Loan Documents are duly authorized by the Lenders. The Lenders shall notify the Borrower of any successor to Administrative Agent by a writing signed by Required Lenders, which successor shall be reasonably acceptable to the Borrower so long as no Default or Event of Default has occurred and is continuing.

ss.14.2. Employees and Agents. The Administrative Agent may exercise its powers and execute its duties by or through employees or agents and shall be entitled to take, and to rely

on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement and the other Loan Documents. The Administrative Agent may utilize the services of such Persons as the Administrative Agent in its sole discretion may reasonably determine, and all reasonable fees and expenses of any such Persons shall be paid by the Borrower.

ss.14.3. No Liability. Neither the Administrative Agent, nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent or employee thereof, shall be liable for any waiver, consent or approval given or any action taken, or omitted to be taken, in good faith by it or them hereunder or under any of the other Loan Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever, except that the Administrative Agent may be liable for losses due to its willful misconduct or gross negligence.

ss.14.4. No Representations. Neither the Administrative Agent nor the Syndication Agent shall be responsible for the execution or validity or enforceability of this Agreement, the Notes, the Letters of Credit, or any of the other Loan Documents or for the validity, enforceability or collectibility of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties or representations made herein or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of any Guarantor or the Borrower or any of their respective Subsidiaries, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in this Agreement or the other Loan Documents. Neither the Administrative Agent nor the Syndication Agent shall be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower or any Guarantor or any holder of any of the Notes shall have been duly authorized or is true, accurate and complete. Neither the Administrative Agent nor the Syndication Agent has made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Lenders, with respect to the credit worthiness or financial condition of the Borrower or any of its Subsidiaries or any Guarantor or any of the Subsidiaries or any tenant under a Lease or any other entity. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Syndication Agent or any other Lender, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement.

ss.14.5. Payments.

(a) A payment by the Borrower to the Administrative Agent hereunder or any of the other Loan Documents for the account of any Lender shall constitute a payment to such Lender. The Administrative Agent agrees to distribute to each Lender such Lender's pro rata share of payments received by the Administrative Agent for the account of the Lenders, as provided herein or in any of the other Loan Documents. All such payments shall be made on the date received, if before 1:00 p.m., and if after 1:00 p.m., on the next Business Day. If payment is not made on the day received, interest thereon at the overnight federal funds effective rate shall be paid pro rata to the Lenders.

(b) If in the reasonable opinion of the Administrative Agent the distribution of any amount received by it in such capacity hereunder, under the Notes or under any of the other Loan Documents might involve it in material

liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction, provided that interest thereon at the overnight federal funds effective rate shall be paid pro rata to the Lenders. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Administrative Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrative Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

(c) Notwithstanding anything to the contrary contained in this Agreement or any of the other Loan Documents, any Lender that fails (i) to make available to the Administrative Agent its pro rata share of any Loan or to purchase any Letter of Credit Participation or (ii) to comply with the provisions of ss.13 with respect to making dispositions and arrangements with the other Lenders, where such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Lenders, in each case as, when and to the full extent required by the provisions of this Agreement, or to adjust promptly such Lender's outstanding principal and its pro rata Commitment Percentage as provided in ss.2.1, shall be deemed delinquent (a "Delinquent Lender") and shall be deemed a Delinquent Lender until such time as such delinquency is satisfied. A Delinquent Lender shall be deemed to have assigned any and all payments due to it from the Borrower, whether on account of outstanding Loans, interest, fees or otherwise, to the remaining nondelinquent Lenders for application to, and reduction of, their respective pro rata shares of all outstanding Loans. The Delinquent Lender hereby authorizes the Administrative Agent to distribute such payments to the nondelinquent Lenders in proportion to their respective pro rata shares of all outstanding Loans. If not previously satisfied directly by the Delinquent Lender, a Delinquent Lender shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all outstanding Loans of the nondelinquent Lenders, the Lenders' respective pro rata shares of all outstanding Loans have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

ss.14.6. Holders of Notes. The Administrative Agent may deem and treat the payee of any Notes or the purchaser of any Letter of Credit Participation as the absolute owner or purchaser thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee or transferee.

ss.14.7. Indemnity. The Lenders ratably and severally agree hereby to indemnify and hold harmless the Administrative Agent (in its capacity as such and not in its capacity as a Lender) and its Affiliates from and against any and all claims, actions and suits (whether groundless or otherwise), losses, damages, costs, expenses (including any expenses for which the Administrative Agent has not been reimbursed by the Borrower as required by ss.15), and liabilities of every nature and character arising out of or related to this Agreement, the Notes, or any of the other Loan Documents or the transactions contemplated or evidenced hereby or thereby, or the Administrative Agent's actions taken hereunder or thereunder, except to the extent that any of the same shall be directly caused by the Administrative Agent's willful misconduct or gross negligence.

ss.14.8. Administrative Agent as Lender. In its individual capacity as a Lender, Chase shall have the same obligations and the same rights, powers and privileges in respect to its Commitment and the Loans made by it, and as the holder of any of the Notes and as the purchaser of any Letter of Credit Participations, as it would have were it not also the Administrative Agent.

ss.14.9. Notification of Defaults and Events of Default. Each Lender hereby agrees that, upon learning of the existence of a default, Default or an Event of Default, it shall (to the extent notice has not previously been provided) promptly notify the Administrative Agent thereof. The Administrative Agent hereby agrees that upon receipt of any notice under this ss.14.9 it shall promptly notify the other Lenders of the existence of such default, Default or Event of Default.

ss.14.10. Duties in the Case of Enforcement. In case one or more Events of Default have occurred and shall be continuing, and whether or not acceleration of the Obligations shall have occurred, the Administrative Agent shall, if (a) so requested by the Required Lenders and (b) the Lenders have provided to the Administrative Agent such additional indemnities and assurances against expenses and liabilities as the Administrative Agent may reasonably request, proceed to enforce the provisions of this Agreement and exercise all or any such other legal and equitable and other rights or remedies as it may have in respect of enforcement of the Lenders' rights against the Borrower and the Guarantors under this Agreement and the other Loan Documents. The Required Lenders may direct the Administrative Agent in writing as to the method and the extent (other than when such direction as to extent requires Unanimous Lender Approval under ss.25) of any such enforcement, the Lenders (including any Lender which is not one of the

Required Lenders) hereby agreeing to ratably and severally indemnify and hold the Administrative Agent harmless from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions other than actions taken in

gross negligence or willful misconduct, provided that the Administrative Agent need not comply with any such direction to the extent that the Administrative Agent reasonably believes the Administrative Agent's compliance with such direction to be unlawful or commercially unreasonable in any applicable jurisdiction.

ss.14.11. Successor Administrative Agent. Chase, or any successor Administrative Agent, may resign as Administrative Agent at any time by giving written notice thereof to the Lenders and to the Borrower. In addition, the Required Lenders may remove the Administrative Agent in the event of the Administrative Agent's gross negligence or willful misconduct or in the event that the Administrative Agent ceases to hold a Commitment of at least $20,000,000 or a Commitment Percentage of at least five percent (5%) under this Agreement. Any such resignation or removal shall be effective upon appointment and acceptance of a successor Administrative Agent, as hereinafter provided. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent, which is a Lender under this Agreement, provided that so long as no Default or Event of Default has occurred and is continuing the Borrower shall have the right to approve any successor Administrative Agent, which approval shall not be unreasonably withheld. Upon the resignation of Chase as the Administrative Agent, the Borrower may elect the Syndication Agent to become the successor Administrative Agent for all purposes under this Agreement and the other Loan Documents. If, in the case of a resignation by the Administrative Agent, no successor Administrative Agent shall have been so appointed by the Required Lenders and approved by the Borrower, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint any one of the other Lenders as a successor Administrative Agent; provided that the Administrative Agent shall have first submitted the names of two (2) Lenders to the Borrower and, within ten (10) Business Days of such submission the Borrower shall not have selected one of such Lenders as the successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all further duties and obligations as Administrative Agent under this Agreement. After any Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this ss.14 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

ss.14.12. Notices. Any notices or other information required hereunder to be provided to the Administrative Agent and any formal statement or notice given by the Administrative Agent to the Borrower or any Lender shall be promptly forwarded by the Administrative Agent to each of the other Lenders.

ss.15. EXPENSES. The Borrower agrees to pay (a) the reasonable costs of incurred by Chase and Fleet and the Arrangers in producing this Agreement, the other Loan Documents and the other agreements and instruments mentioned herein, (b) the reasonable fees, expenses and disbursements of one outside counsel to both the Administrative Agent and the Syndication Agent, one local counsel to the Administrative Agent and the Syndication Agent incurred in connection with the preparation, administration or interpretation of the Loan Documents and other instruments mentioned herein, each closing hereunder, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (c) the reasonable fees, expenses and disbursements of the Administrative Agent and the Syndication Agent incurred by the Administrative Agent and the Syndication Agent in connection with the preparation, administration or interpretation of the Loan Documents (including those relating to the Competitive Bid Loans) and other instruments mentioned herein, each closing hereunder, any amendments, modifications, approvals, consents or waivers hereto or hereunder, or the cancellation of any Loan Document upon payment in full in cash of all of the Obligations or pursuant to any terms of such Loan Document for providing for such cancellation, including, without limitation, the reasonable fees and disbursements (including, without limitation, reasonable photocopying costs) of one counsel to the Administrative Agent and the Syndication Agent in preparing the documentation, (d) the reasonable fees, costs, expenses and disbursements of the Arrangers and their Affiliates incurred in connection with the syndication and/or participations of the Loans, including, without limitation, costs of preparing syndication materials and photocopying costs, subject to the limitations set forth in the Fee Letter (e) all reasonable expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any

Lender or the Administrative Agent or the Syndication Agnt, and the fees and costs of appraisers, engineers, investment bankers, surveyors or other experts retained by any Lender or the Administrative Agent or the Syndication Agent in connection with any such enforcement, preservation proceedings or dispute) incurred by any Lender or the Administrative Agent or the Syndication Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower or any of its Subsidiaries or any Guarantor or the administration thereof after the occurrence and during the continuance of a Default or Event of Default (including, without limitation, expenses incurred in any restructuring and/or "workout" of the Loans), and (ii) any litigation, proceeding or dispute whether arising hereunder or otherwise, in any way related to any Lender's or the Administrative Agent's relationship with the Borrower, any Guarantor or any of their Subsidiaries, (f) all reasonable fees, expenses and disbursements of the Administrative Agent incurred in connection with UCC searches and (g) all costs incurred by the Administrative Agent in the future in connection with its inspection of the Unencumbered Properties after the occurrence and during the continuance of an Event of Default. The covenants of this ss.15 shall survive payment or satisfaction of payment of amounts owing with respect to the Notes.

