MACK CALI REALTY CORP

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

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

COMMISSION FILE NUMBER: 1-13274

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

MARYLAND	22-3305147
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
11 COMMERCE DRIVE, CRANFORD, NEW JERSEY	07016-3599
(Address of principal executive offices)	(Zip code)

(908) 272-8000
(Registrant's telephone number, including area code)

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

(Title of Each Class)	(Name of Each Exchange on Which Registered)
COMMON STOCK, $0.01 PAR VALUE	NEW YORK STOCK EXCHANGE PACIFIC EXCHANGE

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

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

Yes /X/ No / /

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

As of February 18, 2000, the aggregate market value of the voting stock held by non-affiliates of the registrant was $1,393,729,891. The aggregate market value was computed with references to the closing price on the New

York Stock Exchange on such date. This calculation does not reflect a determination that persons are affiliates for any other purpose.

As of February 18, 2000, 58,467,635 shares of common stock, $0.01 par value, of the Company ("Common Stock") were outstanding.

LOCATION OF EXHIBIT INDEX: The index of exhibits is contained in Part IV herein on page number 61.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the registrant's definitive proxy statement to be issued in conjunction with the registrant's annual meeting of shareholders to be held on May 16, 2000 are incorporated by reference in Part III of this Form 10-K

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PART I

ITEM 1. BUSINESS

GENERAL

Mack-Cali Realty Corporation (together with its subsidiaries, the "Company") is a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") that owns and operates a portfolio comprised predominantly of Class A office and office/flex properties located primarily in the Northeast, as well as commercial real estate leasing, management, acquisition, development and construction businesses. As of December 31, 1999, the Company owned or had interests in 259 properties, aggregating approximately 28.6 million square feet, plus developable land (collectively, the "Properties"). The Properties are comprised of: (a) 253 wholly-owned or Company-controlled properties consisting of 155 office buildings and 85 office/flex buildings totaling approximately 27.0 million square feet, six industrial/warehouse buildings totaling approximately 387,400 square feet, two multi-family residential complexes consisting of 451 units, two stand-alone retail properties and three land leases (collectively, the "Consolidated Properties"); and (b) five office buildings and one office/flex building aggregating 1.2 million square feet, owned by unconsolidated joint ventures in which the Company has investment interests (see "Investments in Unconsolidated Joint Ventures"). Unless otherwise indicated, all references to square feet represent net rentable area. As of December 31, 1999, the office, office/flex and industrial/warehouse properties, included in the Consolidated Properties, were approximately 96.5 percent leased to over 2,400 tenants. The Properties are located in 12 states, primarily in the Northeast, plus the District of Columbia.

The Company's strategy has been to focus its acquisition, operation and development of office properties in markets and sub-markets where it is, or can become, a significant and preferred owner and operator. The Company believes that its Properties have excellent locations and access and are well-maintained and professionally managed. As a result, the Company believes that its Properties attract high quality tenants and achieve among the highest rental, occupancy and tenant retention rates within their markets. The Company will continue this strategy by expanding, through acquisitions or development, in markets and sub-markets where it has, or can achieve, similar status. Consistent with its growth strategy, during 1999, the Company, directly or through joint ventures in which it has ownership interests, acquired or placed in service 11 office and office/flex properties, aggregating approximately 806,142 square feet, for an aggregate cost to the Company of approximately $105.6 million. Management believes that the recent trend towards increasing rental and occupancy rates in the Company's sub-markets continues to present significant opportunities for internal growth. The Company, directly or through joint ventures, is underway with the construction of 11 office and office/flex buildings. The Company may also develop additional properties in such sub-markets, particularly with a view towards development of the Company's vacant land holdings, which principally are located adjacent to the Company's existing properties. Management believes that its extensive market knowledge provides the Company with a significant competitive advantage which is further enhanced by its strong reputation for, and emphasis on, delivering highly responsive, professional management services. See "Business Strategies -- Growth".

The principals of Cali Associates, the entity to whose business the Company succeeded in 1994, have been involved in the development, leasing, management, operation and disposition of commercial and residential properties in Northern and Central New Jersey for over 50 years and have been primarily focusing on office building development for the past 20 years. In January 1997, the Company acquired 65 Class A properties located in Westchester County, New York and Fairfield County, Connecticut, aggregating approximately 4.1 million square feet from the Robert Martin Company, LLC and affiliates for a total cost of approximately $450.0 million ("RM Transaction"). In December 1997, the Company acquired 54 Class A office properties, primarily in New Jersey and Texas, aggregating approximately 9.2 million square feet, from The Mack Company and Patriot American Office Group for a total cost of approximately $1.1 billion ("Mack Transaction"). Upon the completion of the Mack Transaction, the Company changed its name from Cali Realty Corporation to Mack-Cali Realty Corporation.

The Company's executive officers have been employed by the Company and/or its predecessor companies for an average of approximately 10 years. The Company and its predecessors have extensive development experience, having developed 12.5 million square feet or 43.7 percent of the Company's portfolio.

As of December 31, 1999, executive officers and directors of the Company owned approximately 10.8 percent of the Company's outstanding shares of Common Stock (including Units redeemable or convertible into shares of Common Stock). As used herein, the term "Units" refers to limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership, ("Operating Partnership") through which the Company conducts its real estate activities.

The Company performs substantially all construction, development, leasing, management and tenant improvements on an "in-house" basis and is self-administered and self-managed. The Company was incorporated on May 24, 1994. The Company's executive offices are located at 11 Commerce Drive, Cranford, New Jersey 07016, and its telephone number is (908) 272-8000.

The Company has an internet website at "www.mack-cali.com".

BUSINESS STRATEGIES

OPERATIONS

REPUTATION: The Company has established a reputation as a highly-regarded landlord with an emphasis on delivering professional quality tenant services in buildings it owns or manages. The Company believes that its continued success depends in part on enhancing its reputation as an operator of choice, which will facilitate the retention of current tenants and the attraction of new tenants. The Company believes it provides a superior level of service to its tenants, which in turn creates higher than average occupancy rates, as well as lower than average turnover.

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

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

GROWTH

The Company's objectives are to maximize growth in funds from operations and to enhance the value of its portfolio through effective management, acquisition and development strategies, as follows:

INTERNAL GROWTH: The Company seeks to maximize the value of its existing portfolio through implementing operating strategies to produce increased effective rental and occupancy rates and decreased concession and tenant installation costs. The Company believes that it has a unique opportunity for internal growth through re-leasing space at higher effective rents with contractual rent increases and developing or redeveloping space for its diverse base of high credit tenants, including AT&T Corporation, Arthur Anderson and IBM Corporation. In addition, the Company's management seeks volume discounts to take advantage of the Company's size and dominance in particular sub-markets, and operating efficiencies through the use of in-house management, leasing, marketing, financing, accounting, legal, development and construction functions. The Company believes that these factors combined should allow the Company internal growth over the next several years.

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

DEVELOPMENT: The Company owns 368 acres of land held for development on which it can build up to approximately 10.4 million square feet of office and other space. The Company may selectively develop buildings where such development will result in a favorable risk-adjusted return on investment in coordination with the above operating strategies. Such development will primarily occur only when leases have been executed prior to construction, in stable sub-markets where the demand for such space exceeds available supply, and where the Company is, or can become, a significant and preferred owner and operator.

FINANCIAL

The Company currently intends to maintain a ratio of debt-to-total market capitalization (total debt of the Company as a percentage of the total market value of issued and outstanding shares of Common Stock, including interests redeemable therefor, plus total debt) of approximately 50 percent or less. The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Duff & Phelps Credit Rating Co. ("DCR") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and DCR have also assigned their BBB- rating to prospective preferred stock offerings of the Company. Moody's Investors Service has assigned its Baa3 rating to existing and prospective senior unsecured debt of the Operating Partnership and its Ba1 rating to prospective preferred stock offerings of the Company. Although there is no limit in the Company's organizational documents on the amount of indebtedness that the Company may incur or the requirement for maintenance of investment grade credit ratings, the Company has entered into certain financial agreements which contain covenants that limit the Company's ability to incur indebtedness under certain circumstances. The Company also intends to conduct its operations and resulting financial position in order to maintain its investment grade rated status. As of December 31, 1999, the Company's total debt constituted approximately 42.8 percent of the total market capitalization of the Company. The Company will utilize the most appropriate sources of capital for future acquisitions, development, capital improvements and other investments, which may include funds from operating activities, proceeds from property sales, short-term and long-term borrowings (including draws on the Company's revolving credit facilities), and the issuance of additional debt or equity securities.

EMPLOYEES

As of December 31, 1999, the Company had over 400 employees.

COMPETITION

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

REGULATIONS

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

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

of hazardous or toxic substances and, therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental penalties and injuries to persons and property.

There can be no assurance that (i) future laws, ordinances or regulations will not impose any material environmental liability, (ii) the current environmental condition of the Properties will not be affected by tenants, by the condition of land or operations in the vicinity of the Properties (such as the presence of underground storage tanks), or by third parties unrelated to the Company, or (iii) the Company's assessments reveal all environmental liabilities and that there are no material environmental liabilities of which the Company is aware.

If compliance with the various laws and regulations, now existing or hereafter adopted, exceeds the Company's budgets for such items, the Company's ability to make expected distributions to stockholders could be adversely affected.

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

INDUSTRY SEGMENTS

The Company operates in only one industry segment - real estate. The Company does not have any foreign operations and its business is not seasonal.

RECENT DEVELOPMENTS

The Company's funds from operations (after adjustment for straight-lining of rents) for the year ended December 31, 1999 was $244.2 million as compared to $216.9 million for the year ended December 31, 1998. As a result of the Company's improved operating performance, the Company announced, in September 1999, a 5.5 percent increase in its regular quarterly dividend, commencing with the Company's dividend with respect to the third quarter of 1999, from $0.55 per share of Common Stock ($2.20 per share of Common Stock on an annualized basis) to $0.58 per share of Common Stock ($2.32 per share of Common Stock on an annualized basis). The Company declared a cash dividend of $0.58 per share on December 17, 1999 to shareholders of record as of January 4, 2000. The dividend was paid on January 21, 2000. The Company has increased its regular quarterly dividend for six consecutive years for an increase of 43.6 percent over the period.

In 1999, the Company:

- acquired six operating properties aggregating 402,886 square feet at a total cost of approximately $46.5 million,

- placed in service five properties aggregating 403,256 square feet at a total cost of approximately $59.1 million,

- acquired three developable land parcels at a total cost of approximately $20.3 million (with construction of office properties having been commenced on two of the acquired parcels), and

- sold two office properties aggregating 189,851 square feet for an aggregate sales price of approximately $18.0 million.

The completion of these transactions had a net increase to the total square footage of the Company's portfolio of 2.3 percent.

The Company, together with seven other public and private real estate companies and venture capital firm Kleiner Perkins Caufield & Byers, formed BroadBand Office, Inc. to provide telecommunication and internet services primarily to office building users nationwide. As part of the agreement, the Company agreed to allow access for the provision of telecommunication and internet services to tenants at a portion of the Company's properties. The Company owns approximately 8 percent of BroadBand Office, Inc.

OPERATING PROPERTY ACQUISITIONS

The Company acquired the following operating properties during the year ended December 31, 1999:

Acquisition Date	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet	Investment by Company (a)
OFFICE					
3/05/99	Pacifica Portfolio - Phase III (b)	Colorado Springs, El Paso County, CO	2	94,737	$ 5,709
7/21/99	1201 Connecticut Avenue, NW	Washington, D.C.	1	169,549	32,799
TOTAL OFFICE PROPERTY ACQUISITIONS:			3	264,286	$ 38,508
OFFICE/FLEX					
12/21/99	McGarvey Portfolio - Phase III (c)	Moorestown, Burlington County, NJ	3	138,600	$ 8,012
TOTAL OFFICE/FLEX PROPERTY ACQUISITION:			3	138,600	$ 8,012
TOTAL OPERATING PROPERTY ACQUISITIONS:			6	402,886	$ 46,520

PROPERTIES PLACED IN SERVICE

The Company placed in service the following properties through the completion of development or redevelopment during the year ended December 31, 1999:

Date Placed in Service	Property Name	Location	# of Bldgs.	Rentable Square Feet	Investment by Company (a)
OFFICE					
8/09/99	2115 Linwood Avenue	Fort Lee, Bergen County, NJ	1	68,000	$ 8,147
11/01/99	795 Folsom Street (d)	San Francisco, San Francisco County, CA	1	183,445	37,337
TOTAL OFFICE PROPERTIES PLACED IN SERVICE:			2	251,445	$ 45,484
OFFICE/FLEX					
3/01/99	One Center Court	Totowa, Passaic County, NJ	1	38,961	$ 2,140
9/17/99	12 Skyline Drive	Hawthorne, Westchester County, NY	1	46,850	5,023
12/10/99	600 West Avenue (e)	Stamford, Fairfield County, CT	1	66,000	5,429
TOTAL OFFICE/FLEX PROPERTIES PLACED IN SERVICE:			3	151,811	$ 12,592
LAND LEASE					
2/01/99	Horizon Center Business Park (f)	Hamilton Township, Mercer County, NJ	N/A	27.7 acres	$ 1,007
TOTAL LAND LEASE TRANSACTIONS:				27.7 acres	$ 1,007
TOTAL PROPERTIES PLACED IN SERVICE:			5	403,256	$ 59,083

(a) Unless otherwise noted, transactions were funded by the Company with funds primarily made available through draws on the Company's credit facilities.

(b) William L. Mack, a director and equity holder of the Company, was an indirect owner of an interest in certain of the buildings contained in the Pacifica portfolio.

(c) The properties were acquired through the exercise of a purchase option obtained in the initial acquisition of the McGarvey portfolio in January 1998.

(d) On June 1, 1999, the building was acquired for redevelopment for approximately $34.3 million.

(e) On May 4, 1999, the Company acquired, from an entity whose principals include Timothy M. Jones, Martin S. Berger and Robert F. Weinberg, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively, approximately 2.5 acres of vacant land in the Stamford Executive Park, located in Stamford, Fairfield

County, Connecticut. The Company acquired the land for approximately $2.2 million.

(f) On February 1, 1999, the Company entered into a ground lease agreement to lease 27.7 acres of developable land located at the Company's Horizon Center Business Park, located in Hamilton Township, Mercer County, New Jersey on which Home Depot constructed a 134,000 square-foot retail store.

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LAND TRANSACTIONS

On February 26, 1999, the Company acquired approximately 2.3 acres of vacant land adjacent to one of the Company's operating properties located in San Antonio, Bexar County, Texas for approximately $1.5 million, which was made available from the Company's cash reserves.

On March 15, 1999, the Company entered into a joint venture with SJP 106 Allen Road to form MC-SJP Pinson Development, LLC, which acquired vacant land located in Bernards Township, Somerset County, New Jersey. The venture has commenced construction of a 130,000 square-foot office building on this site. The Company accounts for the joint venture on a consolidated basis.