ss.16. INDEMNIFICATION. The Borrower agrees to indemnify and hold harmless the Administrative Agent, the Syndication Agent, the Arrangers and each of the Lenders and the shareholders, directors, agents, officers, subsidiaries and affiliates of the Administrative

Agent, the Syndication Agent, the Arrangers and each of the Lenders from and against any and all claims, actions and suits sought or brought by a third party, whether groundless or otherwise, and from and against any and all liabilities, losses, settlement payments, obligations, damages and expenses of every nature and character, including reasonable legal fees and expenses, arising out of or resulting in any way from this Agreement or any of the other Loan Documents or the transactions contemplated hereby or thereby or which otherwise arise in connection with the financing, including, without limitation, (a) any actual or proposed use by the Borrower or any of its Subsidiaries of the proceeds of any of the Loans, (b) the Borrower or any of its Subsidiaries or any Guarantor entering into or performing this Agreement or any of the other Loan Documents, or (c) pursuant to ss.7.17 hereof, in each case including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any investigative, administrative or judicial proceeding (whether or not such indemnified Person is a party thereto), provided, however, that the Borrower shall not be obligated under this ss.16 to indemnify any Person for liabilities arising from such Person's own gross negligence or willful misconduct. In litigation, or the preparation therefor, the Borrower shall be entitled to select counsel reasonably acceptable to the Required Lenders, and the Lenders (as approved by the Required Lenders) shall be entitled to select their own supervisory counsel and, in addition to the foregoing indemnity, the Borrower agrees to pay promptly the reasonable fees and expenses of each such counsel if (i) in the written opinion of counsel to the Administrative Agent, the Syndication Agent, the Arrangers or the Lenders, as the case may be, use of counsel of the Borrower's choice could reasonably be expected to give rise to a conflict of interest, (ii) the Borrower shall not have employed counsel reasonably satisfactory to the Administrative Agent, the Syndication Agent, the Arrangers or the Lenders, as the case may be, within a reasonable time after notice of the institution of any such litigation or proceeding or (iii) the Borrower authorizes the Administrative Agent, the Syndication Agent, the Arrangers or the Lenders, as the case may be, to employ separate counsel at the Borrower's expense. If and to the extent that the obligations of the Borrower under this ss.16 are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law. The provisions of this ss.16 shall survive the repayment of the Loans and the termination of the obligations of the Lenders hereunder and shall continue in full force and effect as long as the possibility of any such claim, action, cause of action or suit exists.

ss.17. SURVIVAL OF COVENANTS, ETC. All covenants, agreements, representations and warranties made herein, in the Notes, in any of the other Loan Documents shall be deemed to have been relied upon by the Lenders, the Administrative Agent and the Syndication Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Lenders of any of the Loans and the issuance, extension or renewal of any Letters of Credit, as herein contemplated, and shall continue in full force and effect so long as any Letter of Credit or any amount due under this Agreement or the Notes or any of the other Loan Documents remains outstanding or any Lender has any obligation to make any Loans or the Administrative Agent or any Fronting Bank has any obligation to issue, extend or renew any Letter of Credit. The indemnification obligations of

the Borrower provided herein and in the other Loan Documents shall survive the

full repayment of amounts due and the termination of the obligations of the Lenders hereunder and thereunder to the extent provided herein and therein. All statements contained in any certificate delivered to any Lender or the Administrative Agent or the Syndication Agent at any time by or on behalf of the Borrower or any of its Subsidiaries or any Guarantor pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower or such Subsidiary or such Guarantor hereunder.

ss.18. ASSIGNMENT; PARTICIPATIONS; ETC.

ss.18.1. Conditions to Assignment by Lenders. Except as provided herein, each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment Percentage and Commitment and the same portion of the Loans at the time owing to it, the Notes held by it, the Competitive Bid Loan Accounts maintained by it and its participating interest in the risk relating to any Letters of Credit); provided that (a) the Administrative Agent and, unless an Event of Default shall have occurred and be continuing, the Borrower each shall have the right to approve any Eligible Assignee, which approval shall not be unreasonably withheld or delayed, (b) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement as to such interests, rights and obligations under this Agreement so assigned, (c) each such assignment shall be in a minimum amount of $15,000,000 or an integral multiple of $1,000,000 in excess thereof, (d) unless the assigning Lender shall have assigned its entire Commitment, each Lender shall have at all times an amount of its Commitment of not less than $15,000,000 and (e) the parties to such assignment shall execute and deliver to the Administrative Agent, for recording in the Register (as hereinafter defined), an assignment and assumption, substantially in the form of Exhibit F hereto (an "Assignment and Assumption"), together with any Notes subject to such assignment. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Assumption, which effective date shall be at least five (5) Business Days after the execution thereof, (i) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Assumption, have the rights and obligations of a Lender hereunder and thereunder, and (ii) the assigning Lender shall, to the extent provided in such assignment and upon payment to the Administrative Agent of the registration fee referred to in ss.18.3, be released from its obligations under this Agreement.

ss.18.2. Certain Representations and Warranties; Limitations; Covenants. By executing and delivering an Assignment and Assumption, the parties to the assignment thereunder confirm to and agree with each other and the other parties hereto as follows: (a) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution,

legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto; (b) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any of its Subsidiaries or any Guarantor or any other Person primarily or secondarily liable in respect of any of the Obligations, or the performance or observance by the Borrower or any of its Subsidiaries or any Guarantor or any other Person primarily or secondarily liable in respect of any of the Obligations of any of their obligations under this Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (c) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in ss.6.4 and ss.7.4 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (d) such assignee will, independently and without reliance upon the assigning Lender, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (e) such assignee represents and warrants that it is an Eligible Assignee; (f) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto; (g) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender; (h) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Assumption; and (i) such assignee acknowledges that it has made arrangements with the assigning Lender satisfactory to such assignee with respect to its pro rata share of Letter of Credit Fees in respect of outstanding Letters of Credit.

ss.18.3. Register. The Administrative Agent shall maintain a copy of each Assignment and Assumption delivered to it and a register or similar list (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment Percentages of, and principal amount of the Loans owing to, the Lenders from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and the Lenders at any reasonable time and from time to time upon reasonable prior notice. Upon each such recordation other than assignments pursuant to ss.4.12, the assigning Lender agrees to pay to the Administrative Agent a registration fee in the sum of $2,500.

ss.18.4. New Revolving Credit Notes. Upon its receipt of an Assignment and Assumption executed by the parties to such assignment, together with each Note subject to such assignment, the Administrative Agent shall (a) record the information contained therein in the Register, and (b) give prompt written notice thereof to the Borrower and the Lenders (other

than the assigning Lender). Within five (5) Business Days after receipt of such notice, the Borrower, at its own expense, (i) shall execute and deliver to the Administrative Agent, in exchange for each surrendered Note, a new Note to the order of such Eligible Assignee in an amount equal to the amount assumed by such Eligible Assignee pursuant to such Assignment and Assumption and, if the assigning Lender has retained some portion of its obligations hereunder, a new Note to the order of the assigning Lender in an amount equal to the amount retained by it hereunder and (ii) shall deliver an opinion from counsel to the Borrower in substantially the form delivered on the Closing Date pursuant to ss.10.8 as to such new Notes. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Assumption and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be canceled and returned to the Borrower.

ss.18.5. Participations. Each Lender may sell participations to one or more banks or other entities in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents; provided that (a) each such participation shall be in an amount of not less than $15,000,000, (b) any such sale or participation shall not affect the rights and duties of the selling Lender hereunder to the Borrower and the Administrative Agent and the Lender shall continue to exercise all approvals, disapprovals and other functions of a Lender, (c) the only rights granted to the participant pursuant to such participation arrangements with respect to waivers, amendments or modifications of, or approvals under, the Loan Documents shall be the rights to approve waivers, amendments or modifications that would reduce the principal of or the interest rate on any Loans, extend the term (other than any extension contemplated by the definition of "Maturity Date") or increase the amount of the Commitment of such Lender as it relates to such participant, reduce the amount of any fees to which such participant is entitled or extend any regularly scheduled payment date for principal or interest, and (d) no participant shall have the right to grant further participations or assign its rights, obligations or interests under such participation to other Persons without the prior written consent of the Administrative Agent.

ss.18.6. Pledge by Lender. Notwithstanding any other provision of this Agreement, any Lender at no cost to the Borrower may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Banks organized under ss.4 of the Federal Reserve Act, 12 U.S.C. ss.341. No such pledge or the enforcement thereof shall release the pledgor Lender from its obligations hereunder or under any of the other Loan Documents.

ss.18.7. No Assignment by Borrower. The Borrower shall not assign or transfer any of its rights or obligations under any of the Loan Documents without prior Unanimous Lender Approval.

ss.18.8. Disclosure. The Borrower agrees that, in addition to disclosures made in accordance with standard banking practices, any Lender may disclose information obtained by such Lender pursuant to this Agreement to assignees or participants and potential assignees or participants hereunder. Any such disclosed information shall be treated by any assignee or participant with the same standard of confidentiality set forth in ss.7.10 hereof.

ss.18.9. Syndication. The Borrower acknowledges that the Administrative Agent and the Syndication Agent intend, and shall have the right, by themselves or through their Affiliates, to syndicate or enter into co-lending arrangements with respect to the Loans and the Total Commitment pursuant to this ss.18, and the Borrower agrees to reasonably cooperate with the Administrative Agent's, the

Syndication Agent's and their Affiliates' syndication and/or co-lending efforts, such cooperation to include, without limitation, the provision of information reasonably requested by potential syndicate members.

ss.19. NOTICES, ETC. Except as otherwise expressly provided in this Agreement, all notices and other communications made or required to be given pursuant to this Agreement or the Notes or any Letter of Credit Applications shall be in writing and shall be delivered in hand, or mailed by United States registered or certified first class mail, return receipt requested, postage prepaid; or sent by overnight courier; or sent by facsimile and confirmed by delivery via overnight courier or postal service; addressed as follows:

(a) if to the Borrower or any Guarantor, to the Borrower at Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016, Attention: Mr. Roger W. Thomas, Executive Vice President and General Counsel and Mr. Barry Lefkowitz, Executive Vice President and Chief Financial Officer, with a copy to Andrew S. Levine, Esq., Pryor, Cashman, Sherman & Flynn, 410 Park Avenue, New York, New York 10222, or to such other address for notice as the Borrower or any Guarantor shall have last furnished in writing to the Administrative Agent;

(b) if to the Administrative Agent, at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention: Marc E. Costantino, Vice President, or such other address for notice as the Administrative Agent shall have last furnished in writing to the Borrower, with a copy to Paul M. Vaughn, Esq., Bingham Dana LLP, 150 Federal Street, Boston, Massachusetts 02110, or at such other address for notice as the Administrative Agent shall last have furnished in writing to the Person giving the notice; and

(c) if to any Lender, at the address set forth on Schedule 1.2 hereto, or such other address for notice as such Lender shall have last furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier or facsimile to the party to which it is directed, at the time of the receipt thereof by such party or the sending of such

facsimile and (ii) if sent by registered or certified first-class mail, postage prepaid, return receipt requested on the fifth Business Day following the mailing thereof.

ss.20. GOVERNING LAW; CONSENT TO JURISDICTION AND SERVICE. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK, NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK, NEW YORK AND CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER OR THE GUARANTORS OR THE ADMINISTRATIVE AGENT OR THE LENDERS BY MAIL AT THE ADDRESS SPECIFIED INss.19. EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVES ANY OBJECTION THAT EITHER OF THEM MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

ss.21. HEADINGS. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

ss.22. COUNTERPARTS. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

ss.23. ENTIRE AGREEMENT, ETC. The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in ss.25.

ss.24. WAIVER OF JURY TRIAL AND CERTAIN DAMAGE CLAIMS. EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, EACH OF THE BORROWER AND THE GUARANTORS AND THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE REVOLVING CREDIT NOTES OR ANY OF THE OTHER

LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, THE BORROWER AND EACH OF THE GUARANTORS HEREBY WAIVES ANY RIGHT ANY OF THEM MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH OF THE BORROWER AND THE GUARANTORS (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY LENDER OR THE ADMINISTRATIVE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH LENDER OR THE ADMINISTRATIVE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGE THAT THE ADMINISTRATIVE AGENT AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH THEY ARE PARTIES BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

ss.25. CONSENTS, AMENDMENTS, WAIVERS, ETC. Except as otherwise expressly provided in this Agreement, any acceptance, consent, approval or other authorization required or permitted by this Agreement may be given, and any term of this Agreement or of any of the other Loan Documents may be amended, and the performance or observance by the Borrower or any Guarantor of any terms of this Agreement or the other Loan Documents or the continuance of any default, Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Required Lenders.

Notwithstanding the foregoing, Unanimous Lender Approval shall be required for any amendment, modification or waiver of this Agreement that:

(i) reduces or forgives any principal of any unpaid Loan or any interest thereon (including any interest "breakage" costs) or any fees due any Lender hereunder, or permits any prepayment not otherwise permitted hereunder; or

(ii) changes the unpaid principal amount of, or the rate of interest on, any Loan; or

(iii) changes the date fixed for any payment of principal of or interest on any Loan (including, without limitation, any extension of the Maturity Date) or any fees payable hereunder; or

(iv) changes the amount of any Lender's Commitment (other than pursuant to an assignment permitted under ss.18.1 hereof) or increases the amount of the Total Commitment, except as provided in ss.2.2; or

(v) amends any of the covenants contained inss.ss.9.1, 9.3, 9.4, 9.6 or 9.7 hereof; or

(vi) releases or reduces the liability of any Guarantor pursuant to its Guaranty other than as provided in ss.5; or

(vii) modifies this ss.25 or any other provision herein or in any other Loan Document which by the terms thereof expressly requires Unanimous Lender Approval; or

(viii) amends any of the provisions governing funding contained in ss.2 hereof; or

(ix) changes the rights, duties or obligations of the Administrative Agent specified in ss.14 hereof (provided that no amendment or modification to such ss.14 or to the fee payable to the Arrangers or the Administrative Agent under this Agreement may be made without the prior written consent of the Arrangers or the Administrative Agent affected thereby); or

(x) changes the definitions of Required Lenders, Majority Lenders or Unanimous Lender Approval.

No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of the Administrative Agent or the Lenders or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial to such right or any other rights of the Administrative Agent or the Lenders. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

ss.26. SEVERABILITY. The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other

jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

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IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as a sealed instrument as of the date first set forth above.

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation, its general partner

By: _____
Name: Barry Lefkowitz
Title: Executive Vice President and Chief Financial Officer

478

THE CHASE MANHATTAN BANK, individually and as Administrative Agent

By: _____
Name: Marc E. Costantino
Title: Vice President

479

FLEET NATIONAL BANK, individually and as Syndication Agent

By: _____
Name: Mark E. Dalton
Title: Senior Vice President

480

BANKERS TRUST

By: _____
Name:
Title:

481

BANK OF MONTREAL

By: _____
Name:
Title:

482

BANK OF NEW YORK

By: _____
Name:
Title:

483

BAYERISCHE LANDESBANK GIROZANTRALE

By: _____
Name:
Title:

By: _____
Name:

Title:

484

CITIZENS BANK

By:

Name:
Title:

485

COMERICA BANK

By:

Name:
Title:

486

COMMERZBANK AKTIENGESELLSCHAFT, NEW YORK BRANCH

By:

Name:
Title:

By:

Name:
Title:

487

CREDITANSTALT CORPORATE FINANCE, INC.

By:

Name:
Title:

By:

Name:
Title:

488

CRESTAR BANK

By:

Name:
Title:

489

DG BANK DEUTSCHE GENOSSENSCHAFTSBANK, NEW YORK BRANCH

By:

Name:
Title:

490

DRESDNER BANK AG, NEW YORK BRANCH AND GRAND CAYMAN BRANCH

By:

Name:
Title:

By:

Name:
Title:

EUROPEAN AMERICAN BANK

By:

Name:
Title:

ERSTE BANK

By:

Name:
Title:

FIRST NATIONAL BANK OF CHICAGO

By:

Name:
Title:

FIRST UNION NATIONAL BANK

By:

Name:
Title:

HYPOBANK

By:

Name:
Title:

KEY BANK

By:

Name:
Title:

KREDIETBANK, N.V.

By:

Name:
Title:

MELLON BANK, N.A.

By:

Name:
Title:

499

NATIONSBANK

By:

Name:
Title:

500

PNC BANK, NATIONAL ASSOCIATION

By:

Name:
Title:

501

SOCIETE GENERALE

By:

Name:
Title:

502

SUMMIT BANK

By:

Name:
Title:

503

THE TOKAI BANK LIMITED

By:

Name:
Title:

504

US TRUST

By:

Name:
Title:

505

MACK-CALI REALTY CORPORATION

UNDERWRITING AGREEMENT

April 23, 1998

To the Representatives named in Schedule 1 hereto of the
several Underwriters named in Schedule 2 hereto

Ladies and Gentlemen:

Mack-Cali Realty Corporation, a Maryland corporation qualified as a real estate investment trust (the "Company"), hereby confirms its agreement with the several underwriters named in Schedule 2 hereto (the "Underwriters"), for whom you have been duly authorized to act as representatives (in such capacities, the "Representatives"), as set forth below. If you are the only Underwriter, all references herein to the Representatives and the Underwriters shall be deemed to be to the Underwriter.

The Underwriter intends to deposit the Shares with the trustee of the Equity Investor Fund Cohen & Steers Realty Majors Portfolio (A Unit Investment Trust) (the "Trust"), a registered unit investment trust under the Investment Company Act of 1940, as amended, for which Merrill Lynch, Pierce, Fenner & Smith Incorporated acts as sponsor and depositor, in exchange for units in the Trust.

3. Securities. Subject to the terms and conditions herein contained, the Company proposes to issue and sell to the several Underwriters certain securities of the Company identified in Schedule 1 hereto (the "Securities").

4. Representations and Warranties of the Company. The Company and Mack-Cali Realty L.P., jointly and severally, represent and warrant to, and agree with, each of the several Underwriters that:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act of 1933, as amended (the "Act"). A registration statement (the file number of which is set forth in Schedule 1 hereto) on such Form with respect to the Securities, including a basic prospectus, has been filed by the

Company with the Securities and Exchange Commission (the "Commission") under the Act, and one or more amendments to such registration statement may also have been so filed. Such registration statement, as so amended, has been declared by the Commission to be effective under the Act and no stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with. Such registration statement, as amended at the date of this Agreement as specified in Schedule 1 hereto, meets the requirements set forth in Rule 415(a)(1)(x) under the Act and complies in all other material respects with said Rule. The Company will next file with the Commission either (A) if the Company relies on Rule 434 under the Act, a Term Sheet (as hereinafter defined) relating to the Securities, that shall identify the Preliminary Prospectus (as hereinafter defined) that it supplements and, if required to be filed pursuant to Rules 434(c)(2) and 424(b), an Integrated Prospectus (as hereinafter defined), in either case, containing such information as is required or permitted by Rules 434, 430A, and 424(b) under the Act or (B) if the Company does not rely on Rule 434 under the Act, pursuant to Rule 424(b) under the Act a final prospectus supplement to the basic prospectus included in such registration statement, as so amended, describing the Securities and the offering thereof, in such form as has been provided to, or discussed with, and approved by the Representatives as provided in section 4(a) of this Agreement. As used in this Agreement, the term "Registration Statement" means such registration statement, as amended at the time when it was declared effective, including (i) all financial schedules and exhibits thereto, (ii) all documents incorporated by reference or deemed to be incorporated by reference therein and (iii) any information omitted therefrom pursuant to Rule 430A under the Act and included in the Prospectus (as hereinafter defined) or, if required to be filed pursuant to Rules 434(c)(2) and 424(b), in the Integrated Prospectus; the term "Basic Prospectus" means the prospectus included in the Registration Statement; the term "Preliminary Prospectus" means any preliminary form of the Prospectus (as defined herein) specifically relating to the Securities, in the form first filed with, or transmitted for filing to, the Commission pursuant to Rule 424 of the Rules and Regulations; the term "Prospectus Supplement" means any prospectus supplement specifically relating to the Securities, in the form first filed with, or transmitted for filing to, the Commission pursuant to Rule 424 under the Securities Act; the term "Prospectus" means: (A) if the Company relies on Rule 434 under the Act, the Term Sheet relating to the Securities that is first filed pursuant to Rule 424(b)(7) under

the Act, together with the Preliminary Prospectus identified therein that such Term Sheet supplements; (B) if the Company does not rely on Rule 434 under the Act, the Preliminary Prospectus; or (C) if the Company does not rely on Rule 434 under the Act and if no prospectus is required to be filed pursuant to Rule 424 under the Act, the Basic Prospectus, including, in each case, the Prospectus Supplement; "Basic Prospectus," "Prospectus," "Preliminary Prospectus" and "Prospectus Supplement" shall include in each case the documents, if any, filed by the Company with the Commission pursuant to the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference therein; the term "Integrated Prospectus" means a