On August 31, 1999, the Company acquired, from an entity whose principals include Brant Cali, Executive Vice President and Chief Operating Officer of the Company and a member of the Board of Directors of the Company, and certain immediate family members of John J. Cali, Chairman of the Board of Directors of the Company, approximately 28.1 acres of developable land adjacent to two of the Company's operating properties located in Roseland, Essex County, New Jersey for approximately $6.1 million. The acquisition was funded with cash and the issuance of 121,624 common units to the seller (see Note 11 to the Financial Statements). The Company has commenced construction of a 220,000 square-foot office building on the acquired land.

In August 1999, the Company entered into an agreement with SJP Properties Company ("SJP Properties") which provides for a cooperative effort in seeking approvals to construct up to approximately 1.8 million square feet of office development on certain vacant land owned or controlled, respectively, by the Company and SJP Properties, in Hanover and Parsippany, Morris County, New Jersey. The agreement provides that the parties shall share equally in the costs associated with seeking such requisite approvals. Subsequent to obtaining the requisite approvals, upon mutual consent, the Company and SJP Properties may enter into one or more joint ventures to construct on the vacant land, or seek to dispose of their respective vacant land parcels subject to the agreement.

DISPOSITIONS

On November 15, 1999, the Company sold its 70,550 square-foot office building located at 400 Alexander Road in Princeton, Mercer County, New Jersey for net proceeds, after selling costs, of approximately $8.6 million.

On December 15, 1999, the Company sold its 119,301 square-foot office building located at 20002 North 19th Avenue in Phoenix, Maricopa County, Arizona for net proceeds, after selling costs, of approximately $8.8 million.

INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

The following is a summary of the Company's net investments in unconsolidated joint ventures as of December 31, 1999:

COMPANY'S
NET INVESTMENTS

	(IN THOUSANDS)
Pru-Beta 3	$ 17,072
HPMC	23,337
G&G Martco	8,352
American Financial Exchange L.L.C.	11,571
Ramland Realty Associates L.L.C.	2,697
Ashford Loop Associates L.P.	6,073
ARCap Investors, L.L.C.	20,032
Total	$ 89,134

PRU-BETA 3 (NINE CAMPUS DRIVE): On March 27, 1998, the Company acquired a 50 percent interest in an existing joint venture with The Prudential Insurance Company of America ("Prudential"), known as Pru-Beta 3, which owns and operates Nine Campus Drive, a 156,495 square-foot office building, located in the Mack-Cali Business Campus (formerly Prudential Business Campus) office complex in Parsippany, Morris County, New Jersey. The Company performs management and leasing services for the property owned by the joint venture.

HPMC (CONTINENTAL GRAND II/SUMMIT RIDGE/LAVA RIDGE): On April 23, 1998, the Company entered into a joint venture agreement with HCG Development, L.L.C. and Summit Partners I, L.L.C. to form HPMC Development Partners, L.P. and, on July 21, 1998, entered into a second joint venture named HPMC Development Partners II, L.P. (formerly known as HPMC Lava Ridge Partners, L.P.) with these same parties. HPMC Development Partners, L.P.'s efforts have focused on two development projects, commonly referred to as Continental Grand II and Summit Ridge. Continental Grand II is a 4.2 acre site located in El Segundo, Los Angeles County, California, acquired by the venture upon which it has constructed and placed in service a 237,360 square-foot office property. Summit Ridge is a 7.3 acre site located in San Diego, San Diego County, California, acquired by the venture upon which it has commenced construction of three one-story buildings aggregating 133,750 square feet of office/flex space. HPMC Development Partners II, L.P.'s efforts have focused on three development projects, commonly referred to as Lava Ridge, Peninsula Gateway and Stadium Gateway. Lava Ridge is a 12.1 acre site located in Roseville, Placer County, California, acquired by the venture upon which it has commenced construction of three two-story buildings aggregating 183,200 square feet of office space. Peninsula Gateway is a parcel of land purchased from the City of Daly City, California, for future development into office space, a hotel and other retail establishments. Stadium Gateway is a 1.5 acre site located in Anaheim, Orange County, California, to be acquired by the venture to develop a six-story office building aggregating 261,554 square feet. Among other things, the partnership agreements provide for a preferred return on the Company's invested capital in each venture, in addition to 50 percent of such venture's profit above such preferred returns, as defined in each agreement.

G&G MARTCO (CONVENTION PLAZA): On April 30, 1998, the Company acquired a 49.9 percent interest in an existing joint venture, known as G&G Martco, which owns Convention Plaza, a 305,618 square-foot office building, located in San Francisco, San Francisco County, California. A portion of its initial investment was financed through the issuance of common units (see Note 11 to the Financial Statements), as well as funds drawn from the Company's credit facilities. Subsequently, on June 4, 1999, the Company acquired an additional 0.1 percent interest in G&G Martco through the issuance of common units (see Note 11 to the Financial Statements). The Company performs management and leasing services for the property owned by the joint venture.

AMERICAN FINANCIAL EXCHANGE L.L.C.: On May 20, 1998, the Company entered into a joint venture agreement with Columbia Development Corp. to form American Financial Exchange L.L.C. The venture was initially formed to acquire land for future development, located on the Hudson River waterfront in Jersey City, Hudson County, New Jersey, adjacent to the Company's Harborside Financial Center office complex. The Company holds a 50 percent interest in the joint venture. Among other things, the partnership agreement provides for a preferred return on the Company's invested capital in the venture, in addition to the Company's proportionate share of the venture's profit, as defined in the agreement. The joint venture has acquired land on which it has constructed a parking facility, which is currently leased to a parking operator under a 10-year agreement. Such parking facility serves a ferry service between the Company's Harborside Financial Center and Manhattan.

RAMLAND REALTY ASSOCIATES L.L.C. (ONE RAMLAND ROAD): On August 20, 1998, the Company entered into a joint venture agreement with S.B. New York Realty Corp. to form Ramland Realty Associates L.L.C. The venture was formed to own, manage and operate One Ramland Road, a 232,000 square-foot office/flex building plus adjacent developable land, located in Orangeburg, Rockland County, New York. In August 1999, the joint venture completed redevelopment of the property and placed the office/flex building in service. The Company holds a 50 percent interest in the joint venture. The Company performs management, leasing and other services for the property owned by the joint venture.

ASHFORD LOOP ASSOCIATES L.P. (1001 SOUTH DAIRY ASHFORD/2100 WEST LOOP SOUTH): On September 18, 1998, the Company entered into a joint venture agreement with Prudential to form Ashford Loop Associates L.P. The venture was formed to own, manage and operate 1001 South Dairy Ashford, a 130,000 square-foot office building acquired on September 18, 1998 and 2100 West Loop South, a 168,000 square-foot office building acquired on November 25, 1998, both located in Houston, Harris County, Texas. The Company holds a 20 percent interest in the joint venture. The joint venture may be required to pay additional consideration due to earn-out provisions in the acquisition contracts. The Company performs management and leasing services for the properties owned by the joint venture.

ARCAP INVESTORS, L.L.C.: On March 18, 1999, the Company invested in ARCap Investors, L.L.C., a joint venture with several participants, which was formed to invest in sub-investment grade tranches of commercial mortgage-backed securities ("CMBS"). The Company has invested $20.0 million in the venture. William L. Mack, a director and equity holder of the Company, is a principal of the managing member of the venture.

NORTH PIER AT HARBORSIDE RESIDENTIAL DEVELOPMENT: On August 5, 1999, the Company entered into an agreement which, upon satisfaction of certain conditions, provides for the contribution of its North Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey to a joint venture with Lincoln Property Company Southwest, Inc., in exchange for cash and an equity interest in the venture. The venture intends to develop residential housing on the property.

SOUTH PIER AT HARBORSIDE HOTEL DEVELOPMENT: On November 17, 1999, the Company entered into an agreement with Hyatt Corporation to develop a 350-room hotel on the Company's South Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey, subject to the satisfaction of certain conditions.

FINANCING ACTIVITY

During 1999, in conjunction with the funding of certain acquisitions as well as redemption of the remaining contingent units issued in the Mack Transaction, the Company issued a total of 397,107 common operating partnership units ("Common Units") with a total value of approximately $11.5 million at time of issuance.

During 1999, pursuant to a share repurchase program approved by the Board of Directors in August 1998, the Company purchased in the open market, for constructive retirement, 1,014,500 shares of its outstanding Common Stock for an aggregate cost of approximately $27.5 million. Concurrent with these purchases, the Company sold to the Operating Partnership 1,014,500 Common Units for approximately $27.5 million.

On March 16, 1999, the Operating Partnership issued $600.0 million, face amount, of senior unsecured notes with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately $593.5 million were used to pay down outstanding borrowings under the 1998 Unsecured Facility, as defined in Note 9 to the financial statements, and to pay off certain mortgage loans. The senior unsecured notes were issued at a discount of approximately $2.7 million, which is being amortized over the terms of the respective tranches as an adjustment to interest expense.

On August 2, 1999, the Operating Partnership issued an additional $185.3 million of senior unsecured notes with interest payable monthly. The Company used the proceeds to retire the TIAA Mortgage, as defined in Note 10 to the financial statements.

The Operating Partnership's total senior unsecured notes (collectively "Senior Unsecured Notes") are redeemable at any time at the option of the Company, subject to certain conditions including yield maintenance.

In November 1999, the Company received $2.2 million in settlement of a forward treasury rate lock agreement entered into in 1998, which is being amortized to interest expense over the three-year period.

RISK FACTORS

Our results from operations and ability to pay dividends on our equity and debt service on our indebtedness may be affected by the risk factors set forth below. All investors should consider the following risk factors before deciding to purchase securities of the Company. The Company refers to itself as "we" or "our" in the following risk factors and in "Item 7--Management's Discussion and Analysis of Financial Condition and Results of Operations--Disruption in Operations Due to Year 2000 Problems."

WE ARE DEPENDENT UPON THE ECONOMICS OF THE NORTHEASTERN OFFICE MARKETS.

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

OUR PERFORMANCE IS SUBJECT TO RISKS ASSOCIATED WITH THE REAL ESTATE INDUSTRY.

GENERAL: Our ability to make distributions or payments to our investors depends on the ability of our properties to generate funds in excess of operating expenses (including scheduled principal payments on debt and capital expenditure requirements). Events or conditions that are beyond our control may adversely affect our operations and the value of our properties. Such events or conditions could include:

- changes in the general economic climate;
- changes in local conditions such as oversupply of office space or a reduction in demand for office space;
- decreased attractiveness of our properties to potential tenants;

- competition from other office and office/flex buildings;

- our inability to provide adequate maintenance;

- increased operating costs, including insurance premiums and real estate taxes, due to inflation and other factors which may not necessarily be offset by increased rents;

- changes in laws and regulations (including tax, environmental and housing laws and regulations) and agency or court interpretations of such laws and regulations and the related costs of compliance;

- changes in interest rate levels and the availability of financing;

- the inability of a significant number of tenants to pay rent;

- our inability to rent office space on favorable terms; and

- civil unrest, earthquakes and other natural disasters or acts of God that may result in uninsured losses.

FINANCIALLY DISTRESSED TENANTS MAY BE UNABLE TO PAY RENT: If a tenant defaults, we may experience delays and incur substantial costs in enforcing our rights as landlord and protecting our investments. If a tenant files for bankruptcy, a potential court judgment rejecting and terminating such tenant's lease could adversely affect our ability to make distributions or payments to our investors.

ILLIQUIDITY OF REAL ESTATE LIMITS OUR ABILITY TO ACT QUICKLY: Real estate investments are relatively illiquid. Such illiquidity may limit our ability to react quickly in response to changes in economic and other conditions. If we want to sell an investment, we might not be able to dispose of that investment in the time period we desire, and the sales price of that investment might not recoup or exceed the amount of our investment. The prohibition in the Internal Revenue Code of 1986, as amended, and related regulations on a real estate investment trust holding property for sale also may restrict our ability to sell property. In addition, we acquired a significant number of our properties from individuals to whom we issued limited partnership units as part of the purchase price. In connection with the acquisition of these properties, in order to preserve such individual's tax deferral, we contractually agreed not to sell or otherwise transfer the properties for a specified period of time, subject to certain exceptions. The above limitations on our ability to sell our investments could adversely affect our ability to make distributions or payments to our investors.

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

ENVIRONMENTAL PROBLEMS ARE POSSIBLE AND MAY BE COSTLY: Various federal, state and local laws and regulations subject property owners or operators to liability for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner or operator was responsible for or even knew of the presence of such substances. The presence of or failure to properly remediate hazardous or toxic substances may adversely affect our ability to rent, sell or borrow against contaminated property. Various laws and regulations also impose liability on persons who arrange for the disposal or treatment of hazardous or toxic substances at another location for the costs of removal or remediation of such substances at the disposal or treatment facility. These laws often impose liability whether or not the person arranging for such disposal ever owned or operated the disposal facility. Certain other environmental laws and regulations impose liability on owners or

operators of property for injuries relating to the release of asbestos-containing materials into the air. As owners and operators of property and as potential arrangers for hazardous substance disposal, we may be liable under such laws and regulations for removal or remediation costs, governmental penalties, property damage, personal injuries and related expenses. Payment of such costs and expenses could adversely affect our ability to make distributions or payments to our investors.

COMPETITION FOR ACQUISITIONS MAY RESULT IN INCREASED PRICES FOR PROPERTIES: We plan to acquire additional properties in New Jersey, New York and Pennsylvania and in the Northeast generally. We may be competing for investment opportunities with entities that have greater financial resources and more experienced managers. Several office building developers and real estate companies may compete with us in seeking properties for acquisition, land for development and prospective tenants. Such competition may adversely affect our ability to make distributions or payments to our investors by:

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

DEVELOPMENT OF REAL ESTATE COULD BE COSTLY: As part of our operating strategy, we may acquire land for development under certain conditions. Included among the risks of the real estate development business are the following, which may adversely affect our ability to make distributions or payments to our investors:

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

DEBT FINANCING COULD ADVERSELY AFFECT OUR ECONOMIC PERFORMANCE.

SCHEDULED DEBT PAYMENTS AND REFINANCING COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION: We are subject to the risks normally associated with debt financing. These risks, including the following, may adversely affect our ability to make distributions or payments to our investors:

- our cash flow may be insufficient to meet required payments of principal and interest;
- payments of principal and interest on borrowings may leave us with insufficient cash resources to pay operating expenses;

- we may not be able to refinance indebtedness on our properties at maturity; and

- if refinanced, the terms of refinancing may not be as favorable as the original terms of the related indebtedness.

As of December 31, 1999, we had total outstanding indebtedness of $1.5 billion comprised of $782.8 million of senior unsecured notes, outstanding borrowings of $177.0 million under our unsecured $1.0 billion revolving credit facility and approximately $530.4 million of mortgage indebtedness. We may have to refinance the principal due on our indebtedness at maturity, and we may not be able to refinance any indebtedness we incur in the future.