prospectus first filed with the Commission pursuant to Rules 434(c)(2) and 424(b) under the Act; and the term "Term Sheet" means any abbreviated term sheet that satisfies the requirements of Rule 434 under the Act. Any reference in this Agreement to an "amendment" or "supplement" to any Preliminary Prospectus, the Prospectus, or any Integrated Prospectus or an "amendment" to any registration statement (including the Registration Statement) shall be deemed to include any document incorporated by reference therein that is filed with the Commission under the Exchange Act after the date of such Preliminary Prospectus, Prospectus, Integrated Prospectus or registration statement, as the case may be. For purposes of the preceding sentence, any reference to the "effective date" of an amendment to a registration statement shall, if such amendment is effected by means of the filing with the Commission under the Exchange Act of a document incorporated by reference in such registration statement, be deemed to refer to the date on which such document was so filed with the Commission; any reference herein to the "date" of a Prospectus that includes a Term Sheet shall mean the date of such Term Sheet.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus. When any Preliminary Prospectus was filed with the Commission it (i) contained all statements required to be stated therein in accordance with, and complied in all material respects with the requirements of, the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder and (ii) did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. When the Registration Statement or any amendment thereto was or is declared effective, it (i) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of, the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder and (ii) did not or will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading. When the Prospectus or any Term Sheet that is a part thereof or any Integrated Prospectus or any amendment or supplement to the Prospectus is filed with the Commission pursuant to Rule 424(b), on the date when the Prospectus is otherwise amended or supplemented and on the Closing Date, each of the Prospectus and, if required to be filed pursuant to Rules 434(c)(2) and 424(b) under the Act, the Integrated Prospectus, as amended or supplemented at any such time, (i) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of, the Act and the Exchange Act and the respective rules and regulations of the Commission thereunder and (ii) did not or will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing provisions of this paragraph (b) do not apply to statements or omissions made in any Preliminary Prospectus or any amendment or supplement thereto, the Registration Statement or any amendment thereto, the Prospectus or, if required to be filed pursuant to Rules 434(c)(2) and 424(b) under the Act, the

Integrated Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein.

(c) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Maryland and is duly qualified to transact business and is in good standing under the laws of all other jurisdictions where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified does not amount to a material liability or disability to the Company and its subsidiaries, taken as a whole.

(d) Each of the subsidiaries of the Company (the "Subsidiaries") has been duly organized and is validly existing as a general or limited partnership or corporation in good standing under the laws of the jurisdiction of its organization, and is duly qualified to transact business and is in good standing under the laws of all other jurisdictions where the ownership or leasing of its

properties or the conduct of its business requires such qualification, except where the failure to be so qualified does not amount to a material liability or disability to the Company and its subsidiaries, taken as a whole. The issued shares of capital stock of each of the Subsidiaries that is a corporation are duly authorized, validly issued, fully paid and nonassessable, and all of the partnership interests in each Subsidiary that is a partnership are validly issued and fully paid. Except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus), all of such shares and interests in the Subsidiaries owned by the Company are owned beneficially by the Company or another Subsidiary free and clear of any security interests, mortgages, pledges, grants, liens, encumbrances, equities or claims.

(e) There are no outstanding (A) securities or obligations of the Company or any of the Subsidiaries convertible into or exchangeable for any capital stock of the Company or any Subsidiary, (B) warrants, rights or options to subscribe for or purchase from the Company or any Subsidiary any such capital stock or any such convertible or exchangeable securities or obligations, or (C) obligations of the Company or any such Subsidiary to issue any shares of capital stock, any such convertible or exchangeable securities or obligations, or any such warrants, rights or options, except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(f) The Company and each of the Subsidiaries has full power, corporate or other, to own or lease their respective properties and conduct their respective businesses as described in the Registration Statement, the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus); and the Company has full power, corporate or other, to enter into this Agreement and any other agreement pursuant to which the Securities are issued as specified in Schedule 1 to this Agreement (the "Securities Documents") and to carry out all the terms and provisions hereof and thereof to be carried out by it.

(g) The Company has an authorized, issued and outstanding capitalization as set forth in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus). All of the capital stock of the Company has been duly authorized and the capital stock of the Company outstanding is validly issued, fully paid and nonassessable.

(h) The Securities have been duly authorized, and, when such securities are issued and delivered as contemplated by the terms of this Agreement and the applicable Securities Document such securities will be validly issued, fully paid and non-assessable.

(i) The execution and delivery of the Securities have been duly authorized by all necessary corporate action, and, at the Closing Date the Securities will have been duly executed and delivered by the Company, and if applicable, assuming due authorization, execution and delivery of the Securities by parties other than the Company, will be the legal, valid, binding and enforceable obligations of the Company, subject to the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws relating to creditors' rights generally and to the application of equitable principles in any proceeding, whether at law or in equity.

(j) The securities of the Company issuable in exchange for or upon conversion of the Securities as specified in Schedule 1 to this Agreement (the "Underlying Securities") have been duly authorized and reserved, and, when such securities are issued and delivered as contemplated by the terms of the applicable Securities Document, such securities will be validly issued, fully paid and non-assessable.

(g) The execution and delivery of the Securities Documents has been duly authorized by all necessary corporate action of the

Company, and, at the Closing Date such agreements will have been duly executed and delivered by the Company, and assuming due authorization, execution and delivery of the Securities Documents by parties other than the Company as specified in the applicable Securities Documents, and, if required, such Securities Documents have been filed with the Secretary of State of the State of Maryland or any other applicable jurisdiction, and such agreements will constitute valid and binding instruments of the Company enforceable against the Company in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws relating to creditors' rights generally and to the application of equitable principles in any proceeding, whether at law or in equity.

(k) No holders of outstanding shares of capital stock of the Company are entitled as such to any preemptive or other rights to subscribe for any of the Securities or Underlying Securities, and no holder of securities of the Company or any Subsidiary has any right which has not been waived to require the Company to register the offer or sale of any securities owned by such holder under the Act in the public offering contemplated by this Agreement.

(l) The Securities and Underlying Securities conform to their description contained in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(m) The combined financial statements and schedules of the Company and the Cali Group (as defined in the Registration Statement) and the consolidated financial statements and schedules of the Company and its consolidated subsidiaries included in or incorporated by reference in the Registration Statement, the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus) fairly present the combined financial position of the Company and the Cali Group and fairly present the consolidated financial position of the Company and its consolidated subsidiaries, as the case may be, and the results of operations and changes in financial condition as of the dates and periods therein specified. Such combined and consolidated financial statements and schedules have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved (except as otherwise noted therein).

(n) The selected financial data set forth under the caption "Selected Financial Data" in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence,

the most recent Preliminary Prospectus) fairly present, on the basis stated in the Prospectus and any Integrated Prospectus (or such Preliminary Prospectus) and such Annual Report, the information included therein. The pro forma financial statements and other pro forma financial information included in or incorporated therein in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus) present fairly and comply in all material respects with the applicable requirements of Rule 11-02 of Regulation S-X of the Commission and the pro forma adjustments have been properly applied to the historical amounts in the compilation of such statements and the assumptions used in the preparation thereof are, in the opinion of the Company, reasonable.

(o) Price Waterhouse LLP, which has certified certain financial statements of the Company and its consolidated subsidiaries and of the Cali Group and delivered its reports with respect to the audited consolidated financial statements and schedules, and any other accounting firm that has certified financial statements and delivered its reports with respect thereto, included or incorporated by reference in the Registration Statement, the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act, the Exchange Act and the respective rules and regulations thereunder.

(p) The execution and delivery of this Agreement has been duly authorized by the Company and this Agreement has been duly executed and delivered by the Company, and is the valid and binding agreement of the Company enforceable against the Company in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws relating to creditors' rights generally and to the application of equitable principles in any proceeding, whether at law or in equity and except as rights to indemnity and contribution hereunder may be limited by federal or state securities laws or principles of public policy.

(q) No legal or governmental proceedings are pending to which the Company or any of the Subsidiaries or to which the property of the Company or any of the Subsidiaries is subject, that are required to be described in the Registration Statement, the Prospectus or any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus) and are not described therein, and no such proceedings have been threatened against the Company or any of the Subsidiaries; and no contract or other document is required to be described in the Registration Statement, the Prospectus or any

Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus) or to be filed as an exhibit to the Registration Statement that is not described therein or filed as required.

(r) The issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement and the Securities Documents, the compliance by the Company with the other provisions of this Agreement, the Securities and the Securities Documents and the consummation of the other transactions herein and therein contemplated do not (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained, such as may be required under state securities or blue sky laws and, if the registration statement filed with respect to the Securities (as amended) is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act, or (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of the Company or any of the Subsidiaries pursuant to any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries or any other of their respective properties are bound, or the Articles of Incorporation, By-laws or other organizational documents, as the case may be, of the Company or any of the Subsidiaries, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to the Company or any of the Subsidiaries or any of their properties.

(s) The Company has not, directly or indirectly, (i) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) since the filing of the Registration Statement (A) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Securities or (B) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(t) Subsequent to the respective dates as of which information is given in the Registration Statement, the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus), (1) neither the Company nor any of the Subsidiaries has incurred any material liability or obligation, direct or contingent, or

entered into any material transaction, which is not in the ordinary course of business; (2) Except for regular quarterly distribution payments, the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock; (3) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company or the Subsidiaries; and (4) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, except in each case as described in or contemplated by the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(u) The Company or the Subsidiaries have good and indefeasible title in fee simple to all of the Properties (as defined in the Prospectus) and marketable title to all other property owned by each of them, in each case free and clear of any security interest, lien, mortgage, pledge, encumbrance, equity, claim and other defect, except liens which do not materially and adversely affect the value of such property and will not interfere with the use made or proposed to be made of such property by the Company or such Subsidiary, and any and all real property and buildings held under lease by the Company or any such Subsidiary are held under valid, subsisting and enforceable leases, with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by the Company or such Subsidiary, in each case except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(v) No labor dispute with the employees of the Company or any of the Subsidiaries exists or is threatened or imminent that could result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(w) The Company and the Subsidiaries own or possess, or can acquire on reasonable terms, all material patents, trademarks, service marks, trade names, licenses, copyrights and proprietary and other confidential information currently employed by them in connection with their respective businesses, and neither the Company nor any of the Subsidiaries has received any notice of

infringement of or conflict with asserted rights of any third party with respect to the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(x) The Company and each of the Subsidiaries is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they will be engaged; neither the Company nor any of the Subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of the Subsidiaries has any reason to believe that any of them will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have material adverse effect on the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(y) None of the Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or other equity interest, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's property or assets to the Company or any of the other Subsidiaries, except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(z) The Company and each of the Subsidiaries has complied with all laws, regulations and orders applicable to it or its respective business and properties except where the failure to so comply would not result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole; the Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, municipal or foreign regulatory authorities necessary to conduct their respective businesses except where the failure to possess the same would not result in a material adverse change in the condition (financial or otherwise), business

prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole; and neither the Company nor any of the Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(aa) The Company will conduct its operations in a manner that will not subject it to registration as an investment company under the Investment Company Act of 1940, as amended, and the transactions contemplated by this Agreement will not cause the Company to become an investment company subject to registration under such Act.

(ab) The Company and each of the Subsidiaries has filed all foreign, federal, state and local tax returns that are required to be filed or have requested extensions thereof (except in any case in which the failure so to file would not have a material adverse effect on the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(ac) The Company is organized in conformity with the requirements for qualification as a real estate investment trust (a "REIT") under the

Internal Revenue Code of 1986, as amended (the "Code"), and the present and contemplated method of operation of the Company and the Subsidiaries does and will enable the Company to meet the requirements for taxation as a REIT under the Code.

(ad) Neither the Company nor any of the Subsidiaries is in violation of any federal or state law or regulation relating to occupational safety and health and the Company and the Subsidiaries have received all permits, licenses or other approvals required of them under applicable federal and state occupational safety and health and environmental laws and regulations to conduct their

respective businesses, and the Company and each of the Subsidiaries is in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not, singly or in the aggregate result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, except as described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(ae) Except for the shares of capital stock of each of the Subsidiaries owned by the Company or another Subsidiary, neither the Company nor any of the Subsidiaries owns any shares of stock or any other equity securities of any corporation or has any equity interest in any firm, partnership, association or other entity, except as described in or contemplated by the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus).

(af) The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (1) transactions are executed in accordance with management's general or specific authorizations; (2) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (3) access to assets is permitted only in accordance with management's general or specific authorization; and (4) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(ag) Neither the Company nor any of the Subsidiaries is in violation of any term or provision of its Articles of Incorporation, Bylaws, partnership agreements or other organizational documents, as the case may be; no default exists, and no event has occurred which, with notice or lapse of time or both, would constitute a default, and the consummation of the transactions by this Agreement and under the Securities Documents will not result in any default in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any Subsidiary is a party or by which the Company, the Subsidiaries or the Properties or any of their respective other properties is bound or may be affected except such as would not result in any material

adverse effect in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole.

(ah) If required as set forth in Schedule 1 hereto, the Securities and any Underlying Securities have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

(ai) (A) Neither the Company nor any Subsidiary knows of any violation of any municipal, state or federal law, rule or regulation (including those pertaining to environmental matters) concerning the Properties or any part thereof which would have a material adverse effect in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole; (B) each of the Properties complies with all applicable zoning laws, ordinances, regulations and deed restrictions or other covenants in all material respects and, if and to the extent there is a failure to comply, such failure does not materially impair the value of any of the Properties and will not result in a forfeiture or reversion of title; (C) neither the Company nor any Subsidiary has received from any governmental authority any written notice of any condemnation of or zoning change affecting the Properties or any part thereof, and neither the Company nor any Subsidiary knows of any such condemnation or zoning change which is threatened and which if consummated would have a material adverse effect in the

condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole; (D) all liens, charges, encumbrances, claims, or restrictions on or affecting the properties and assets (including the Properties) of the Company or any of the Subsidiaries that are required to be described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus) are disclosed therein; (E) no lessee of any portion of any of the Properties is in default under any of the leases governing such properties and there is no event which, but for the passage of time or the giving of notice or both would constitute a default under any of such leases, except such defaults that would not have a material adverse effect in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole; and (F) no tenant under any lease pursuant to which the Company or any of the Subsidiaries leases the Properties has an option or right of first refusal to purchase the premises leased thereunder or the building of which such premises are a part, except as such options or rights of first refusal which, if exercised, would not have a material adverse effect in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, and except as provided by law.

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(aj) Except as otherwise disclosed in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus) or in the Phase I Environmental Audits prepared by Environmental Waste Management Associates, Inc. previously delivered to the Representatives (the "Audits"), (i) neither the Company, any of the Subsidiaries nor, to the best knowledge of the Company, any other owners of the property at any time or any other party has at any time, handled, stored, treated, transported, manufactured, spilled, leaked, or discharged, dumped, transferred or otherwise disposed of or dealt with, Hazardous Materials (as hereinafter defined) on, to or from the Properties, other than by any such action taken in compliance with all applicable Environmental Statutes or by the Company, any of the Subsidiaries or any other party in connection with the ordinary use of residential, retail or commercial properties owned by the Company; (ii) the Company does not intend to use the Properties or any subsequently acquired properties for the purpose of handling, storing, treating, transporting, manufacturing, spilling, leaking, discharging, dumping, transferring or otherwise disposing of or dealing with Hazardous Materials other than by any such action taken in compliance with all applicable Environmental Statues or by the Company, any of the Subsidiaries or any other party in connection with the ordinary use of residential, retail or commercial properties owned by the Company; (iii) neither the Company nor any of the Subsidiaries knows of any seepage, leak, discharge, release, emission, spill, or dumping of Hazardous Materials into waters on or adjacent to the Properties or any other real property owned or occupied by any such party, or onto lands from which Hazardous Materials might seep, flow or drain into such waters; (iv) neither the Company nor any of the Subsidiaries has received any notice of, or has any knowledge of any occurrence or circumstance which, with notice or passage of time or both, would give rise to a claim under or pursuant to any federal, state or local environmental statute or regulation or under common law, pertaining to Hazardous Materials on or originating from any of the Properties or any assets described in the Prospectus and any Integrated Prospectus (or, if the Prospectus and any required Integrated Prospectus are not in existence, the most recent Preliminary Prospectus) or any other real property owned or occupied by any such party or arising out of the conduct of any such party, including without limitation a claim under or pursuant to any Environmental Statute (hereinafter defined); (v) neither the Properties nor any other land owned by the Company or any of the Subsidiaries is included or, to the best of the Company's knowledge, proposed for inclusion on the National Priorities List issued pursuant to CERCLA (as hereinafter defined) by the United States Environmental Protection Agency (the "EPA") or, to the best of the Company's knowledge, proposed for inclusion on any similar list or inventory issued pursuant to any other Environmental Statute or issued by any other Governmental Authority (as hereinafter defined).

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As used herein, "Hazardous Material" shall include, without limitation any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, toxic substances, or related materials, asbestos or any hazardous material as defined by any federal, state or local environmental law, ordinance, rule or regulation including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. ss.ss. 9601-9675 ("CERCLA"), the Hazardous Materials Transportation Act, as amended, 49 U.S.C. ss.ss. 1801-1819, the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.ss. 6901-6992K, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. ss.ss. 11001-11050, the Toxic Substances Control Act, 15 U.S.C. ss.ss. 2601-2671, the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. ss.ss. 136-136y, the Clean Air Act, 42 U.S.C. ss.ss. 7401-7642, the Clean Water Act (Federal Water Pollution Control Act), 33 U.S.C. ss.ss. 1251-1387, the Safe Drinking Water Act, 42 U.S.C. ss.ss.

300f-300j-26, and the Occupational Safety and Health Act, 29 U.S.C. ss.ss. 651-678, as any of the above statutes may be amended from time to time, and in the regulations promulgated pursuant to each of the foregoing (individually, an "Environmental Statute") or by any federal, state or local governmental authority having or claiming jurisdiction over the properties and assets described in the Prospectus (a "Governmental Authority").

(ak) Each certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

(al) The Company has not distributed and, prior to the later of (i) the Closing Date and (ii) the completion of the distribution of the Securities, will not distribute any material in connection with the offering and sale of the Securities other than the Registration Statement or any amendment thereto, any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto, or other materials, if any, permitted by the Act.

5. Purchase, Sale and Delivery of the Securities.

(a) On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase from the Company, at the purchase price specified in Schedule 1 hereto, the number of

Securities set forth opposite the name of such Underwriter in Schedule 2 hereto. One or more certificates in definitive form for the Securities that the several Underwriters have agreed to purchase hereunder, and in such denomination or denominations and registered in such name or names as the Representatives request upon notice to the Company at least 48 hours prior to the Closing Date, shall be delivered by or on behalf of the Company to the Representatives for the respective accounts of the Underwriters, against payment by or on behalf of the Underwriters of the purchase price therefor to the Company in such funds as are specified in Schedule 1 hereto. Such delivery of and payment for the Securities shall be made at the date, time and place identified in Schedule 1 hereto, or at such other date, time or place as the Representatives and the Company may agree upon or as the Representatives may determine pursuant to Section 8 hereof, such date and time of delivery against payment being herein referred to as the "Closing Date". The Company will make such certificate or certificates for the Securities available for checking and packaging by the Representatives at the offices in New York, New York of the Company's transfer agent or registrar or warrant agent or of Prudential Securities Incorporated at least 24 hours prior to the Closing Date.

6. Covenants of the Company. The Company covenants and agrees with each of the Underwriters that:

(a) The Company will file the Prospectus or any Term Sheet that constitutes a part thereof, any Integrated Prospectus or the Prospectus Supplement, as the case may be, and any amendment or supplement thereto with the Commission in the manner and within the time period required by Rules 434 and 424(b) under the Act. During any time when a prospectus relating to the Securities is required to be delivered under the Act, the Company (i) will comply with all requirements imposed upon it by the Act and the Exchange Act and the respective rules and regulations of the Commission thereunder to the extent necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and of the Prospectus and any Integrated Prospectus, as then amended or supplemented, and (ii) will not file with the Commission the Prospectus, Term Sheet, any Integrated Prospectus or any amendment or supplement thereto or any amendment to the Registration Statement of which the Representatives shall not previously have been advised and furnished with a copy for a reasonable period of time prior to the proposed filing and as to which filing the Representatives shall not have given their consent. The Company will prepare and file with the Commission, in accordance with the rules and regulations of the Commission, promptly upon request by the Representatives or counsel for the Underwriters, any amendment to the Registration Statement or amendment or supplement to the Prospectus and any Integrated Prospectus that may be necessary or advisable in connection with the distribution of the

Securities by the several Underwriters, and will use its best efforts to cause any such amendment to the Registration Statement to be declared effective by the Commission as promptly as possible. The Company will advise the Representatives, promptly after receiving notice thereof, of the time when any amendment to the Registration Statement has been filed or declared effective or the Prospectus, any Integrated Prospectus or any amendment or supplement thereto has been filed

and will provide evidence satisfactory to the Representatives of each such filing or effectiveness.