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

- we may need to dispose of one or more of our properties upon disadvantageous terms;

- prevailing interest rates or other factors at the time of refinancing could increase interest rates and, therefore, our interest expense;

- if we mortgage property to secure payment of indebtedness and are unable to meet mortgage payments, the mortgagee could foreclose upon such property or appoint a receiver to receive an assignment of our rents and leases; and

- foreclosures upon mortgaged property could create taxable income without accompanying cash proceeds and, therefore, hinder our ability to meet the real estate investment trust distribution requirements of the Internal Revenue Code.

RISING INTEREST RATES MAY ADVERSELY AFFECT OUR CASH FLOW: Outstanding borrowings of approximately $177.0 million (as of December 31, 1999) under our revolving credit facilities and approximately $72.2 million (as of December 31, 1999) of our mortgage indebtedness bear interest at variable rates. We may incur additional indebtedness in the future that also bears interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase. Higher debt service requirements could adversely affect our ability to make distributions or payments to our investors or cause us to default under certain debt covenants.

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

WE ARE DEPENDENT ON OUR KEY PERSONNEL WHOSE CONTINUED SERVICE IS NOT GUARANTEED.

We are dependent upon our executive officers for strategic business direction and real estate experience. While we believe that we could find replacements for these key personnel, loss of their services could adversely affect our operations. We have entered into an employment agreement (including non-competition provisions) which provides for a continuous four-year employment term with each of Mitchell E. Hersh, Brant B. Cali, John R. Cali, Timothy M. Jones, Barry Lefkowitz and Roger W. Thomas. We do not have key man life insurance for our executive officers.

CONSEQUENCES OF FAILURE TO QUALIFY AS A REAL ESTATE INVESTMENT TRUST COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION.

FAILURE TO MAINTAIN OWNERSHIP LIMITS COULD CAUSE US TO LOSE OUR QUALIFICATION AS A REAL ESTATE INVESTMENT TRUST: In order for us to maintain our qualification as a real estate investment trust, not more than 50 percent in value of our outstanding stock may be actually and/or constructively owned by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities). We have limited ownership of our outstanding shares of our common stock by any single stockholder to 9.8 percent of the outstanding shares of our common stock. Our Board of Directors could waive this restriction if they were satisfied, based upon the advice of tax counsel or otherwise, that such action would be in our best interests and would not affect our qualifications as a real estate investment trust. Common stock acquired or transferred in breach of the limitation may be redeemed by us for the lesser of the price paid and the average closing price for the 10 trading days immediately preceding redemption or sold at the direction of us. We may elect to redeem such shares of common stock for limited partnership units, which are nontransferable except in very limited circumstances. Any transfer of shares of common stock which, as a result of such transfer, causes us to be in violation of any ownership limit will be deemed void. Although we currently intend to continue to operate in a manner which will

enable us to continue to qualify as a real estate investment trust, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to revoke the election for us to qualify as a real estate investment trust. Under our organizational documents, our Board of Directors can make such revocation without the consent of our stockholders.

In addition, the consent of the holders of at least 85 percent of Mack-Cali Realty, L.P.'s partnership units is required: (i) to merge (or permit the merger of) us with another unrelated person, pursuant to a transaction in which Mack-Cali Realty, L.P. is not the surviving entity; (ii) to dissolve, liquidate or wind up Mack-Cali Realty, L.P.; or (iii) to convey or otherwise transfer all or substantially all of Mack-Cali Realty, L.P.'s assets. As general partner, we own approximately 79.8 percent of Mack-Cali Realty, L.P.'s outstanding partnership units (assuming conversion of all preferred limited partnership units).

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

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

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

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

OTHER TAX LIABILITIES: Even if we qualify as a real estate investment trust, we are subject to certain federal, state and local taxes on our income and property and, in some circumstances, certain other state taxes. Our net income from third party management and tenant improvements, if any, also may be subject to federal income tax.

RISK OF CHANGES IN THE TAX LAW APPLICABLE TO REAL ESTATE INVESTMENT TRUSTS: Since the Internal Revenue Service, the United States Treasury Department and Congress frequently review federal income tax legislation, we cannot predict whether, when or to what extent new federal tax laws, regulations, interpretations or rulings will be adopted. Any of such legislative action may prospectively or retroactively modify our and Mack-Cali Realty, L.P.'s tax treatment and, therefore, may adversely affect taxation of us, Mack-Cali Realty, L.P., and/or investors.

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 2. PROPERTIES

PROPERTY LIST

As of December 31, 1999, the Company's Consolidated Properties consisted of 246 in-service office, office/flex and industrial/warehouse properties, ranging from one to 19 stories, as well as two multi-family residential properties, two stand-alone retail properties and three land leases. The Consolidated Properties are located primarily in the Northeast. The Consolidated Properties are easily accessible from major thoroughfares and are in close proximity to numerous amenities. The Consolidated Properties contain a total of approximately 27.4 million square feet, with the individual properties ranging from approximately 6,600 to 761,200 square feet. The Consolidated Properties, managed by on-site employees, generally have attractively landscaped sites, atriums and covered parking in addition to quality design and construction. The Company's tenants include many service sector employers, including a large number of professional firms and national and international businesses. The Company believes that all of its properties are well-maintained and do not require significant capital improvements.

PROPERTY LISTING

OFFICE PROPERTIES

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
ATLANTIC COUNTY, NEW JERSEY						
EGG HARBOR						
100 Decadon Drive................	1987	40,422	100.0	783	783	0.17
200 Decadon Drive................	1991	39,922	94.9	747	715	0.16
BERGEN COUNTY, NEW JERSEY						
FAIR LAWN						
17-17 Route 208 North............	1987	143,000	94.5	3,349	3,229	0.72
FORT LEE						
One Bridge Plaza.................	1981	200,000	99.3	4,691	4,547	1.01
2115 Linwood Avenue (7)..........	1981	68,000	61.3	103	97	0.02
LITTLE FERRY						
200 Riser Road...................	1974	286,628	100.0	1,876	1,876	0.40
MONTVALE						
95 Chestnut Ridge Road...........	1975	47,700	100.0	568	568	0.12
135 Chestnut Ridge Road..........	1981	66,150	100.0	1,023	1,023	0.22
PARAMUS						
140 Ridgewood Avenue	1981	239,680	100.0	5,098	5,067	1.10
15 East Midland Avenue...........	1988	259,823	100.0	6,647	6,647	1.43
461 From Road....................	1988	253,554	99.8	6,020	6,015	1.30
650 From Road....................	1978	348,510	100.0	7,480	7,472	1.61
61 South Paramus Avenue..........	1985	269,191	96.2	5,345	5,241	1.15
ROCHELLE PARK						
120 Passaic Street...............	1972	52,000	100.0	576	576	0.12
365 West Passaic Street..........	1976	212,578	84.9	3,506	3,419	0.76
SADDLE RIVER						
1 Lake Street....................	1973/94	474,801	100.0	7,466	7,466	1.61
UPPER SADDLE RIVER						
10 Mountainview Road.............	1986	192,000	100.0	3,663	3,505	0.79

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
ATLANTIC COUNTY, NEW JERSEY			
EGG HARBOR			
100 Decadon Drive................	19.37	19.37	Computer Sciences Corp. (80%), United States of America (20%)
200 Decadon Drive................	19.72	18.87	Computer Sciences Corp. (45%), Advanced Casino Systems
BERGEN COUNTY, NEW JERSEY			
FAIR LAWN			
17-17 Route 208 North............	24.78	23.89	Lonza, Inc. (63%), Boron-Lepore Assoc., Inc.(16%)
FORT LEE			
One Bridge Plaza.................	23.62	22.90	PricewaterhouseCoopers (35%), Broadview Associates LLP (16%), Bozell Worldwide, Inc. (16%)
2115 Linwood Avenue (7)..........	6.22	5.86	Ameribrom Inc. (14%), Morgan Stanley Dean Witter(10%)
LITTLE FERRY			
200 Riser Road...................	6.55	6.55	Ford Motor Company (34%), Dassault Falcon Jet Corp.(33%), Sanyo Fischer Services Corp. (33%)
MONTVALE			
95 Chestnut Ridge Road...........	11.91	11.91	Roussel-UCLAF Holding Corp. (100%)

135 Chestnut Ridge Road..........	15.46	15.46	Ramland Realty (74%), Automated Resources Group (26%)
PARAMUS			
140 Ridgewood Avenue	21.27	21.14	AT&T Wireless Services (51%), Smith Barney Shearson(19%)
15 East Midland Avenue...........	25.58	25.58	AT&T Wireless Services (100%)
461 From Road....................	23.79	23.77	Toys `R' Us, Inc. (96%)
650 From Road....................	21.46	21.44	Western Union Financial Services, Inc. (38%)
61 South Paramus Avenue..........	20.64	20.24	--
ROCHELLE PARK			
120 Passaic Street...............	11.08	11.08	Electronic Data Systems Corp. (100%)
365 West Passaic Street..........	19.43	18.94	United Retail Inc. (31%), Catalina Marketing Corp.(10%), Regulus LLC (10%)
SADDLE RIVER			
1 Lake Street....................	15.72	15.72	Prentice-Hall Inc. (100%)
UPPER SADDLE RIVER			
10 Mountainview Road.............	19.08	18.26	Thomson Minwax Company (23%), Professional Detailing Inc. (19%), Corning Life Sciences (15%), ITT Fluid Technology (14%), Pearson Education (14%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
WOODCLIFF LAKE						
400 Chestnut Ridge Road..........	1982	89,200	100.0	2,119	2,119	0.46
470 Chestnut Ridge Road..........	1987	52,500	100.0	1,192	1,192	0.26
530 Chestnut Ridge Road..........	1986	57,204	100.0	1,166	1,166	0.25
50 Tice Boulevard................	1984	235,000	100.0	4,721	4,098	1.02
300 Tice Boulevard...............	1991	230,000	100.0	4,980	4,862	1.07
BURLINGTON COUNTY, NEW JERSEY						
MOORESTOWN						
224 Strawbridge Drive............	1984	74,000	95.2	985	735	0.21
228 Strawbridge Drive............	1984	74,000	100.0	1,434	1,067	0.31
ESSEX COUNTY, NEW JERSEY						
MILLBURN						
150 J.F. Kennedy Parkway.........	1980	247,476	95.0	5,859	5,846	1.26
ROSELAND						
101 Eisenhower Parkway...........	1980	237,000	92.0	4,139	3,835	0.89
103 Eisenhower Parkway...........	1985	151,545	96.6	3,003	2,756	0.65
HUDSON COUNTY, NEW JERSEY						
JERSEY CITY						
95 Christopher Columbus Drive....	1989	621,900	100.0	12,900	11,788	2.78
Harborside Financial Center Plaza I....	1983	400,000	98.8	3,294	3,292	0.71
Harborside Financial Center Plaza II...	1990	761,200	100.0	17,508	17,297	3.78
Harborside Financial Center Plaza III...	1990	725,600	100.0	16,687	16,486	3.61

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
WOODCLIFF LAKE			

400 Chestnut Ridge Road..........	23.76	23.76	Timeplex, Inc. (100%)
470 Chestnut Ridge Road..........	22.70	22.70	Andermatt LP (100%)
530 Chestnut Ridge Road..........	20.38	20.38	KPMG Peat Marwick, LLP (100%)
50 Tice Boulevard................	20.09	17.44	Syncsort, Inc (22%)
300 Tice Boulevard...............	21.65	21.14	Merck-Medco Managed Care LLC (20%), Xerox Corp.(14%), Chase Home Mortgage Corp. (12%), Comdisco, Inc.(13%), NYCE, Corp. (11%)
BURLINGTON COUNTY, NEW JERSEY			
MOORESTOWN			
224 Strawbridge Drive............	13.98	10.43	Allstate Insurance Co. (49%), Harleysville Mutual Insurance(27%)
228 Strawbridge Drive............	19.38	14.42	Cendant Mortgage Corp. (100%)
ESSEX COUNTY, NEW JERSEY			
MILLBURN			
150 J.F. Kennedy Parkway.........	24.92	24.87	KPMG Peat Marwick, LLP (42%), Budd Larner Gross (23%)
ROSELAND			
101 Eisenhower Parkway...........	18.98	17.59	Arthur Andersen, LLP (31%), Brach, Eichler, Rosenberg, Silver, Bernstein & Hammer (13%)
103 Eisenhower Parkway...........	20.51	18.83	Ravin, Sarasohn, Cook, Baumgarten (21%), Chelsea GCA Realty (18%), Lum, Danzis, Drasco (15%), Salomon Smith Barney, Inc. (11%)
HUDSON COUNTY, NEW JERSEY			
JERSEY CITY			
95 Christopher Columbus Drive....	20.74	18.95	Donaldson, Lufkin & Jenrette Securities Corp. (69%), NTT Data Corp. (22%)
Harborside Financial Center Plaza I....	8.34	8.33	Bankers Trust Harborside, Inc. (96%)
Harborside Financial Center Plaza II...	23.00	22.72	Morgan Stanley Dean Witter (35%), Dow Jones Telerate Systems, Inc.(24%), DLJ Securities Corp. (15%), Lewco Securities (11%)
Harborside Financial Center Plaza III..	23.00	22.72	AICPA (34%), BTM Information Services, Inc. (19%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
MERCER COUNTY, NEW JERSEY						
PRINCETON						
5 Vaughn Drive...................	1987	98,500	100.0	2,217	2,045	0.48
400 Alexander Road (8)...........	1987	n/a	n/a	1,101	929	0.24
103 Carnegie Center..............	1984	96,000	96.4	2,119	1,972	0.46
100 Overlook Center	1988	149,600	100.0	3,792	3,777	0.82
MIDDLESEX COUNTY, NEW JERSEY						
EAST BRUNSWICK						
377 Summerhill Road..............	1977	40,000	100.0	373	373	0.08
PLAINSBORO						
500 College Road East............	1984	158,235	100.0	3,398	3,373	0.73
SOUTH BRUNSWICK						
3 Independence Way...............	1983	111,300	99.9	1,911	1,895	0.41
WOODBRIDGE						
581 Main Street..................	1991	200,000	100.0	4,420	4,393	0.95
MONMOUTH COUNTY, NEW JERSEY						
NEPTUNE						
3600 Route 66....................	1989	180,000	100.0	2,414	2,414	0.52
WALL TOWNSHIP						
1305 Campus Parkway..............	1988	23,350	92.3	406	388	0.09

1350 Campus Parkway.............	1990	79,747	94.7	1,334	1,250	0.29
MORRIS COUNTY, NEW JERSEY						
FLORHAM PARK						
325 Columbia Parkway.............	1987	168,144	100.0	3,869	3,473	0.83