(b) The Company will advise the Representatives, promptly after receiving notice or obtaining knowledge thereof, of (i) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or any order directed at any document incorporated by reference in the Registration Statement, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto or any order preventing or suspending the use of any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto, (ii) the suspension of the qualification of the Securities for offering or sale in any jurisdiction, (iii) the institution, threatening or contemplation of any proceeding for any such purpose or (iv) any request made by the Commission for amending the Registration Statement, for amending or supplementing any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or for additional information. The Company will use its best efforts to prevent the issuance of any such stop order and, if any such stop order is issued, to obtain the withdrawal thereof as promptly as possible.

(c) If required by applicable law, the Company will arrange for the qualification of the Securities and any Underlying Securities for offering and sale under the securities or blue sky laws of such jurisdictions as the Representatives may designate and will continue such qualifications in effect for as long as may be necessary to complete the distribution of the Securities and any Underlying Securities; provided, however, that in connection therewith the Company shall not be required to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction.

(d) If at any time when a prospectus relating to the Securities is required to be delivered under the Act, any event occurs as a result of which the Prospectus or any Integrated Prospectus, as then amended or supplemented, would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if for any other reason it is necessary at any time to amend or supplement the Prospectus or any Integrated Prospectus

to comply with the Act or Exchange Act or the respective rules or regulations of the Commission thereunder, the Company will promptly notify the Representatives thereof and, subject to Section 4(a) of this Agreement, will prepare and file with the Commission, at the Company's expense, an amendment to the Registration Statement or an amendment or supplement to the Prospectus and any Integrated Prospectus that corrects such statement or omission or effects such compliance.

(e) The Company will, without charge, provide (i) to the Representatives and to counsel for the Underwriters, a conformed copy of the registration statement originally filed with respect to the Securities and any amendment thereto (in each case including exhibits thereto), (ii) to each other Underwriter, a conformed copy of such registration statement and any amendment thereto relating to the Securities (in each case without exhibits thereto) and (iii) so long as a prospectus relating to the Securities is required to be delivered under the Act, as many copies of each Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto as the Representatives may reasonably request; without limiting the application of clause (iii) of this sentence, the Company, not later than (A) 6:00 p.m., New York city time, on the date of determination of the public offering price, if such determination occurred at or prior to 10:00 AM, New York City time, on such date or (B) 12:00 Noon, New York City time, on the business day following the date of determination of the public offering price, if such determination occurred after 10:00 AM, New York city time, on such date, will deliver to the Representatives, without charge, as many copies of the Prospectus or any Integrated Prospectus and any amendment or supplement thereto as the Representatives may reasonably request for purposes of confirming orders that are expected to settle on the Closing Date.

(f) The Company, as soon as practicable, will make generally available to its securityholders and to the Representatives a consolidated earning statement of the Company and its subsidiaries that satisfies the provisions of Section 11(a) of the Act and Rule 158 thereunder.

(g) The Company will apply the net proceeds from the sale of the Securities as set forth under "Use of Proceeds" in the Prospectus and any Integrated Prospectus.

(h) Intentionally omitted.

(i) If required as set forth in Schedule 1 hereto, the Company will obtain the agreements described in Section 6(g) hereof prior to the Closing Date.

(j) The Company will not, directly or indirectly, (i) take any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) (A) sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of the Securities or (B) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(k) If at any time during the 25- day period after the Registration Statement becomes effective, any rumor, publication or event relating to or affecting the Company shall occur as a result of which in your opinion the market price of the Common Stock has been or is likely to be materially affected (regardless of whether such rumor, publication or event necessitates a supplement to or amendment of the Prospectus or any Integrated Prospectus), the Company will, after written notice from you advising the Company to the effect set forth above, forthwith prepare, consult with you concerning the substance of, and disseminate a press release or other public statement, reasonably satisfactory to you, responding to or commenting on such rumor, publication or event.

(l) If required as set forth in Schedule 1 hereto, the Company will cause the Securities and any Underlying Securities to be duly authorized for listing by the New York Stock Exchange.

(m) The Company will continue to use its best efforts to meet the requirements to qualify as a REIT under the Code.

7. Expenses. The Company will pay all costs and expenses incident to the performance of its obligations under this Agreement, whether or not the transactions contemplated herein are consummated or this Agreement is terminated pursuant to Section 10 hereof, including all costs and expenses incident to (i) the printing or other production of documents with respect to the transactions, including any costs of printing the registration statement originally filed with respect to the Securities and any amendment thereto, any Preliminary Prospectus, the Prospectus and any Integrated Prospectus and any amendment or supplement thereto, this Agreement, the Securities Documents and any blue sky memoranda, (ii) all arrangements relating to the delivery to the Underwriters of copies of the foregoing documents, (iii) the fees and disbursements of counsel, accountants and any other experts or advisors retained by the Company, (iv) preparation, issuance and delivery to the Underwriters of any certificates evidencing the Securities, including the fees and expenses of the transfer agent, exchange agent or registrar,

(v) the qualification, if any, of the Securities and any Underlying Securities under state securities and blue sky laws and real estate syndication laws, including filing fees and fees and disbursements of counsel for the Underwriters relating thereto and relating to the preparation of a blue sky memoranda, (vi) the filing fees of the Commission relating to the Securities, (vii) any listing of the Securities and Underlying Securities on the New York Stock Exchange, (viii) any meetings with prospective investors in the Securities arranged by the Company (other than as shall have been specifically approved by the Representatives to be paid for by the Underwriters) and (ix) advertising relating to the offering of the Securities requested by the Company (other than as shall have been specifically approved by the Representatives to be paid for by the Underwriters). If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 of this Agreement is not satisfied, because this Agreement is terminated pursuant to Section 10 of this Agreement or because of any failure, refusal or inability on the part of the Company to perform all obligations and satisfy all conditions on its part to be performed or satisfied hereunder other than by reason of a default by and of the Underwriters, the Company will reimburse the Underwriters severally upon demand for all out-of-pocket expenses (including counsel fees and disbursements) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities. The Company shall not in any event be liable to any of the Underwriters for the loss of anticipated profits from the transactions covered by this Agreement.

8. Conditions of the Underwriters' Obligations. The obligations of the Underwriters to purchase and pay for the Securities shall be subject, in the Representatives' sole discretion, to the accuracy of the representations and warranties of the Company contained herein as of the date of this Agreement as specified in Schedule 1 hereto and as of the Closing Date, as if made on and as of the Closing Date, to the accuracy of the statements of the Company's officers made pursuant to the provisions hereof, to the performance by the Company of its covenants and agreements hereunder and to the following additional conditions:

(a) The Prospectus, any Integrated Prospectus or the Prospectus Supplement, as the case may be, and any amendment or supplement thereto shall have been filed with the Commission in the manner and within the time period

required by Rules 434 and 424(b) under the Act; no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto and no order directed at any document incorporated by reference in the Registration Statement, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto shall have been issued, and no proceedings for that purpose shall have been instituted or threatened or, to the knowledge of the Company or the Representatives, shall be contemplated by the

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Commission; and the Company shall have complied with any request of the Commission for additional information (to be included in the Registration Statement, the Prospectus or any Integrated Prospectus or otherwise).

(b) The Representatives shall have received an opinion, dated the Closing Date, from Pryor Cashman Sherman & Flynn LLP counsel for the Company, to the effect that:

(i) the Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Maryland and is duly qualified to transact business and is in good standing under the laws of all other jurisdictions where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified does not amount to a material liability or disability to the Company and the Subsidiaries, taken as a whole. Each of the Subsidiaries has been duly organized and is validly existing as a general or limited partnership or corporation in good standing under the laws of the jurisdiction of its organization, and is duly qualified to transact business and is in good standing under the laws of all other jurisdictions where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified does not amount to a material liability or disability to the Company and the Subsidiaries, taken as a whole;

(ii) the Company and each of the Subsidiaries have full power, corporate or other, to own or lease their respective properties and conduct their respective businesses as described in the Registration

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Statement, the Prospectus and any Integrated Prospectus and each of the Company and the Subsidiaries have full power, corporate or other, to enter into this Agreement and the Securities Documents and to carry out all the terms and provisions hereof and thereof to be carried out by it;

(iii) the issued shares of capital stock of each of the Subsidiaries that is a corporation are duly authorized, validly issued, fully paid and nonassessable, and all of the partnership interests in each Subsidiary that is a partnership are validly issued and fully paid. Except as described in the Registration Statement, the Prospectus and any Integrated Prospectus, all of such shares and interests owned by the Company or another Subsidiary are owned beneficially by the Company or such Subsidiary free and clear of any security interest, mortgage, pledge, lien, encumbrance, equity or claim;

(iv) As of April 15, 1998, the Company had an authorized capitalization consisting of (A) 5,000,000 preferred shares of beneficial interest, of which 0 shares were issued and outstanding, and (B) 190,000,000 Common Shares, of which 55,930,295 shares were issued and outstanding (excluding 18,173,403 Common Shares reserved for issuance (x) upon the exercise of outstanding options and (y) upon the conversion of 13,433,572 outstanding units in the Operating Partnership. All of the capital stock of the Company has been duly authorized and the capital stock of the Company outstanding is validly issued, fully paid and nonassessable;

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(v) the Securities have been duly authorized, and when executed and delivered against payment therefor in accordance with the Underwriting Agreement, will be validly issued, fully paid and non-assessable, and the execution and delivery of the Securities (other than any Contract Securities) have been duly authorized by all necessary corporate action, and the Securities have been duly executed and delivered by the Company, and assuming due authorization, execution and delivery of the Securities by parties other than the Company, are, and any Contract Securities, when executed and delivered in the manner provided in the Securities Documents, will be, the legal, valid, binding and enforceable obligations of the Company, subject to the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws relating to creditors' rights generally and to the application of equitable principles

in any proceeding, whether at law or in equity;

(vi) the Underlying Securities have been duly authorized and reserved, and, when such securities are issued and delivered as contemplated by the terms of the applicable Securities Document such securities will be validly issued, fully paid and non-assessable;

(vii) the execution and delivery of the Securities Documents has been duly authorized by all necessary corporate action of the Company, and have been duly executed and delivered by the Company, and assuming due authorization, execution and delivery of the Securities Documents by parties

other than the Company as specified in the applicable Securities Documents, such agreements are valid and binding instruments of the Company enforceable against the Company in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws relating to creditors' rights generally and to the application of equitable principles in any proceeding, whether at law or in equity;

(viii) no holders of outstanding shares of capital stock of the Company are entitled as such to any preemptive or other rights to subscribe for any of the Securities or Underlying Securities, and no holder of securities of the Company or any Subsidiary has any right which has not been waived to require the Company to register the offer or sale of any securities owned by such holder under the Act in the public offering contemplated by this Agreement;