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
MERCER COUNTY, NEW JERSEY			
PRINCETON			
5 Vaughn Drive...................	22.51	20.76	U.S. Trust of NJ (19%), Woodrow Wilson National Fellowship Foundation(14%), Princeton Venture Research Corp.(14%), Villeroy & Boch Tableware Ltd. (14%)
400 Alexander Road (8)...........	n/a	n/a	n/a (8)
103 Carnegie Center..............	22.90	21.31	Ronin Development Corp. (15%), R.G. Vanderweil Engineers (14%), Kurt Salmon Assoc. (11%)
100 Overlook Center	25.35	25.25	Novo-Nordisk Pharmaceuticals (24%), Xerox Corp.(23%), IFP North America (14%)
MIDDLESEX COUNTY, NEW JERSEY			
EAST BRUNSWICK			
377 Summerhill Road..............	9.33	9.33	Greater New York Mutual Insurance Company (100%)
PLAINSBORO			
500 College Road East............	21.47	21.32	Merrill Lynch Asset Mgmt (72%), Buchanan Ingersoll P.C. (17%)
SOUTH BRUNSWICK			
3 Independence Way...............	17.19	17.04	Merrill Lynch Pierce Fenner & Smith (84%)
WOODBRIDGE			
581 Main Street..................	22.10	21.97	First Investors Management Company, Inc. (38%), Cast North America (11%)
MONMOUTH COUNTY, NEW JERSEY			
NEPTUNE			
3600 Route 66....................	13.41	13.41	The United States Life Insurance Company (100%)
WALL TOWNSHIP			
1305 Campus Parkway..............	18.84	18.00	Centennial Cellular Corp. (41%), McLaughlin, Bennet, Gelson (35%), NJ Natural Energy Co. (10%)
1350 Campus Parkway..............	17.66	16.55	Meridan Health Realty Corp. (22%), New Jersey National Bank (17%), Stephen E. Gertler (17%), Milestone Material Inc. (14%), Health Care Software (11%)
MORRIS COUNTY, NEW JERSEY			
FLORHAM PARK			
325 Columbia Parkway.............	23.01	20.65	Bressler Amery & Ross (24%), Atlantic Health Systems (12%), Dun & Bradstreet Inc. (12%), Qwest Communications (11%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
MORRIS PLAINS						

201 Littleton Road..............	1979	88,369	100.0	1,706	1,705	0.37
250 Johnson Road................	1977	75,000	100.0	1,090	1,090	0.24
MORRIS TOWNSHIP						
340 Mt. Kemble Avenue...........	1985	387,000	100.0	5,530	5,530	1.19
412 Mt. Kemble Avenue...........	1986	475,100	100.0	6,902	6,902	1.49
PARSIPPANY						
1 Sylvan Way....................	1989	150,557	100.0	3,484	3,136	0.75
2 Dryden Way....................	1990	6,216	100.0	67	67	0.01
2 Hilton Court..................	1991	181,592	100.0	4,470	4,455	0.95
5 Sylvan Way....................	1989	151,383	96.7	3,432	3,429	0.74
7 Campus Drive..................	1982	154,395	100.0	2,548	2,548	0.55
7 Sylvan Way....................	1987	145,983	100.0	2,919	2,919	0.63
8 Campus Drive	1987	215,265	92.8	4,730	4,651	1.02
600 Parsippany Road.............	1978	96,000	57.6	1,527	1,475	0.33
PASSAIC COUNTY, NEW JERSEY						
CLIFTON						
777 Passaic Avenue..............	1983	75,000	77.4	1,028	865	0.22
TOTOWA						
999 Riverview Drive.............	1988	56,066	100.0	918	894	0.20
WAYNE						
201 Willowbrook Boulevard........	1970	178,329	99.0	2,446	2,432	0.53

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
MORRIS PLAINS			
201 Littleton Road..............	19.31	19.29	Xerox Corp. (35%), Bozell Worldwide Inc. (34%), Willis Corroon Corp. of New Jersey (20%), CHEP USA (11%)
250 Johnson Road................	14.53	14.53	Electronic Data Systems Corp. (100%)
MORRIS TOWNSHIP			
340 Mt. Kemble Avenue...........	14.29	14.29	AT&T Corp. (100%)
412 Mt. Kemble Avenue...........	14.53	14.53	AT&T Corp. (100%)
PARSIPPANY			
1 Sylvan Way....................	23.14	20.83	Cendant Operations Inc. (99%)
2 Dryden Way....................	10.78	10.78	Bright Horizons Childrens Center (100%)
2 Hilton Court..................	24.62	24.53	Deloitte & Touche USA LLP (64%), Northern Telecom Inc.(16%)
5 Sylvan Way....................	23.44	23.42	Integrated Communications (49%), Experian Information Solution (15%), DRS Technologies (12%)
7 Campus Drive..................	16.50	16.50	Nabisco Inc. (100%)
7 Sylvan Way....................	20.00	20.00	Nabisco Inc. (100%)
8 Campus Drive	23.68	23.28	Prudential Insurance Co. (31%), Bay Networks Inc. (27%), MCI Telecommunications Corp. (18%)
600 Parsippany Road.............	27.62	26.67	IBM Corporation (30%)
PASSAIC COUNTY, NEW JERSEY			
CLIFTON			
777 Passaic Avenue..............	17.71	14.90	Motorola Inc. (19%)
TOTOWA			
999 Riverview Drive.............	16.37	15.95	Medical Logistics Inc. (22%), Telesources Corp.(19%), Humana Press (15%), Medical Logistics Inc. (14%), Bankers Financial Corp. (10%)
WAYNE			
201 Willowbrook Boulevard........	13.85	13.78	The Grand Union Co. (76%), Woodward-Clyde Consultants(23%)

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PROPERTY LISTING

OFFICE PROPERTIES

(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
SOMERSET COUNTY, NEW JERSEY						
BASKING RIDGE						
222 Mt. Airy Road................	1986	49,000	100.0	690	646	0.15
233 Mt. Airy Road................	1987	66,000	100.0	762	721	0.16
BRIDGEWATER						
721 Route 202/206................	1989	192,741	100.0	3,990	3,990	0.86
UNION COUNTY, NEW JERSEY						
CLARK						
100 Walnut Avenue................	1985	182,555	100.0	4,511	3,957	0.97
CRANFORD						
6 Commerce Drive.................	1973	56,000	96.9	1,046	1,028	0.23
11 Commerce Drive................	1981	90,000	90.8	1,100	968	0.24
12 Commerce Drive................	1967	72,260	89.4	612	611	0.13
20 Commerce Drive................	1990	176,600	92.7	3,529	3,150	0.76
65 Jackson Drive.................	1984	82,778	94.8	1,620	1,226	0.35
NEW PROVIDENCE						
890 Mountain Road................	1977	80,000	100.0	2,046	2,044	0.44
TOTAL NEW JERSEY OFFICE		11,939,649	97.9	228,985	221,506	49.36
DUTCHESS COUNTY, NEW YORK						
FISHKILL						
300 South Lake Drive.............	1987	118,727	99.8	2,094	2,079	0.45
NASSAU COUNTY, NEW YORK						
NORTH HEMPSTEAD						
111 East Shore Road..............	1980	55,575	100.0	1,515	1,515	0.33
600 Community Drive..............	1983	206,274	100.0	4,939	4,939	1.06

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
SOMERSET COUNTY, NEW JERSEY			
BASKING RIDGE			
222 Mt. Airy Road................	14.08	13.18	Lucent Technologies Inc. (100%)
233 Mt. Airy Road................	11.55	10.92	AT&T Corp. (100%)
BRIDGEWATER			
721 Route 202/206................	20.70	20.70	Allstate Insurance Company (37%), Norris, McLaugin & Marcus, PA (30%), AT&T Corp. (20%)
UNION COUNTY, NEW JERSEY			
CLARK			
100 Walnut Avenue................	24.71	21.68	CAP Gemini America Inc. (41%), Allstate Insurance Company (13%), Equitable Life Assurance (10%)
CRANFORD			
6 Commerce Drive.................	19.28	18.94	Kendle International Inc. (50%), Columbia National, Inc. (13%)
11 Commerce Drive................	13.46	11.85	Northeast Administrators (10%)
12 Commerce Drive................	9.47	9.46	Dames & Moore (40%), Registrar & Transfer Co. (24%)
20 Commerce Drive................	21.56	19.24	Public Service Electric & Gas Company (26%), Quintiles (21%)
65 Jackson Drive.................	20.64	15.62	Kraft General Foods, Inc. (35%), Allstate Insurance Co. (27%), Procter & Gamble Distribution Co., Inc. (18%), Unum Life Insurance Co. (14%)
NEW PROVIDENCE			
890 Mountain Road................	25.58	25.55	Allstate Insurance Co. (58%), Dun & Bradstreet (26%), K Line America, Inc. (16%)

TOTAL NEW JERSEY OFFICE	19.60	18.96	
DUTCHESS COUNTY, NEW YORK			
FISHKILL			
300 South Lake Drive............	17.67	17.55	Allstate Insurance Company (16%)
NASSAU COUNTY, NEW YORK			
NORTH HEMPSTEAD			
111 East Shore Road.............	27.26	27.26	Administrations For The Professions, Inc. (100%)
600 Community Drive.............	23.94	23.94	CMP Media, Inc. (100%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
ROCKLAND COUNTY, NEW YORK						
SUFFERN						
400 Rella Boulevard.............	1988	180,000	98.2	3,495	3,364	0.75
WESTCHESTER COUNTY, NEW YORK						
ELMSFORD						
100 Clearbrook Road.............	1975	60,000	100.0	935	880	0.20
101 Executive Boulevard..........	1971	50,000	88.8	802	784	0.17
570 Taxter Road..................	1972	75,000	85.5	1,386	1,360	0.30
HAWTHORNE						
1 Skyline Drive..................	1980	20,400	99.0	269	262	0.06
2 Skyline Drive..................	1987	30,000	98.9	486	442	0.10
17 Skyline Drive.................	1989	85,000	100.0	1,234	1,234	0.27
30 Saw Mill River Road...........	1982	248,400	100.0	5,218	4,520	1.13
7 Skyline Drive..................	1987	109,000	100.0	2,159	2,159	0.47
TARRYTOWN						
200 White Plains Road............	1982	89,000	90.5	1,815	1,691	0.39
220 White Plains Road............	1984	89,000	97.1	1,647	1,582	0.36
WHITE PLAINS						
1 Barker Avenue..................	1975	68,000	99.0	1,550	1,530	0.33
3 Barker Avenue..................	1983	65,300	97.5	1,382	1,356	0.30
1 Water Street...................	1979	45,700	97.8	939	926	0.20
11 Martine Avenue................	1987	180,000	100.0	3,954	3,788	0.85
50 Main Street...................	1985	309,000	98.8	7,646	7,371	1.65
YONKERS						
1 Executive Boulevard............	1982	112,000	100.0	2,335	2,265	0.50

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
ROCKLAND COUNTY, NEW YORK			
SUFFERN			
400 Rella Boulevard.............	19.77	19.03	The Prudential Insurance Co. (21%), Provident Savings F.A.

			(20%), Allstate Insurance Co. (19%), John Alden Life Insurance Co. (11%)
WESTCHESTER COUNTY, NEW YORK			
ELMSFORD			
100 Clearbrook Road.............	15.58	14.67	MIM Corporation (18%), Amerihealth Inc. (13%)
101 Executive Boulevard..........	18.06	17.66	Pennysaver Group Inc. (23%), MCS Business Solutions Inc. (11%)
570 Taxter Road.................	21.61	21.21	New York State United Teachers Association (11%)
HAWTHORNE			
1 Skyline Drive.................	13.32	12.97	Boxx International Corp. (50%), Childtime Childcare Inc. (49%)
2 Skyline Drive.................	16.38	14.90	MW Samara (55%), Perini Construction (43%)
17 Skyline Drive................	14.52	14.52	IBM Corp. (100%)
30 Saw Mill River Road..........	21.01	18.20	IBM Corp. (100%)
7 Skyline Drive.................	19.81	19.81	E.M. Industries Inc. (42%), Cortlandt Group Inc. (14%)
TARRYTOWN			
200 White Plains Road...........	22.53	20.99	Independent Health Associates (28%), Allmerica Financial (17%), NYS Dept. of Environmental Services (13%)
220 White Plains Road...........	19.06	18.31	Eagle Family Foods Inc. (15%)
WHITE PLAINS			
1 Barker Avenue.................	23.02	22.73	O'Connor McGuinn Conte (19%), United Skys Realty Corp. (18%)
3 Barker Avenue.................	21.71	21.30	Bernard C. Harris Publishing Co. Inc. (56%)
1 Water Street..................	21.01	20.72	Trigen Energy Co. (44%), Stewart Title Insurance Co. (16%)
11 Martine Avenue...............	21.97	21.04	Salomon Smith Barney (12%), McCarthy Fingar Donovan (11%), David Worby (11%), Dean Witter Reynolds (11%),
50 Main Street..................	25.04	24.14	National Economic Research (10%)
YONKERS			
1 Executive Boulevard...........	20.85	20.22	Wise Contact US Optical (12%), Pedal Holdings Inc. (12%), Protective Tech International (11%), York, International Agency (11%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
3 Executive Plaza................	1987	58,000	100.0	896	883	0.19
TOTAL NEW YORK OFFICE		2,254,376	98.3	46,696	44,930	10.06
CHESTER COUNTY, PENNSYLVANIA						
BERWYN						
1000 Westlakes Drive............	1989	60,696	96.2	1,398	1,394	0.30
1055 Westlakes Drive............	1990	118,487	100.0	2,298	2,298	0.50
1205 Westlakes Drive............	1988	130,265	99.8	2,826	2,731	0.61
1235 Westlakes Drive............	1986	134,902	98.6	2,913	2,864	0.63
DELAWARE COUNTY, PENNSYLVANIA						
LESTER						
100 Stevens Drive................	1986	95,000	100.0	1,371	1,337	0.30
200 Stevens Drive................	1987	208,000	100.0	4,173	4,125	0.90
300 Stevens Drive................	1992	68,000	82.5	1,172	1,155	0.25
MEDIA						
1400 Providence Road - Center I..	1986	100,000	89.1	1,860	1,784	0.40
1400 Providence Road - Center II.	1990	160,000	96.6	3,154	2,990	0.68
MONTGOMERY COUNTY, PENNSYLVANIA						
LOWER PROVIDENCE						
1000 Madison Avenue..............	1990	100,700	100.0	1,686	1,686	0.36
PLYMOUTH MEETING						
Five Sentry Parkway East.........	1984	91,600	100.0	1,497	1,494	0.32
Five Sentry Parkway West.........	1984	38,400	100.0	640	640	0.14
1150 Plymouth Meeting Mall.......	1970	167,748	93.0	3,131	3,110	0.68
TOTAL PENNSYLVANIA OFFICE		1,473,798	97.0	28,119	27,608	6.07

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
3 Executive Plaza................	15.45	15.22	MonteFiore Medical Center (43%), Metropolitan Life Insurance (22%), Allstate Insurance Company (20%), City & Suburban Federal Savings Bank (15%)
TOTAL NEW YORK OFFICE	21.07	20.28	
CHESTER COUNTY, PENNSYLVANIA			
BERWYN			
1000 Westlakes Drive.............	23.94	23.87	PNC Bank, NA (38%), Drinker Biddle & Reath (24%), Manchester, Inc (14%)
1055 Westlakes Drive.............	19.39	19.39	Tokai Financial Services Inc. (92%)
1205 Westlakes Drive.............	21.74	21.01	Provident Mutual Life Insurance Co. (35%), Oracle Corp. (30%)
1235 Westlakes Drive.............	21.90	21.53	Pepper Hamilton & Scheetz (20%), Ratner & Prestia (16%)
DELAWARE COUNTY, PENNSYLVANIA			
LESTER			
100 Stevens Drive................	14.43	14.07	Keystone Mercy Health Plan (82%)
200 Stevens Drive................	20.06	19.83	PNC Bank NA (52%), Keystone Mercy Health Plan (45%)
300 Stevens Drive................	20.89	20.59	Keystone Mercy Health Plan (47%), Bluestone Software Inc. (35%)
MEDIA			
1400 Providence Road - Center I..	20.88	20.02	General Services Admin (13%), Erie Insurance Company (11%)
1400 Providence Road - Center II.	20.41	19.35	Barnett International (36%)
MONTGOMERY COUNTY, PENNSYLVANIA			
LOWER PROVIDENCE			
1000 Madison Avenue..............	16.74	16.74	Reality Online Inc. (37%), First Chicago Nat'l Proc. (21%), Danka Corp. (14%), Seton Company (12%)
PLYMOUTH MEETING			
Five Sentry Parkway East.........	16.34	16.31	Merck & Co. Inc. (77%), Selas Fuild Processing Corp. (23%)
Five Sentry Parkway West.........	16.67	16.67	Merck & Co. Inc. (70%), David Cutler Group (30%)
1150 Plymouth Meeting Mall.......	20.07	19.94	Computer Learning Centers, Inc. (18%), Ken Crest Services (18%), ATC Group Services (14%), ECC Management Services (13%)
TOTAL PENNSYLVANIA OFFICE	19.67	19.31	

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
FAIRFIELD COUNTY, CONNECTICUT						
GREENWICH						
500 West Putnam..................	1973	121,250	92.0	2,702	2,688	0.58
NORWALK						
40 Richards Avenue...............	1985	145,487	98.4	2,854	2,789	0.62
SHELTON						
1000 Bridgeport Avenue...........	1986	133,000	87.3	2,520	2,498	0.54

TOTAL CONNECTICUT OFFICE		399,737	92.8	8,076	7,975	1.74
DISTRICT OF COLUMBIA						
WASHINGTON						
1400 L Street, NW................	1987	159,000	95.4	5,795	5,730	1.25
1709 New York Avenue, NW.........	1972	166,000	100.0	6,138	6,075	1.32
1201 Connecticut Avenue, NW (7)..	1940	169,549	86.3	2,006	2,006	0.43
TOTAL DISTRICT OF COLUMBIA OFFICE		494,549	93.8	13,939	13,811	3.00
PRINCE GEORGE'S COUNTY, MARYLAND						
LANHAM						
4200 Parliament Place............	1989	122,000	93.9	2,126	2,108	0.46
TOTAL MARYLAND OFFICE		122,000	93.9	2,126	2,108	0.46
BEXAR COUNTY, TEXAS						
SAN ANTONIO						
111 Soledad......................	1918	248,153	91.2	2,256	2,218	0.49
1777 N.E. Loop 410...............	1986	256,137	92.5	3,502	3,379	0.76
84 N.E. Loop 410.................	1971	187,312	89.9	2,475	2,468	0.53
200 Concord Plaza Drive..........	1986	248,700	95.2	4,529	4,510	0.98

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
FAIRFIELD COUNTY, CONNECTICUT			
GREENWICH			
500 West Putnam..................	24.22	24.10	Hachette Filipacchi Magazines (27%), Great Brands of Europe Inc. (12%) Winklevoss Consultants Inc. (12%)
NORWALK			
40 Richards Avenue...............	19.94	19.48	Media Horizons Inc. (10%)
SHELTON			
1000 Bridgeport Avenue...........	21.70	21.51	William Carter Company (23%), Weseley Software Development (22%), Toyota Motor Credit Corporation (11%), LandStar Gemini Inc. (11%)
TOTAL CONNECTICUT OFFICE	21.78	21.51	
DISTRICT OF COLUMBIA			
WASHINGTON			
1400 L Street, NW................	38.20	37.78	Winston & Strawn (68%)
1709 New York Avenue, NW.........	36.98	36.60	Board of Gov/Federal Reservce (70%), United States of America-GSA (25%)
1201 Connecticut Avenue, NW (7)..	30.51	30.51	Zuckerman Spaeder Goldstein (30%), Leo A. Daly (17%), RFE/RL Inc. (16%)
TOTAL DISTRICT OF COLUMBIA OFFICE	35.34	35.06	
PRINCE GEORGE'S COUNTY, MARYLAND			
LANHAM			
4200 Parliament Place............	18.56	18.40	Group I Software (43%), State Farm Mutual Auto Ins. Co. (11%) Infinity Broadcasting Company (16%)
TOTAL MARYLAND OFFICE	18.56	18.40	
BEXAR COUNTY, TEXAS			
SAN ANTONIO			
111 Soledad......................	9.97	9.80	SBC Communications, Inc. (34%)
1777 N.E. Loop 410...............	14.78	14.26	--
84 N.E. Loop 410.................	14.70	14.66	Pacificare of Texas, Inc. (30%), KBL Cable, Inc. (26%), Kraft General Foods Inc. (25%)
200 Concord Plaza Drive..........	19.13	19.05	Merrill Lynch Pierce Fenner & Smith (12%)

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
COLLIN COUNTY, TEXAS						
PLANO						
555 Republic Place..............	1986	97,889	93.0	1,370	1,353	0.30
DALLAS COUNTY,TEXAS						
DALLAS						
3030 LBJ Freeway................	1984	367,018	93.0	6,131	5,948	1.31
3100 Monticello.................	1984	173,837	93.1	2,789	2,758	0.60
8214 Westchester................	1983	95,509	87.8	1,320	1,298	0.28
IRVING						
2300 Valley View................	1985	142,634	68.8	2,704	2,607	0.58
RICHARDSON						
1122 Alma Road..................	1977	82,576	100.0	607	607	0.13
HARRIS COUNTY, TEXAS						
HOUSTON						
10497 Town & Country Way.........	1981	148,434	91.0	1,938	1,876	0.42
14511 Falling Creek.............	1982	70,999	97.9	673	643	0.15
1717 St. James Place............	1975	109,574	100.0	1,328	1,285	0.29
1770 St. James Place	1973	103,689	98.4	1,446	1,388	0.31
5225 Katy Freeway...............	1983	112,213	95.1	1,367	1,309	0.29
5300 Memorial...................	1982	155,099	98.7	2,034	2,016	0.44
POTTER COUNTY, TEXAS						
AMARILLO						
6900 IH - 40 West...............	1986	71,771	77.5	526	503	0.11
TARRANT COUNTY, TEXAS						
EULESS						
150 West Parkway................	1984	74,429	95.9	1,046	1,021	0.23

PROPERTY LOCATION	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
COLLIN COUNTY, TEXAS			
PLANO			
555 Republic Place..............	15.05	14.86	William Smith Enterprises (22%), Kaiser Foundation Health Plan of Texas (17%), Dayton Hudson Corporation (14%)
DALLAS COUNTY,TEXAS			
DALLAS			
3030 LBJ Freeway................	17.96	17.43	Club Corporation of America (34%)
3100 Monticello.................	17.23	17.04	Insignia Commercial, Inc. (23%), Time Marketing Corporation (12%), Heath Insurance Brokers, Inc. (10%)
8214 Westchester................	15.74	15.48	Preston Business Center, Inc. (16%), Malone Mortgage Company America, Inc. (12%), State Bank & Trust (11%)
IRVING			
2300 Valley View................	27.55	26.57	Alltel Information Services, Inc. (18%), Computer Task Group, Inc. (12%), Tricon Restaurant Services (12%)
RICHARDSON			
1122 Alma Road..................	7.35	7.35	MCI Telecommunications Corp. (100%)
HARRIS COUNTY, TEXAS			
HOUSTON			
10497 Town & Country Way.........	14.35	13.89	Vastar Resources, Inc. (23%), Texas Ohio Gas, Inc. (11%)
14511 Falling Creek.............	9.68	9.25	Nationwide Mutual Insurance Company (17%)
1717 St. James Place............	12.12	11.73	MCX Corp (14%)
1770 St. James Place	14.17	13.60	--
5225 Katy Freeway...............	12.81	12.27	State of Texas (17%)
5300 Memorial...................	13.29	13.17	Drypers Corporation (20%), Datavox, Inc. (20%), HCI Chemicals USA, Inc. (17%)
POTTER COUNTY, TEXAS			

AMARILLO			
6900 IH - 40 West................	9.46	9.04	Sitel Corporation (16%)
TARRANT COUNTY, TEXAS			
EULESS			
150 West Parkway.................	14.65	14.30	Warrantech Automotive, Inc. (34%), Landmark Bank-Mid Cities (16%), Mike Bowman Realtors/Century 21 (17%)

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PROPERTY LISTING

OFFICE PROPERTIES (CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S)(2)(6)	1999 EFFECTIVE RENT ($000'S)(3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)
TRAVIS COUNTY, TEXAS						
AUSTIN						
1250 Capital of Texas Hwy. South.	1985	270,703	98.8	5,500	5,451	1.19
TOTAL TEXAS OFFICE		3,016,676	92.7	43,541	42,638	9.39
MARICOPA COUNTY, ARIZONA						
GLENDALE						
5551 West Talavi Boulevard.......	1991	181,596	100.0	1,616	1,608	0.35
PHOENIX						
19640 North 31st Street..........	1990	124,171	100.0	1,272	1,256	0.27
20002 North 19th Avenue (8)......	1986	n/a	n/a	647	647	0.14
SCOTTSDALE						
9060 E. Via Linda Boulevard......	1984	111,200	100.0	2,406	2,406	0.52
TOTAL ARIZONA OFFICE		416,967	100.0	5,941	5,917	1.28
ARAPAHOE COUNTY, COLORADO						
AURORA						
750 South Richfield Street.......	1997	108,240	100.0	2,911	2,911	0.63
DENVER						
400 South Colorado Boulevard.....	1983	125,415	99.1	1,905	1,881	0.41
ENGLEWOOD						
5350 South Roslyn Street.........	1982	63,754	100.0	1,060	1,050	0.23
9359 East Nichols Avenue.........	1997	72,610	100.0	903	903	0.19
BOULDER COUNTY, COLORADO						
BROOMFIELD						
105 South Technology Court.......	1997	37,574	100.0	535	535	0.12
303 South Technology Court-A.....	1997	34,454	100.0	387	387	0.08
303 South Technology Court-B.....	1997	40,416	100.0	454	454	0.10
LOUISVILLE						
1172 Century Drive...............	1996	49,566	100.0	617	617	0.13
248 Centennial Parkway...........	1996	39,266	100.0	488	488	0.11
285 Century Place................	1997	69,145	100.0	1,121	1,121	0.24

PROPERTY	1999 AVERAGE BASE RENT PER SQ. FT.	AVERAGE EFFECTIVE RENT PER SQ. FT.	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF

LOCATION	($)(4)(6)	($)(5)(6)	12/31/99 (6)
TRAVIS COUNTY, TEXAS			
AUSTIN			
1250 Capital of Texas Hwy. South.	20.56	20.38	Intelliquest Inc. (14%), Globeset Inc. (10%)
TOTAL TEXAS OFFICE	15.56	15.24	
MARICOPA COUNTY, ARIZONA			
GLENDALE			
5551 West Talavi Boulevard.......	8.90	8.85	Honeywell, Inc. (100%)
PHOENIX			
19640 North 31st Street..........	10.24	10.12	American Express Travel Related Services Co., Inc. (100%)
20002 North 19th Avenue (8)......	n/a	n/a	n/a
SCOTTSDALE			
9060 E. Via Linda Boulevard......	21.64	21.64	Sentry Insurance A Mutual Company (63%), Rite Aid Corporation (37%)
TOTAL ARIZONA OFFICE	14.25	14.19	
ARAPAHOE COUNTY, COLORADO			
AURORA			
750 South Richfield Street.......	26.89	26.89	T.R.W. Inc. (100%)
DENVER			
400 South Colorado Boulevard.....	15.33	15.13	Community Health Plan (12%), Department of Revenue (12%), Norwest Bank Colorado N.A. (11%), Senter GoldFarb & Rice (10%)
ENGLEWOOD			
5350 South Roslyn Street.........	16.63	16.47	Westland Enterprises (17%), Business World Inc. (17%)
9359 East Nichols Avenue.........	12.44	12.44	First Tennessee Bank NA (100%)
BOULDER COUNTY, COLORADO			
BROOMFIELD			
105 South Technology Court.......	14.24	14.24	Sun Microsystems Inc. (100%)
303 South Technology Court-A.....	11.23	11.23	Sun Microsystems Inc. (100%)
303 South Technology Court-B.....	11.23	11.23	Sun Microsystems Inc. (100%)
LOUISVILLE			
1172 Century Drive...............	12.45	12.45	Skyconnect Inc. (40%), Evolving Systems Inc. (22%), MCI Systemhouse Corp. (22%), RX Kinetix Inc. (16%)
248 Centennial Parkway...........	12.43	12.43	Walnut Brewery Inc. (59%), Aircell Inc. (28%)
285 Century Place................	16.21	16.21	HBO & Company of Georgia (100%)

PROPERTY LISTING

OFFICE PROPERTIES

(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($) (4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($) (4)(6)
DENVER COUNTY, COLORADO								
DENVER								
3600 South Yosemite.............	1974	133,743	100.0	1,287	1,287	0.28	9.62	9.62
DOUGLAS COUNTY, COLORADO								
ENGLEWOOD								
384 Inverness Drive South........	1985	51,523	100.0	810	789	0.17	15.72	15.31
400 Inverness Drive.............	1997	111,608	99.9	2,729	2,727	0.59	24.48	24.46
5975 South Quebec Street.........	1996	102,877	99.8	2,359	2,341	0.51	22.98	22.80
67 Inverness Drive East	1996	54,280	100.0	644	644	0.14	11.86	11.86
PARKER								
9777 Pyramid Court...............	1995	120,281	100.0	1,323	1,323	0.29	11.00	11.00
EL PASO COUNTY, COLORADO								
COLORADO SPRINGS								

1975 Research Parkway............	1997	115,250	100.0	1,682	1,635	0.36	14.59	14.19
2375 Telstar Drive (7)...........	1998	47,369	100.0	410	409	0.09	10.46	10.44
8415 Explorer (7)................	1998	47,368	100.0	410	409	0.09	10.46	10.44
JEFFERSON COUNTY, COLORADO								
LAKEWOOD								
141 Union Boulevard..............	1985	63,600	95.2	1,053	1,014	0.23	17.39	16.75
TOTAL COLORADO OFFICE		1,488,339	99.7	23,088	22,925	4.99	15.67	15.56
SAN FRANCISCO COUNTY, CALIFORNIA								
SAN FRANCISCO								
760 Market Street................	1908	267,446	93.6	7,442	7,311	1.60	29.73	29.21
795 Folsom Street (7)............	1977	183,445	86.2	1,277	1,178	0.28	19.27	17.77
TOTAL CALIFORNIA OFFICE		450,891	90.6	8,719	8,489	1.88	25.68	24.78