(ix) the statements set forth under the heading "Description of Common Stock", "Description of Preferred Stock" and "Description of Warrants" in the Prospectus and any Integrated Prospectus insofar as such statements purport to summarize certain provisions of the Securities of the Company, provide a fair summary of such provisions; and the statements set forth under the headings "Restrictions on Ownership of Offered Securities" and "Certain United States Federal Income Tax Considerations to the Company of its REIT Election" in the Prospectus and "Risk Factors", "Certain United States Federal Income Tax Considerations to Holders of

Common Stock" and "Underwriting", in the Prospectus Supplement, insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, provide a fair summary of such legal matters, documents and proceedings;

(x) the execution and delivery of this Agreement has been duly authorized by all necessary corporate action of the Company and this Agreement has been duly executed and delivered by the Company, and are the valid and binding agreements of the Company, enforceable against the Company in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws relating to creditors' rights generally and to the application of equitable principles in any proceeding, whether at law or in equity and except as rights to indemnity and contribution hereunder may be limited by federal or state securities laws or principles of public policy;

(xi) (A) no legal or governmental proceedings are pending to which the Company, any of the Subsidiaries, or any of their respective directors or officers in their capacity as such, is a party or to which the Properties or any other property of the Company or any of the Subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not described therein, and, to the best knowledge of such counsel, no such proceedings have been threatened against the Company or any of the Subsidiaries or with respect to the Properties or any of their respective other

properties and (B) no contract or other document is required to be described in the Registration Statement, the Prospectus or any Integrated Prospectus or to be filed as an exhibit to the Registration Statement that is not described therein or filed as required;

(xii) the issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement, the compliance by the Company with the other provisions of this Agreement, any Securities Documents and the consummation of the other transactions herein contemplated do not (A) require the consent, approval, authorization,

registration or qualification of or with any governmental authority, except such as have been obtained and such as may be required under state securities or blue sky laws (as to which such counsel need not opine) or (B) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the Properties or any other properties or assets of the Company or any of the Subsidiaries pursuant to any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or the Properties or any other of their respective properties are bound, or the Articles of Incorporation, By-laws or other organizational documents, as the case may be, of the Company or any of the Subsidiaries, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or (to the best

knowledge of such counsel) any arbitrator applicable to the Company or any of the Subsidiaries or any of the Properties;

(xiii) none of the Subsidiaries is currently contractually prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or other equity interests, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's property or assets to the Company or any of the other Subsidiaries, except as described in the Prospectus and any Integrated Prospectus;

(xiv) to the best knowledge of such counsel, the Company and the Subsidiaries possess all certificates, authorizations, licenses and permits issued by the appropriate federal, state, municipal or foreign regulatory authorities necessary to conduct their respective businesses except for such certificates, authorizations, licenses and permits the failure of which to possess would not be expected to result in a material adverse change in the condition (financial or otherwise), business, prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, and neither the Company nor any of the Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization, license or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business,

prospects, net worth or results of operations of the Company and the Subsidiaries, taken as a whole, except as described in the Prospectus and any Integrated Prospectus;

(xv) the Company is not subject to registration as an investment company under the Investment Company Act of 1940, as amended, and the transactions contemplated by this Agreement will not cause the Company to become an investment company subject to registration under such Act;

(xvi) neither the Company nor any of the Subsidiaries is in violation of any term or provision of its articles of incorporation, bylaws, partnership agreements or other organizational documents, as the case may be; no default exists, and no event has occurred which, with notice or lapse of time or both, would constitute a default, and the issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement and the Securities Documents the compliance by the Company with the other provisions of this Agreement, the Securities and the Securities Documents and the consummation of the other transactions herein and therein contemplated will not result in any default, in the due performance and observance of any term, covenant or condition of any indenture, mortgage or deed of trust, or any material lease or other agreement or instrument known to such counsel after due inquiry to which the Company or any of the Subsidiaries is a party or by which the Company, any of the Subsidiaries, any of the Properties or any of their respective other

properties is bound or may be affected except such as would not result in any material adverse effect in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its subsidiaries, taken as a whole;

(xvii) as set forth in Schedule 1 hereto, the Securities and any Underlying Securities have been approved for listing on the New York Stock

Exchange, subject to official notice of issuance;

(xviii) the Registration Statement is effective under the Act; the Prospectus or any Term Sheet that constitutes a part thereof and any Integrated Prospectus or the Prospectus Supplement, as the case may be, has been filed with the Commission in the manner and within the time period required by Rules 434 and 424(b); and no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto and no order directed at any document incorporated by reference in the Registration Statement, the Prospectus, any Integrated Prospectus or any amendment or supplement thereto has been issued, and no proceedings for that purpose have been instituted or, to the best knowledge of such counsel, threatened by the Commission; and

(xix) the Registration Statement originally filed with respect to the Securities and each amendment thereto, the Prospectus and any Integrated Prospectus (in each case, including the documents incorporated by reference therein but not including the financial statements and other

financial and statistical data contained therein, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act and the Exchange Act and the respective rules and regulations of the Commission thereunder.

Such counsel shall also state that they have no reason to believe that the Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus or any Integrated Prospectus, as of the date of the Prospectus Supplement or any required Integrated Prospectus and the date of such opinion, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering any such opinion, such counsel may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials and, as to matters involving the application of laws of any jurisdiction other than the States of New York, New Jersey and Delaware or the United States, to the extent satisfactory in form and scope to counsel for the Underwriters, upon the opinion of local counsel. The foregoing opinion shall also state that the Underwriters are justified in relying upon such opinion of local counsel, and copies of such opinion shall be delivered to the Representatives and counsel for the Underwriters.

References to the Registration Statement, the Prospectus and any Integrated Prospectus in this paragraph (b) shall include any amendment or supplement thereto at the date of such opinion.

(c) The Representatives shall have received an opinion, dated the Closing Date, of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Underwriters, with respect to the issuance and sale of the Securities, the Registration Statement, the Prospectus, and any Integrated Prospectus and such other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters.

(d) The Representatives shall have received from Price Waterhouse LLP and each other accounting firm that has certified financial statements, and delivered its report with respect thereto, included or incorporated by reference in the Registration Statement, the Prospectus and any Integrated Prospectus, a letter or letters dated, respectively, the date of this Agreement as specified in Schedule 1 hereto and the Closing Date, in form and substance satisfactory to the Representatives, to the effect that:

(i) they are independent accountants with respect to the Company and its subsidiaries within the meaning of the Act, the Exchange Act and the applicable published rules and regulations thereunder;

(ii) in their opinion, the financial statements audited by them and incorporated by reference in the Registration Statement, the Prospectus and any Integrated Prospectus comply as to form in all material respects with the applicable accounting requirements of the Act, the Exchange Act and the related published rules and regulations thereunder;

(iii) a reading of the minute books of the shareholders, the board of directors and any committees thereof of the Company and each of its consolidated subsidiaries, and inquiries of certain officials of the Company and its consolidated subsidiaries who have responsibility for financial and accounting matters, nothing came to their attention that

caused them to believe that:

(A) (i) any unaudited consolidated condensed financial statements of the Company and its consolidated subsidiaries included in the Registration Statement, the

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Prospectus and any Integrated Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act, the Exchange Act and the related published rules and regulations thereunder, or (ii) any material modification should be made to the unaudited consolidated condensed financial statements for them to be in conformity with generally accepted accounting principles;

(B) at a specific date not more than five business days prior to the date of such letter, there were any changes in the common stock or increase in mortgages and loans payable of the Company and its consolidated subsidiaries, in each case compared with amounts shown on the most recent consolidated balance sheet included in the Registration Statement, the Prospectus and any Integrated Prospectus, except for such changes set forth in such letter;

(iv) they have carried out certain specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information that are derived from the general accounting records of the Company and its consolidated subsidiaries and are included in the Registration Statement, the Prospectus and any Integrated Prospectus and in Exhibit 12 to the Registration Statement, including the information included or

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incorporated in the Company's most recent Annual Report on Form 10-K under the captions "Business" (Item 1), "Selected Financial Data" (Item 6) and "Management's Discussion and Analysis of Financial Condition and Results of Operations" (Item 7) and the information included or incorporated in the Company's Quarterly Reports on Form 10-Q under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations,"and have compared such amounts, percentages and financial information with such records and with information derived from such records and have found them to be in agreement, excluding any questions of legal interpretation; and

(v) on the basis of a reading of any unaudited pro forma consolidated condensed financial statements included in the Registration Statement, the Prospectus and any Integrated Prospectus, carrying out certain specified procedures that would not necessarily reveal matters of significance with respect to the comments set forth in this paragraph (v), inquiries of certain officials of the Company, its consolidated subsidiaries and any acquired company who have responsibility for financial and accounting matters and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the unaudited pro forma consolidated condensed financial statements, nothing came to their attention that caused them to believe that the unaudited pro forma consolidated condensed financial statements do not comply in form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X or that the pro

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forma adjustments have not been properly applied to the historical amounts in the compilation of such statements.

In the event that the letters referred to above set forth any such changes, decreases or increases, it shall be a further condition to the obligations of the Underwriters that (A) such letters shall be accompanied by a written explanation of the Company as to the significance thereof, unless the Representatives deem such explanation unnecessary, and (B) such changes, decreases or increases do not, in the sole judgment of the Representatives, make it impractical or inadvisable to proceed with the purchase and delivery of the Securities as contemplated by the Registration Statement.

References to the Registration Statement, the Prospectus and any Integrated Prospectus in this paragraph (d) with respect to either letter referred to above shall include any amendment or supplement thereto at the date of such letter.

(e) The Representatives shall have received a certificate, dated the

Closing Date, of the chief executive officer and the chief financial or accounting officer of the Company to the effect that:

(i) the representations and warranties of the Company in this Agreement are true and correct as if made on and as of the Closing Date; the Registration Statement, as amended as of the Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, and the Prospectus or any Integrated Prospectus, as amended or supplemented as of

the Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Company has performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto and no order directed at any document incorporated by reference in the Registration Statement, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto has been issued, and no proceedings for that purpose have been instituted or threatened or, to the best of the Company's knowledge, are contemplated by the Commission; and

(iii) subsequent to the respective dates as of which information is given in the Registration Statement, the Prospectus and any Integrated Prospectus, neither the Company nor any of its subsidiaries has sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding, and there has not been any material adverse change, or any development involving a prospective material adverse change, in the condition (financial or otherwise), management, business prospects, net worth or results of operations of the

Company or any of its subsidiaries, except in each case as described in or contemplated by the Prospectus or any Integrated Prospectus (exclusive of any amendment or supplement thereto).

(f) On or before the Closing Date, the Representatives and counsel for the Underwriters shall have received such further certificates, documents or other information as they may have reasonably requested from the Company.

(g) Intentionally omitted.