PROPERTY LOCATION	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
DENVER COUNTY, COLORADO	
DENVER	
3600 South Yosemite..............	MDC Holding Inc. (100%)
DOUGLAS COUNTY, COLORADO	
ENGLEWOOD	
384 Inverness Drive South........	Quickpen International Corp. (37%), United States of America - GSA (19%)
400 Inverness Drive..............	Convergent Communications Inc. (26%), Ciber Inc. (22%), Compuware Corp. (19%), Ani Colorado Inc./Alliance Int'l (16%)
5975 South Quebec Street.........	Northern Telecom Inc. (43%), Silicon Graphics Inc. (28%)
67 Inverness Drive East	T-Netix Inc. (69%), Convergent Communications Inc. (31%)
PARKER	
9777 Pyramid Court...............	Evolving System Inc. (100%)
EL PASO COUNTY, COLORADO	
COLORADO SPRINGS	
1975 Research Parkway............	Bombardier Capital Florida Inc. (69%), Concert Management Services (18%)

2375 Telstar Drive (7).......... Narwhal Corporation (45%), Memorial Hospital (39%),
Aerotek Inc. (14%)
8415 Explorer (7)............... Enterprise Systems Group Inc. (57%), URS Greiner Consultants Inc. (22%), McLeod USA Telecom Service Inc. (17%)

JEFFERSON COUNTY, COLORADO

LAKEWOOD
141 Union Boulevard............. Arbitration Forums Inc. (18%)

TOTAL COLORADO OFFICE

SAN FRANCISCO COUNTY, CALIFORNIA

SAN FRANCISCO
760 Market Street............... R.H. Macy & Company, Inc. (19%)
795 Folsom Street (7)........... Move.com (52%), AT&T Corp. (34%)

TOTAL CALIFORNIA OFFICE

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PROPERTY LISTING

OFFICE PROPERTIES

(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)
HILLSBOROUGH COUNTY, FLORIDA								
TAMPA								
501 Kennedy Boulevard...........	1982	297,429	91.8	3,651	3,583	0.79	13.37	13.12
TOTAL FLORIDA OFFICE		297,429	91.8	3,651	3,583	0.79	13.37	13.12
POLK COUNTY, IOWA								
WEST DES MOINES								
2600 Westown Parkway............	1988	72,265	97.5	1,126	1,063	0.24	15.98	15.09

TOTAL IOWA OFFICE		72,265	97.5	1,126	1,063	0.24	15.98	15.09
DOUGLAS COUNTY, NEBRASKA								
OMAHA								
210 South 16th Street...........	1894	319,535	96.8	3,238	3,177	0.70	10.47	10.27
TOTAL NEBRASKA OFFICE		319,535	96.8	3,238	3,177	0.70	10.47	10.27
TOTAL OFFICE PROPERTIES		22,746,211	96.9	417,245	405,730	89.96	19.13	18.61

PROPERTY LOCATION	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
HILLSBOROUGH COUNTY, FLORIDA	
TAMPA	
501 Kennedy Boulevard...........	Fowler, White, Gillen, Boggs, Villareal & Banker, PA (33%), Raytheon Engineers & Constructors, Inc. (17%), Sykes Enterprises Inc. (12%)
TOTAL FLORIDA OFFICE	
POLK COUNTY, IOWA	
WEST DES MOINES	
2600 Westown Parkway............	St. Paul Fire and Marine Insurance Company (19%), MCI Telecommunications Corp. (14%), New England Mutual Life Insurance Company (15%), American Express Financial Advisors, Inc. (15%)
TOTAL IOWA OFFICE	
DOUGLAS COUNTY, NEBRASKA	
OMAHA	
210 South 16th Street...........	Union Pacific Railroad Company (70%)
TOTAL NEBRASKA OFFICE	

TOTAL OFFICE PROPERTIES
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PROPERTY LISTING

OFFICE/FLEX PROPERTIES

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)
BURLINGTON COUNTY, NEW JERSEY								
BURLINGTON								
3 Terri Lane....................	1991	64,500	77.7	437	436	0.09	8.72	8.70
5 Terri Lane....................	1992	74,555	100.0	497	495	0.11	6.67	6.64
MOORESTOWN								
1 Executive Drive...............	1989	20,570	43.0	74	72	0.02	8.37	8.14
101 Commerce Drive..............	1988	64,700	100.0	336	296	0.07	5.19	4.57
101 Executive Drive.............	1990	29,355	45.8	146	145	0.03	10.86	10.79
102 Executive Drive.............	1990	64,000	90.0	399	371	0.09	6.93	6.44
1256 North Church...............	1984	63,495	49.9	401	366	0.09	12.66	11.55
1507 Lancer Drive...............	1995	32,700	100.0	119	112	0.03	3.64	3.43
1510 Lancer Drive...............	1998	88,000	100.0	370	370	0.08	4.20	4.20
201 Commerce Drive..............	1986	38,400	100.0	195	192	0.04	5.08	5.00
225 Executive Drive.............	1990	50,600	100.0	304	280	0.07	6.01	5.53
30 Twosome Drive................	1997	39,675	100.0	223	223	0.05	5.62	5.62
40 Twosome Drive................	1996	40,265	63.1	243	243	0.05	9.56	9.56
50 Twosome Drive................	1997	34,075	100.0	269	269	0.06	7.89	7.89
840 North Lenola................	1995	38,300	100.0	271	271	0.06	7.08	7.08
844 North Lenola................	1995	28,670	100.0	213	213	0.05	7.43	7.43
97 Foster Road..................	1982	43,200	100.0	187	187	0.04	4.33	4.33

PROPERTY LOCATION	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
BURLINGTON COUNTY, NEW JERSEY	
BURLINGTON	

3 Terri Lane..................... Tempel Steel Company (18%), Signature Home Care (16%),
General Service Administrators (10%)

5 Terri Lane..................... Actimed Laboratories Inc. (38%), Lykes Dispensing Systems Inc.
(20%), West Electronics Inc. (12%)

MOORESTOWN
1 Executive Drive................ T.T.I. (18%)
101 Commerce Drive............... Beckett Corporation (100%)
101 Executive Drive.............. Bavada Nurses Inc. (36%)
102 Executive Drive.............. Comtrex Systems Corp. (29%), Commonwealth Scientific Corp.
(21%), AOP Solutions (20%), Schermerhorn (20%)

1256 North Church................ James C. Anderson Associates (30%), Ketec Inc. (20%)
1507 Lancer Drive................ Tad's Delivery Service Inc. (100%)
1510 Lancer Drive................ Tad's Delivery Service Inc. (100%)
201 Commerce Drive............... Flow Thru Metals Inc. (25%), Franchise Stores Realty Corp.
(25%), RE/Com Group (25%), Tropicana Products Inc.
(25%)

225 Executive Drive.............. Eastern Research Inc. (66%), Bioclimatic Inc. (14%),
Band-It Index Inc. (11%)
30 Twosome Drive................. Hartman Cards Inc. (28%), Sagot Office Interiors Inc. (24%),
Aramark Sports Entertainment (14%), The Closet
Factory (12%),
C&L Packaging Inc. (12%), Mosler Inc. (10%)

40 Twosome Drive................. Neighborcare - TCI Inc. (49%), Bellstar Inc. (14%)
50 Twosome Drive................. Wells Fargo (44%), Sussex Wine Merchants (30%), McCarthy
Associates Inc. (14%), Inacomp Financial Services
(12%)

840 North Lenola................. Millar Elevator Service Co. (31%), Twin Pines Construction Co.
(31%), Technology Service Solutions (25%),
Computer
Integration Services (13%)

844 North Lenola................. First Union National Bank (41%), Curbell Inc. (33%), James J.
Martin Inc. (25%)

97 Foster Road................... Consumer Response Company Inc. (50%), Pioneer and Company
Inc. (33%), Colornet Inc. (17%)

PROPERTY LISTING

OFFICE/FLEX PROPERTIES

(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)
2 Commerce Drive (7).............	1986	49,000	100.0	11	11	0.00	7.45	7.45
102 Commerce Drive (7)...........	1987	38,400	87.5	4	4	0.00	3.95	3.95
202 Commerce Drive (7)...........	1988	51,200	100.0	8	8	0.00	5.18	5.18
WEST DEPTFORD								
1451 Metropolitan Drive..........	1996	21,600	100.0	148	148	0.03	6.85	6.85
MERCER COUNTY, NEW JERSEY								
HAMILTON TOWNSHIP								
100 Horizon Drive................	1989	13,275	0.0	50	50	0.01	0.00	0.00
200 Horizon Drive................	1991	45,770	85.3	446	432	0.10	11.42	11.07
300 Horizon Drive................	1989	69,780	100.0	912	902	0.20	13.07	12.93
500 Horizon Drive................	1990	41,205	81.9	394	363	0.08	11.68	10.76
MONMOUTH COUNTY, NEW JERSEY								
WALL TOWNSHIP								
1320 Wykoff Avenue...............	1986	20,336	0.0	38	38	0.01	0.00	0.00
1324 Wykoff Avenue...............	1987	21,168	75.0	213	181	0.05	13.42	11.40
1325 Campus Parkway..............	1988	35,000	18.4	290	281	0.06	45.03	43.63
1340 Campus Parkway..............	1992	72,502	94.6	779	676	0.17	11.36	9.86
1345 Campus Parkway..............	1995	76,300	100.0	704	702	0.15	9.23	9.20
1433 Highway 34..................	1985	69,020	65.3	442	360	0.10	9.81	7.99
PASSAIC COUNTY, NEW JERSEY								
TOTOWA								
11 Commerce Way..................	1989	47,025	100.0	412	380	0.09	8.76	8.08
1 Center Court (7)...............	1999	38,961	100.0	129	119	0.03	3.95	3.64

PROPERTY LOCATION	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
2 Commerce Drive (7).............	Computer Sciences Corporation (100%)
102 Commerce Drive (7)...........	Nelson Associates (25%), American Banknote Card Svcs. (13%), D&A Eastern Fasteners Inc. (13%), Moorestown Weightlifting Club (13%), Opex Corporation (13%), RGP Impressions Inc. (13%)
202 Commerce Drive (7)...........	Standard Register Co. (100%)
WEST DEPTFORD	
1451 Metropolitan Drive..........	Garlock Bearings Inc. (100%)

MERCER COUNTY, NEW JERSEY

HAMILTON TOWNSHIP
100 Horizon Drive................ --
200 Horizon Drive................ O.H.M. Remediation Services Corp. (85%)
300 Horizon Drive................ State of NJ/DEP (50%), McFaul & Lyons (26%), Fluor Daniel
GTI (24%)

500 Horizon Drive................ Anacomp Inc. (30%), Lakeview Child Center (19%), NJ Builders
Assoc. (14%), Diedre Moire Corp. (11%)

MONMOUTH COUNTY, NEW JERSEY

WALL TOWNSHIP
1320 Wykoff Avenue............... --
1324 Wykoff Avenue............... Collectors Alliance (53%), Supply Saver, Inc. (22%)
1325 Campus Parkway.............. Centennial Cellular Corp. (14%)
1340 Campus Parkway.............. Groundwater & Environmental Services (33%), GEAC Comp
(22%), State Farm (17%), Association For Retarded Citizens
(11%), Digital Lightwave, Inc. (11%)

1345 Campus Parkway.............. Depot America, Inc. (37%), Quadramed Corp. (23%), De Vine
Corp. (10%)

1433 Highway 34.................. State Farm Mutual Insurance Co. (30%), New Jersey Natural Gas
Co (11%)

PASSAIC COUNTY, NEW JERSEY

TOTOWA
11 Commerce Way.................. Coram Alternative Site Services (56%), D.A. Kopp & Associates
Inc. (22%), Olsten Health Services (11%), Ericsson Inc. (11%)

1 Center Court (7)............... Ethnic American Broadcasting (62%), Eizo Nanao Technologies
Inc. (38%)

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PROPERTY LISTING

OFFICE/FLEX PROPERTIES

(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)

2 Center Court..................	1998	30,600	99.3	350	280	0.08	11.52
20 Commerce Way.................	1992	42,540	85.9	388	388	0.08	10.62
29 Commerce Way.................	1990	48,930	100.0	472	424	0.10	9.65
40 Commerce Way.................	1987	50,576	100.0	561	467	0.12	11.09
45 Commerce Way.................	1992	51,207	100.0	480	436	0.10	9.37
60 Commerce Way.................	1988	50,333	84.3	309	255	0.07	7.28
80 Commerce Way.................	1996	22,500	89.2	272	173	0.06	13.55
100 Commerce Way................	1996	24,600	100.0	297	160	0.06	12.07
120 Commerce Way................	1994	9,024	100.0	89	87	0.02	9.86
140 Commerce Way................	1994	26,881	99.5	264	257	0.06	9.87
TOTAL NEW JERSEY OFFICE/FLEX		1,882,793	88.0	13,146	12,123	2.86	8.40
WESTCHESTER COUNTY, NEW YORK ELMSFORD							
1 Westchester Plaza.............	1967	25,000	100.0	293	285	0.06	11.72
2 Westchester Plaza.............	1968	25,000	100.0	431	425	0.09	17.24
3 Westchester Plaza.............	1969	93,500	98.5	1,116	1,112	0.24	12.12
4 Westchester Plaza.............	1969	44,700	99.8	614	595	0.13	13.76
5 Westchester Plaza.............	1969	20,000	100.0	277	273	0.06	13.85
6 Westchester Plaza.............	1968	20,000	100.0	263	254	0.06	13.15

PROPERTY LOCATION	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
2 Center Court..................	9.21	Nomadic Display (36%), Electro Rent Corp. (33%), Alpine Electronic of America (30%)
20 Commerce Way.................	10.62	Motorola Inc. (44%), Siemens Fiber Optics (41%)
29 Commerce Way.................	8.67	Sandvik Sorting Systems, Inc. (44%), Paterson Dental Supply Inc. (23%), Fujitec America Inc. (22%), Williams Communications (11%)
40 Commerce Way.................	9.23	Thomson Electronics (43%), Intertek Testing Services (29%), Snap-On, Inc. (14%), System 3R USA (14%)
45 Commerce Way.................	8.51	Ericsson Radio Systems Inc. (52%), Woodward Clyde Consultants (27%), Oakwood Corporate Housing (21%)
60 Commerce Way.................	6.01	Ericsson Inc. (29%), Jen Mar Graphics (27%), Maxlite (14%), HW Exhibits (14%)
80 Commerce Way.................	8.62	Hey Diddle Diddle Inc. (40%), Idexx Veterinary Services (37%), Inter-American Safety Council (11%)
100 Commerce Way................	6.50	Pharmerica Inc. (34%), Minolta Business Systems Inc. (34%), CCH Incorporated (32%)
120 Commerce Way................	9.64	Deerfield Healthcare Corp. (100%)
140 Commerce Way................	9.61	Advanced Image Systems Inc. (20%), MSR Publications Inc. (19%), Holder Group Inc. (11%), Alpha Testing (10%), Showa Tool USA Inc. (10%), Telsource Corporation (10%), Universal Hospital Services (10%)
TOTAL NEW JERSEY OFFICE/FLEX	7.78	
WESTCHESTER COUNTY, NEW YORK ELMSFORD		
1 Westchester Plaza.............	11.40	British Apparel (40%), American Greeting (20%), RS Knapp (20%), Thin Film Concepts (20%)
2 Westchester Plaza.............	17.00	Board of Cooperative Education (80%), Kin-Tronics (10%), Squires Productions (10%)
3 Westchester Plaza.............	12.07	Apria Healthcare (32%), Kangol Headwear (28%), V-Band Corp. (16%), Dental Concepts (12%)
4 Westchester Plaza.............	13.34	Metropolitan Life (38%), EEV Inc. (34%), Arsys Innotech Corp. (13%)

5 Westchester Plaza..............	13.65	Fujitsu (38%), Rokonet Industries (25%), UA Plumbers Education (25%), Furniture Etc. (12%)
6 Westchester Plaza..............	12.70	Signacon Controls (28%), Xerox Corp. (28%), Game Parts (24%), Girard Rubber Co. (13%)

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PROPERTY LISTING

OFFICE/FLEX PROPERTIES

(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)
7 Westchester Plaza..............	1972	46,200	100.0	643	637	0.14	13.92
8 Westchester Plaza..............	1971	67,200	100.0	871	778	0.19	12.96
11 Clearbrook Road...............	1974	31,800	100.0	327	326	0.07	10.28
75 Clearbrook Road...............	1990	32,720	100.0	816	816	0.18	24.94
150 Clearbrook Road..............	1975	74,900	100.0	1,046	1,018	0.23	13.97
175 Clearbrook Road..............	1973	98,900	98.5	1,340	1,306	0.29	13.76
200 Clearbrook Road..............	1974	94,000	99.8	1,113	1,063	0.24	11.86
250 Clearbrook Road..............	1973	155,000	94.5	1,177	1,152	0.25	8.04
50 Executive Boulevard...........	1969	45,200	97.2	384	375	0.08	8.74
77 Executive Boulevard...........	1977	13,000	100.0	180	179	0.04	13.85
85 Executive Boulevard...........	1968	31,000	83.3	380	371	0.08	14.72
300 Executive Boulevard..........	1970	60,000	99.7	576	576	0.12	9.63
350 Executive Boulevard..........	1970	15,400	98.8	243	243	0.05	15.97
399 Executive Boulevard..........	1962	80,000	100.0	934	921	0.20	11.68
400 Executive Boulevard..........	1970	42,200	100.0	611	558	0.13	14.48
500 Executive Boulevard..........	1970	41,600	100.0	552	542	0.12	13.27
525 Executive Boulevard..........	1972	61,700	99.8	846	830	0.18	13.74
HAWTHORNE							
4 Skyline Drive..................	1987	80,600	100.0	1,199	1,102	0.26	14.88
8 Skyline Drive..................	1985	50,000	98.9	673	653	0.15	13.61
10 Skyline Drive.................	1985	20,000	100.0	282	262	0.06	14.10
11 Skyline Drive.................	1989	45,000	100.0	675	660	0.15	15.00
12 Skyline Drive (7).............	1999	46,850	100.0	174	150	0.04	12.79
15 Skyline Drive.................	1989	55,000	100.0	877	804	0.19	15.95
200 Saw Mill River Road..........	1965	51,100	100.0	633	612	0.14	12.39

PROPERTY LOCATION	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
7 Westchester Plaza..............	13.79	Emigrant Savings Bank (69%), Fire End Croker (22%)
8 Westchester Plaza..............	11.58	Mamiya America (24%), Ciba Specialty (19%), Kubra Data (15%)
11 Clearbrook Road...............	10.25	Eastern Jungle Gym (27%), MCS Marketing (24%), Treetops Inc.

		(21%), Creative Medical Supplies (14%), Westchester Party Rental (14%)
75 Clearbrook Road..............	24.94	Evening Out Inc. (100%)
150 Clearbrook Road.............	13.59	Court Sports I (24%), Philips Medical (18%), Transwestern Publications (12%)
175 Clearbrook Road.............	13.41	Nextel of New York Inc. (35%), Hypres Inc. (15%)
200 Clearbrook Road.............	11.33	Brunschwig & Fils Inc. (39%), Proftech Corp (20%)
250 Clearbrook Road.............	7.86	AFP Imaging Corp (31%), Prints Plus Inc. (13%), The Artina Group (14%), Conri Services (10%)
50 Executive Boulevard..........	8.54	MMO Music Group (71%), Medcon Financial (22%)
77 Executive Boulevard..........	13.77	Bright Horizons Children (55%), WNN Corp. (45%)
85 Executive Boulevard..........	14.37	VREX Inc (49%), Westhab Inc. (18%), Saturn II Systems (11%)
300 Executive Boulevard.........	9.63	Varta Batteries (44%), Princeton Ski Outlet (43%), LMG International Inc. (12%)
350 Executive Boulevard.........	15.97	Copytex Corp. (99%)
399 Executive Boulevard.........	11.51	American Banknote (73%), Wine Enthusiast Inc. (15%) Brandon of Westchester (12%)
400 Executive Boulevard.........	13.22	Baker Engineering (39%), Ultra Fabrics (25%)
500 Executive Boulevard.........	13.03	Original Consume (36%), Dover Elevator (16%), Angelica Corp. (16%), Olympia Sports (13%), Philips Medical Systems (13%)
525 Executive Boulevard.........	13.48	Vie De France (59%), New York Blood Center (21%)
HAWTHORNE		
4 Skyline Drive.................	13.67	GEC Alsthom Int'l. (60%)
8 Skyline Drive.................	13.21	Clientsoft (69%), Reveo Inc (29%)
10 Skyline Drive................	13.10	Bi-Tronic Inc/LCA (52%), Phoenix Systems Int'l (32%), Galson Corp. (16%)
11 Skyline Drive................	14.67	Cube Computer (41%), Bowthorpe Holdings (19%), Agathon Machine (12%), Planned Parenthood (11%)
12 Skyline Drive (7)............	11.02	Creative Visual Enterprises (38%), Medelec Inc. (32%), Savin Corporation (30%)
15 Skyline Drive................	14.62	Tellabs (47%), Emisphere Technology (23%), Minolta Copier (16%), Acorda Therapeutics Inc. (14%)
200 Saw Mill River Road.........	11.98	ABSCOA (18%), Walter Degruyter (21%), Monahans Plumbing (17%), Argents Air Express (12%)

PROPERTY LISTING

OFFICE/FLEX PROPERTIES

(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)
YONKERS							
1 Odell Plaza....................	1980	106,000	100.0	1,260	1,241	0.27	11.89
5 Odell Plaza....................	1983	38,400	99.6	490	486	0.11	12.81
7 Odell Plaza....................	1984	42,600	99.6	667	649	0.14	15.72
4 Executive Plaza................	1986	80,000	99.9	1,049	1,000	0.23	13.13
6 Executive Plaza................	1987	80,000	88.6	991	986	0.21	13.98
100 Corporate Boulevard..........	1987	78,000	98.2	1,087	1,060	0.23	14.19
200 Corporate Boulevard South....	1990	84,000	99.8	1,378	1,350	0.30	16.44
TOTAL NEW YORK OFFICE/FLEX		2,076,570	98.5	26,468	25,650	5.71	13.14
FAIRFIELD COUNTY, CONNECTICUT							
STAMFORD							
419 West Avenue..................	1986	88,000	99.7	1,430	1,423	0.31	16.30
500 West Avenue..................	1988	25,000	82.3	334	315	0.07	16.23
550 West Avenue..................	1990	54,000	100.0	809	745	0.17	14.98
600 West Avenue (7)..............	1999	66,000	100.0	37	33	0.01	9.30

650 West Avenue	1998	40,000	100.0	635	522	0.14	15.88
TOTAL CONNECTICUT OFFICE/FLEX		273,000	98.3	3,245	3,038	0.70	14.24
TOTAL OFFICE/FLEX PROPERTIES.....		4,232,363	93.8	42,859	40,811	9.27	11.24

PROPERTY LOCATION	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
YONKERS		
1 Odell Plaza....................	11.71	Court Sports II (19%), Gannet Satellite (11%)
5 Odell Plaza....................	12.71	Voyetra Technologies (43%), Photo File Inc. (34%), Pharmerica Inc. (22%)
7 Odell Plaza....................	15.30	US Postal Service (41%), TT Systems Co. (24%), Bright Horizons (16%)
4 Executive Plaza................	12.51	O.K. Industries (42%), E&B Giftware (22%), Universal Outdoor Advertising (10%)
6 Executive Plaza................	13.91	Cablevision Systems Corp. (40%), Yonkers Savings & Loan Assoc. (11%)
100 Corporate Boulevard..........	13.84	MonteFiore Medical Center (28%), Sempra Energy Trading Corp. (13%), Minami International Corp. (12%), Otis Elevator (11%) Genzyme Genetics Corp. (11%)
200 Corporate Boulevard South....	16.10	Belmay (32%), Montefiore Medical (23%) Advanced Viral Research (20%)
TOTAL NEW YORK OFFICE/FLEX	12.71	
FAIRFIELD COUNTY, CONNECTICUT		
STAMFORD		
419 West Avenue..................	16.22	Fuji Medical Systems USA Inc. (80%)
500 West Avenue..................	15.31	Lead Trackers (28%), Convergent Communications (26%), Seneca Media Group Inc. (17%), M Cohen and Sons Inc. (11%)
550 West Avenue..................	13.80	Lifecodes Corp. (44%), Davidoff of Geneva (33%)
600 West Avenue (7)..............	8.30	Clarence House Imports, Ltd (100%)
650 West Avenue	13.05	Davidoff of Geneva (CT) Inc. (100%)
TOTAL CONNECTICUT OFFICE/FLEX	13.24	
TOTAL OFFICE/FLEX PROPERTIES.....	10.69	

PROPERTY LISTING

INDUSTRIAL/WAREHOUSE PROPERTIES

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/99 (%)(1)	1999 BASE RENT ($000'S) (2)(6)	1999 EFFECTIVE RENT ($000'S) (3)(6)	PERCENTAGE OF TOTAL 1999 OFFICE, OFFICE/FLEX, AND INDUSTRIAL/ WAREHOUSE BASE RENT(%)	1999 AVERAGE BASE RENT PER SQ. FT. ($)(4)(6)

WESTCHESTER COUNTY, NEW YORK							
ELMSFORD							
1 Warehouse Lane................	1957	6,600	100.0	57	56	0.01	8.64
2 Warehouse Lane................	1957	10,900	100.0	128	126	0.03	11.74
3 Warehouse Lane................	1957	77,200	100.0	290	279	0.06	3.76
4 Warehouse Lane................	1957	195,500	97.4	1,906	1,869	0.41	10.01
5 Warehouse Lane................	1957	75,100	97.1	690	671	0.15	9.46
6 Warehouse Lane	1982	22,100	100.0	513	513	0.11	23.21
TOTAL INDUSTRIAL/WAREHOUSE PROPERTIES		387,400	98.1	3,584	3,514	0.77	9.43
TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE PROPERTIES		27,365,974	96.5	463,688	450,055	100.0	17.81

PROPERTY LOCATION	AVERAGE EFFECTIVE RENT PER SQ. FT. ($)(5)(6)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/99 (6)
WESTCHESTER COUNTY, NEW YORK		
ELMSFORD		
1 Warehouse Lane................	8.48	JP Trucking Service (100%)
2 Warehouse Lane................	11.56	RJ Bruno Roofing Inc. (55%), Savin Engineers PC (41%)
3 Warehouse Lane................	3.61	United Parcel Service (100%)
4 Warehouse Lane................	9.82	San Mar Laboratory (63%), Westinghouse Air Brake (14%)
5 Warehouse Lane................	9.20	Great Spring Waters of America (48%), E & H Tire Boxing (19%), Chamart Exclusives Inc. (16%)
6 Warehouse Lane	23.21	Conway Central Express (100%)
TOTAL INDUSTRIAL/WAREHOUSE PROPERTIES	9.24	
TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE PROPERTIES	17.28	

(1) Based on all leases in effect as of December 31, 1999.
(2) Total base rent for 1999, determined in accordance with generally accepted accounting principles ("GAAP"). Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.
(3) Total base rent for 1999 minus total 1999 amortization of tenant improvements, leasing commissions and other concessions and costs, determined in accordance with GAAP.
(4) Base rent for 1999 divided by net rentable square feet leased at December 31, 1999. For those properties acquired or placed in service during 1999, amounts are annualized, as per Note 7.
(5) Effective rent for 1999 divided by net rentable square feet leased at December 31, 1999. For those properties acquired or placed in service during 1999, amounts are annualized, as per Note 7.
(6) Excludes space leased by the Company aggregating 122,149 square feet.
(7) As this property was acquired or placed in service by the Company during 1999, the amounts represented in 1999 base rent and 1999 effective rent reflect only that portion of the year during which the Company owned or placed the property in service. Accordingly, these amounts may not be indicative of the property's full year results. For comparison purposes,

the amounts represented in 1999 average base rent per sq. ft. and 1999 average effective rent per sq. ft. for this property have been calculated by taking 1999 base rent and 1999 effective rent for such property and annualizing these partial-year results, dividing such annualized amounts by the net rentable square feet leased at December 31, 1999. These annualized per square foot amounts may not be indicative of the property's results had the Company owned or placed such property in service for the entirety of 1999.

(8) The property was sold by the Company in 1999.

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RETAIL PROPERTIES

The Company owned two stand-alone retail properties as of December 31, 1999, described below:

The Company owns an 8,000 square foot restaurant, constructed in 1986, located at 2 Executive Plaza in the South Westchester Executive Park in Yonkers, Westchester County, New York. The restaurant is 100 percent leased to Magic at Yonkers, Inc. for use as a Red Robin restaurant under a 25-year lease. The lease currently provides for fixed annual base rent of $265,000, with fully-reimbursed real estate taxes, and operating expenses escalated based on the consumer price index ("CPI") over a base year CPI. The lease, which expires in June 2012, includes scheduled rent increases in July 2002 to approximately $300,000 annually, and in July 2007 to approximately $345,000 annually. The lease also provides for additional rent calculated as a percentage of sales over a specified sales amount, as well as for two five-year renewal options. 1999 total base rent for the property, calculated in accordance with GAAP, was approximately $257,488.

The Company also owns a 9,300 square foot restaurant, constructed in 1984, located at 230 White Plains Road, Tarrytown, Westchester County, New York. The restaurant is 100 percent leased to TGI Fridays under a 10-year lease which provides for fixed annual base rent of approximately $195,000, with fully-reimbursed real estate taxes, and operating expenses escalated based on CPI over a base year CPI. The lease, which expires in August 2004, also provides for additional rent calculated as a percentage of sales over a specified sales amount, as well as for four five-year renewal options. 1999 total base rent for the property, calculated in accordance with GAAP, was approximately $195,294.