(h) If applicable, prior to the commencement of the offering of the Securities, the Securities and any Underlying Securities shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

(i) No stop order suspending the effectiveness of the Equity Investor Fund Cohen & Steers Realty Majors Portfolio Unit Investment Trust registration statement (the file number of which is set forth in Schedule 1 hereto) (the "UIT Registration Statement") or any post-effective amendment thereto and no order directed at any document incorporated by reference in the UIT Registration Statement shall have been issued, and no proceedings for that purpose shall have been instituted or threatened or, to the knowledge of the Representatives, shall be contemplated by the Commission.

All opinions, certificates, letters and documents delivered pursuant to this Agreement will comply with the provisions hereof only if they are reasonably satisfactory in all material respects to the Representatives and counsel for the Underwriters. The Company shall furnish to the Representatives such conformed copies of such opinions, certificates, letters and documents in such quantities as the Representatives and counsel for the Underwriters shall reasonably request.

9. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or such controlling person may become subject under the Act, the

Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

(i) any untrue statement or alleged untrue statement made by the Company in Section 2 of this Agreement,

(ii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement or any amendment thereto or any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto or (B) any application or other document, or any amendment or supplement thereto, executed by the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify the Securities under the securities or blue sky laws thereof or filed with the Commission or any securities association or securities exchange (each an "Application"),

(iii) the omission or alleged omission to state in the Registration Statement or any amendment thereto, any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto, or any Application a material fact required to be stated therein or necessary to make the statements therein not misleading or

(iv) any untrue statement or alleged untrue statement of any material fact contained in any audio or visual materials used in connection with the marketing of the Securities, including, without limitation, slides, videos, films and tape recordings,

and will reimburse, as incurred, each Underwriter and each such controlling person for any legal or other expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or any amendment thereto, any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto, or any Application in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein. This indemnity agreement will be in addition to any liability which the Company may otherwise have. The Company will not, without the prior written consent of the Underwriter or Underwriters purchasing, in the aggregate, more than 50% of the Securities, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any such Underwriter or any person who controls any such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent (i) includes an unconditional release of all of the Underwriters and such controlling persons from all liability arising out of such claim, action, suit, investigation, or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(b) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, as amended at the date of this Agreement as specified in Schedule 1 hereto, and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities to which the Company or any such director, officer or controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, as amended at the date of this Agreement as specified in Schedule 1 hereto, any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto, or any Application or (ii) the omission or the alleged omission to state therein a material fact required to be stated in the Registration Statement, as amended at the date of this Agreement as specified in Schedule 1 hereto, any Preliminary Prospectus, the Prospectus or any Integrated Prospectus or any amendment or supplement thereto, or any Application or necessary to make the statements therein not misleading, in

each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein; and,

subject to the limitation set forth immediately preceding this clause, will reimburse, as incurred, any legal or other expenses reasonably incurred by the Company or any such director, officer or controlling person in connection with investigating or defending any such loss, claim, damage, liability or any action in respect thereof. This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be one or more legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by the Representatives in the case of paragraph (a) of this Section 7, representing the indemnified parties under such paragraph (a) who are parties to such

action or actions) or (ii) the indemnifying party does not promptly retain counsel satisfactory to the indemnified party or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnifying party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the consent of the indemnifying party.

(d) In circumstances in which the indemnity agreement provided for in the preceding paragraphs of this Section 7 is unavailable or insufficient, for any reason, to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof), each indemnifying party, in order to provide for just and equitable contribution, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the offering of the Securities or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters, the parties' relative intents, knowledge, access to information and opportunity to correct or prevent such statement or omission, and any other equitable considerations appropriate in the circumstances. The Company and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to above in this paragraph (d). Notwithstanding any other provision of this paragraph (d), no Underwriter

shall be obligated to make contributions hereunder that in the aggregate exceed the total public offering price of the Securities purchased by such Underwriter under this Agreement, less the aggregate amount of any damages that such Underwriter has otherwise been required to pay in respect of the same or any substantially similar claim, and no person guilty of fraudulent misrepresentation (within the meaning of

Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute hereunder are several in proportion to their respective underwriting obligations and not joint, and contributions among Underwriters shall be governed by the provisions of the Prudential Securities Incorporated Master Agreement Among Underwriters. For purposes of this paragraph (d), each person, if any, who controls an Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement as amended at the date of this Agreement as specified in Schedule 1 hereto and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Company.

(e) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 7(a) herein effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement. Notwithstanding the immediately preceding sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, an indemnifying party shall not be liable for any settlement of the nature contemplated by Section 7(e) effected without its consent if such indemnifying party (i) reimburses such indemnified party in accordance with such request to the extent it considers such request to be reasonable and (ii) provides written notice to the indemnified party substantiating the unpaid balance as unreasonable in each case prior to the date of such settlement.

10. Default of Underwriters. Intentionally omitted

11. Survival. The respective representations, warranties, agreements, covenants, indemnities and other statements of the Company, its officers and the several Underwriters set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement shall remain in full force and effect, regardless of (i) any investigation made by or on behalf of the Company, any of its officers or directors, any Underwriter or any controlling person referred to in Section 7

hereof and (ii) delivery of and payment for the Securities. The respective agreements, covenants, indemnities and other statements set forth in Sections 5 and 7 hereof shall remain in full force and effect, regardless of any termination or cancellation of this Agreement.

12. Termination. (a) This Agreement may be terminated with respect to the Securities in the sole discretion of the Representatives by notice to the Company given prior to the Closing Date in the event that the Company shall have failed, refused or been unable to perform all obligations and satisfy all conditions on its part to be performed or satisfied hereunder at or prior thereto or, if at or prior to the Closing Date

(i) the Company or any of the Subsidiaries shall have, in the sole judgment of the Representatives, sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding or there shall have been any material adverse change, or any development involving a prospective material adverse change (including without limitation a change in management or control of the Company, which includes the termination of the employment of Thomas A. Rizk), in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and the Subsidiaries, except in each case as described in or contemplated by the Prospectus (exclusive of any amendment or supplement thereto);

(ii) trading in the Common Stock shall have been suspended by the

Commission or the New York Stock Exchange or trading in securities generally on the New York Stock Exchange shall have been suspended or minimum or maximum prices shall have been established on such exchange;

(iii) there shall have been any downgrading in the rating of any debt securities or preferred stock of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities or preferred stock of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating);

(iv) a banking moratorium shall have been declared by New York or United States authorities; or

(v) there shall have been (A) an outbreak or escalation of hostilities between the United States and any foreign power, (B) an outbreak or escalation of any other insurrection or armed conflict involving the United States or (C) any other calamity or crisis or material adverse change in general economic, political or financial conditions having an effect on the U.S. financial markets that, in the sole judgment of the Representatives, makes it impractical or inadvisable to (x) commence or continue with the offering of the units of the Trust to the Public, or (y) enforce Contracts for the sale of the Units of the Trust.

(b) Termination of this Agreement pursuant to this Section 10 shall be without liability of any party to any other party except as provided in Section 9 hereof.

13. Information Supplied by Underwriters. The statements set forth in the last paragraph on the front cover page of the

Prospectus Supplement and under the heading "Underwriting" in the Prospectus Supplement (to the extent such statements relate to the Underwriters) constitute the only information furnished by any Underwriter through the Representatives to the Company for the purposes of Sections 2(b) and 7(b) hereof. The Underwriters confirm that such statements (to such extent) are correct.

14. Notices. All communications hereunder shall be in writing and, if sent to any of the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission and confirmed in writing to Merrill Lynch & Co. at North Tower, World Financial Center, New York, New York 10281-1201, Attention: Richard Saltzman; and if sent to the Company, shall be delivered or sent by mail, telex or facsimile transmission and confirmed in writing to the Company at 11 Commerce Drive, Cranford, New Jersey, 07016, Attention: Thomas A. Rizk.

15. Successors. This Agreement shall inure to the benefit of and shall be binding upon the several Underwriters, the Company and their respective successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that (i) the indemnities of the Company contained in Section 7 of this Agreement shall also be for the benefit of any person or persons who control any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and (ii) the indemnities of the Underwriters contained in Section 7 of this Agreement shall also be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement as amended at the date of this Agreement as specified in Schedule 1 hereto and any person or persons who control the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act. No purchaser of Securities from any Underwriter shall be deemed a successor because of such purchase.

16. Applicable Law. THE VALIDITY AND INTERPRETATION OF THIS AGREEMENT, AND THE TERMS AND CONDITIONS SET FORTH HEREIN, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY PROVISIONS RELATING TO CONFLICTS OF LAWS.

17. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter shall constitute an agreement binding the Company and each of the several Underwriters.

Very truly yours,
MACK-CALI REALTY CORPORATION

By: /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: Executive Vice President & General Counsel

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith Incorporated

By: /s/ John C. Brady

Authorized Signatory

SCHEDULE 1

DESCRIPTION OF SECURITIES; TERMS OF OFFERING

1. Registration Statement:

File No. 333-19101

2. Date of Underwriting Agreement:

April 23, 1998

3. Underwriters:

Merrill Lynch, Pierce, Fenner & Smith Incorporated

4. Title of Securities:

Common Stock, par value $.01 per share

5. Aggregate Number of Securities:

Common Stock, par value $.01 per share: 994,228 shares

6. Price to Public:

Common Stock, par value $.01 per share: $36.8125 per share

7. Purchase Price by Underwriters:

Common Stock, par value $.01 per share: $34.8798 per share

8. Specified Funds for Payment of Purchase Price:

Wire Transfer of Same Day Funds

9. Terms of Securities:

Preferred Stock: N/A

Warrants: N/A

Other Provisions: N/A

10. Lock-up Requirements:

None

11. Delivery of Securities:

Merrill Lynch, Pierce, Fenner & Smith Incorporated, North Tower, World Financial Center, New York, New York on or about April 29, 1998

12. Pre-Closing Location:

Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, New York on April 28, 1998

13. Closing Location:

Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, New York on April 29, 1998

15. Stock Exchange Listing

The Securities shall be approved for listing on the New York Stock Exchange, subject to official notice of issuance, at or prior to the date hereof.

16. UIT Registration Statement

File No. 333-45433

17. Miscellaneous:

The Company is advised by you that the Underwriter proposes to deposit the Shares with the trustee of the Trust, a registered unit investment trust under the Investment Company Act of 1940, as amended, for which Merrill Lynch, Pierce, Fenner & Smith Incorporated acts as sponsor and depositor, in exchange for units in the Trust as soon after the execution and delivery hereof as in the judgment of the Underwriter is advisable.

SCHEDULE 2

UNDERWRITERS

Underwriter	Number of Shares to be Purchased
Merrill Lynch, Pierce, Fenner & Smith Incorporated	994,228
Total	994,228

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