LAND LEASES

The Company owned three land leases as of December 31, 1999, described below:

The Company leases land to Star Enterprises, on which a 2,264 square-foot Texaco gas station was constructed, located at 1 Enterprise Boulevard in Yonkers, Westchester County, New York. The 15-year, triple-net land lease provides for annual rent of approximately $145,000 and expires in April 2005. The lease also provides for two five-year renewal options. 1999 total base rent under this lease, calculated in accordance with GAAP, was approximately $144,023.

The Company also leases five acres of land to Rake Realty, on which a 103,500 square-foot office building exists, located at 700 Executive Boulevard, Elmsford, Westchester County, New York. The 22-year, triple-net land lease provides for fixed annual rent plus a CPI adjustment every five years, and expires in November 2000. 1999 total base rent under this lease, calculated in accordance with GAAP, was approximately $96,653. The lease also provides for several renewal options which could extend the lease term for an additional 30 years.

The Company also leases 27.7 acres of land to Home Depot, on which a 134,000 square-foot retail store was constructed, located at the Company's Horizon Center Business Park, Hamilton Township, Mercer County, New Jersey. The net lease, which began on February 1, 1999, provides for annual rent of approximately $298,000 through the fifth year of the lease and fixed annual rent plus a CPI adjustment every five years for the years thereafter and expires in January 2094. The lease also provides an option for Home Depot to purchase the land in 2002. 1999 total base rent under this lease, calculated in accordance with GAAP, was approximately $239,021.

MULTI-FAMILY RESIDENTIAL PROPERTIES
The Company owned two multi-family residential properties, as of December 31, 1999, described below:

TENBY CHASE APARTMENTS, DELRAN, BURLINGTON COUNTY, NEW JERSEY: The Company's multi-family residential property, known as the Tenby Chase Apartments, was built in 1970. The property contains 327 units, comprised of 196 one-bedroom units and 131 two-bedroom units, with an average size of approximately 1,235 square feet per unit. The property had an average monthly rental rate of approximately $765 per unit during 1999 and was approximately 96.0 percent leased as of December 31, 1999. The property had 1999 total base rent of approximately $2.9 million, which represented approximately 0.6 percent of the Company's 1999 total base rent. The average occupancy rate for the property in each of 1999, 1998 and 1997 was 97.1 percent, 96.0 percent, and 95.5 percent, respectively.

25 MARTINE AVENUE, WHITE PLAINS, WESTCHESTER COUNTY, NEW YORK: The Company's multi-family residential property, known as 25 Martine Avenue, was built in 1987. The property contains 124 residential units, comprised of 18 studio units, 71 one-bedroom units and 35 two-bedroom units, with an average size of approximately 722 square feet per unit.

The property had an average monthly rental rate of approximately $1,547 per unit during 1999 and was 96.0 percent leased as of December 31, 1999. The property also has retail space. The property had 1999 total base rent of approximately $2.4 million, which represented approximately 0.5 percent of the Company's 1999 total base rent. The average occupancy rate for the property in each of 1999, 1998 and 1997 was 96.8 percent, 96.4 percent, and 97.6 percent, respectively.

OCCUPANCY

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

Year ended December 31,	Percentage of Square Feet Leased (%)
1999	96.5
1998	96.6
1997	95.8
1996	96.4
1995	92.5

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SIGNIFICANT TENANTS

The following table sets forth a schedule of the Company's 20 largest tenants for the Consolidated Properties as of December 31, 1999, based upon annualized base rents:

	Number of Properties	Annualized Base Rental Revenue ($) (1)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased	Percentage of Total Company Leased Sq.Ft. (%)	Year of Lease Expiration
AT&T Corporation	6	15,433,135	3.3	1,034,779	4.0	2009 (2)
Donaldson, Lufkin & Jenrette Securities Corp.	2	14,358,974	3.1	589,368	2.3	2010 (3)
AT&T Wireless Services	2	8,199,959	1.8	382,030	1.5	2007 (4)
IBM Corporation	5	7,553,299	1.6	391,910	1.5	2007 (5)
Prentice-Hall Inc.	1	6,744,495	1.4	474,801	1.8	2014
Allstate Insurance Company	10	6,377,507	1.4	293,820	1.1	2009 (6)
Nabisco Inc.	2	5,467,178	1.2	300,378	1.2	2005
Toys `R' US - NJ, Inc.	1	5,342,672	1.1	242,518	0.9	2012
American Institute of Certified Public Accountants	1	4,981,357	1.1	249,768	1.0	2012
Keystone Mercy Health Plan	3	4,636,015	1.0	203,334	0.8	2015 (7)
Board of Gov./Federal Reserve	1	4,605,090	1.0	117,008	0.4	2009 (8)
Dean Witter Trust Company	1	4,319,508	0.9	221,019	0.8	2008
Winston & Strawn	1	4,293,026	0.9	108,100	0.4	2003
CMP Media Inc.	1	4,206,598	0.9	206,274	0.8	2014
KPMG Peat Marwick, LLP	2	3,824,080	0.8	161,760	0.6	2007 (9)
Move.com	1	3,701,763	0.8	94,917	0.4	2006
Bank of Tokyo - Mitsubishi Ltd.	1	3,378,923	0.7	137,076	0.5	2009
Bankers Trust Harborside Inc.	1	3,272,500	0.7	385,000	1.5	2003
PNC Bank N.A.	4	3,207,902	0.7	149,930	0.6	2004(10)
Cendant Operations Inc.	1	3,117,051	0.7	148,431	0.6	2008
Totals		117,021,032	25.1	5,892,221	22.7	

(1) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
(2) 39,183 square feet expire February 2000; 3,950 square feet expire August 2000; 66,268 square feet expire December 2000; 63,278 square feet expire May 2004; 475,100 square feet expire January 2008; 387,000 square feet expire January 2009.
(3) 426,691 square feet expire July 2009; 162,677 square feet expire September 2010.
(4) 12,150 square feet expire September 2004; 345,799 square feet expire March 2007; 24,081 square feet expire June 2007.
(5) 29,157 square feet expire October 2000; 28,289 square feet expire January 2002; 1,065 square feet expire November 2002; 85,000 square feet expire December 2005; 248,399 square feet expire December 2007.
(6) 22,444 square feet expire July 2001; 70,517 square feet expire June 2002; 71,030 square feet expire September 2002; 18,882 square feet expire April 2003; 2,867 square feet expire January 2004; 36,305 square feet expire January 2005; 23,024 square feet expire November 2005; 6,108 square feet expire August 2006; 31,143 square feet expire April 2008; 11,500 square feet expire April 2009.
(7) 32,171 square feet expire January 2003; 171,163 square feet expire April 2015.
(8) 94,719 square feet expire May 2005; 22,289 square feet expire July 2009.
(9) 104,556 square feet expire September 2002; 57,204 square feet expire July

2007.
(10) 107,320 square feet expire February 2000; 15,802 square feet expire August 2003; 26,808 square feet expire October 2004.

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SCHEDULE OF LEASE EXPIRATIONS

The following table sets forth a schedule of the lease expirations for the total of the Company's office, office/flex, industrial/warehouse and stand-alone retail properties, included in the Consolidated Properties, beginning January 1, 2000, assuming that none of the tenants exercise renewal options:

Year Of Expiration	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases ($) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2000..........	548	2,998,702	11.5	51,235,987	17.09	11.0
2001..........	504	3,052,745	11.8	49,449,363	16.20	10.6
2002..........	525	3,505,201	13.5	61,682,311	17.60	13.3
2003..........	396	3,624,579	14.0	63,261,015	17.45	13.6
2004..........	304	2,162,726	8.3	40,731,720	18.83	8.7
2005..........	144	2,243,557	8.6	42,629,493	19.00	9.2
2006..........	70	1,074,250	4.1	22,939,184	21.35	4.9
2007..........	49	1,318,491	5.1	26,917,633	20.42	5.8
2008..........	39	1,545,752	6.0	24,575,681	15.90	5.3
2009..........	42	1,522,241	5.9	30,025,843	19.72	6.4
2010..........	36	756,819	2.9	16,200,363	21.41	3.5
2011 and thereafter	29	2,146,879	8.3	35,904,699	16.72	7.7
Totals/Weighted Average	2,686	25,951,942	100.0(4)	465,553,292	17.94	100.0

(1) Includes office, office/flex, industrial/warehouse and stand-alone retail property tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.
(2) Excludes all unleased space as of December 31, 1999.
(3) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
(4) Reconciliation to Company's total net rentable square footage is as follows:

	Square Feet	Percentage of Total
Square footage leased to commercial tenants	25,951,942	94.8%
Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments	459,529	1.7
Square footage unleased	971,803	3.5
Total net rentable square footage (does not include residential, land lease, retail or not-in-service properties)	27,383,274	100.0%

SCHEDULE OF LEASE EXPIRATIONS: OFFICE PROPERTIES

The following table sets forth a schedule of the lease expirations for the office properties beginning January 1, 2000, assuming that none of the tenants exercise renewal options:

Year Of Expiration	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases ($) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2000..........	462	2,441,089	11.3	45,084,047	18.47	10.8
2001..........	418	2,366,837	11.0	42,048,690	17.77	10.1
2002..........	433	2,717,232	12.6	53,518,196	19.70	12.9
2003..........	329	3,016,261	14.0	57,168,583	18.95	13.7
2004..........	259	1,706,502	7.9	35,597,604	20.86	8.6
2005..........	113	1,932,315	8.9	38,865,317	20.11	9.3
2006..........	58	841,925	3.9	19,021,919	22.59	4.6
2007..........	41	1,183,060	5.5	24,984,398	21.12	6.0
2008..........	36	1,396,157	6.5	23,633,823	16.93	5.7
2009..........	30	1,361,491	6.3	27,943,453	20.52	6.7
2010..........	32	674,908	3.1	15,062,093	22.32	3.6
2011 and thereafter	23	1,946,191	9.0	33,432,650	17.18	8.0
Total/Weighted Average	2,234	21,583,968	100.0	416,360,773	19.29	100.0

(1) Includes office tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.
(2) Excludes all unleased space as of December 31, 1999.
(3) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

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SCHEDULE OF LEASE EXPIRATIONS: OFFICE/FLEX PROPERTIES

The following table sets forth a schedule of the lease expirations for the office/flex properties beginning January 1, 2000, assuming that none of the tenants exercise renewal options:

Year Of Expiration	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases ($) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2000..........	79	532,124	13.4	5,862,366	11.02	13.0
2001..........	81	654,361	16.5	6,796,646	10.39	15.1

2002..........	90	741,529	18.7	7,666,408	10.34	17.0
2003..........	64	516,844	13.0	5,660,683	10.95	12.5
2004..........	37	273,404	6.9	3,234,111	11.83	7.2
2005..........	31	311,242	7.8	3,764,176	12.09	8.3
2006..........	12	232,325	5.8	3,917,265	16.86	8.7
2007..........	8	135,431	3.4	1,933,235	14.27	4.3
2008..........	3	149,595	3.8	941,858	6.30	2.1
2009..........	11	148,950	3.8	1,976,190	13.27	4.4
2010..........	4	81,911	2.1	1,138,270	13.90	2.5
2011 and thereafter	5	192,688	4.8	2,207,049	11.45	4.9
Totals/Weighted Average	425	3,970,404	100.0	45,098,257	11.36	100.0

(1) Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month office/flex tenants. Some tenants have multiple leases.
(2) Excludes all unleased space as of December 31, 1999.
(3) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

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SCHEDULE OF LEASE EXPIRATIONS: INDUSTRIAL/WAREHOUSE PROPERTIES

The following table sets forth a schedule of the lease expirations for the industrial/warehouse properties beginning January 1, 2000, assuming that none of the tenants exercise renewal options:

Year Of Expiration	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) (2)	Annualized Base Rental Revenue Under Expiring Leases ($) (3)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2000..........	7	25,489	6.7	289,574	11.36	8.0
2001..........	5	31,547	8.3	604,027	19.15	16.6
2002..........	2	46,440	12.2	497,707	10.72	13.7
2003..........	3	91,474	24.1	431,749	4.72	11.9
2004..........	7	173,520	45.6	1,705,005	9.83	46.9
2009..........	1	11,800	3.1	106,200	9.00	2.9
Totals/Weighted Average	25	380,270	100.0	3,634,262	9.56	100.0

(1) Includes industrial/warehouse tenants only. Excludes leases for amenity, retail, parking and month-to-month industrial/warehouse tenants. Some tenants have multiple leases.
(2) Excludes all unleased space as of December 31, 1999.
(3) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rent revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, the historical results may differ from those set forth above.

SCHEDULE OF LEASE EXPIRATIONS: STAND-ALONE RETAIL PROPERTIES

The following table sets forth a schedule of the lease expirations for the stand-alone retail properties beginning January 1, 2000, assuming that none of the tenants exercise renewal options:

Year Of Expiration	Number Of Leases Expiring (1)	Net Rentable Area Subject To Expiring Leases (Sq. Ft.)	Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases ($)	Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases ($) (2)	Percentage Of Annual Base Rent Under Expiring Leases (%)
2004..........	1	9,300	53.8	195,000	20.97	42.4
2012	1	8,000	46.2	265,000	33.12	57.6
Totals/Weighted Average	2	17,300	100.0	460,000	26.59	100.0

(1) Includes stand-alone retail property tenants only.
(2) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

INDUSTRY DIVERSIFICATION

The following table lists the Company's 30 largest industry classifications based on annualized contractual base rent of the Consolidated Properties for the month of December 1999:

Industry Classification	Annualized Base Rental Revenue ($) (1) (2)	Percentage of Company Annualized Base Rental Revenue (%)	Square Feet Leased	Percentage of Total Company Leased Sq. Ft. (%)
Securities, Commodity Contracts & Other Financial	52,018,118	11.2	2,391,790	9.2
Manufacturing	44,518,089	9.6	2,740,177	10.6
Telecommunications	35,452,100	7.6	2,242,479	8.6
Computer System Design Svcs.	31,650,631	6.8	1,728,631	6.7
Insurance Carriers & Related Assistance	31,485,722	6.8	1,662,248	6.4
Legal Services	26,549,719	5.7	1,218,223	4.7

Credit Intermediation & Related Activities	22,226,073	4.8	1,325,045	5.1
Health Care & Social Assistance	19,484,478	4.2	1,041,366	4.0
Wholesale Trade	17,707,823	3.8	1,278,771	4.9
Accounting/Tax Prep.	15,642,255	3.3	747,054	2.9
Other Professional	14,327,844	3.1	881,399	3.4
Information Services	14,266,296	3.1	687,066	2.6
Retail Trade	13,380,782	2.9	817,756	3.1
Publishing Industries	12,459,014	2.7	560,583	2.2
Arts, Entertainment & Recreation	11,484,674	2.5	792,278	3.1
Public Administration	9,939,273	2.1	331,504	1.3
Transportation	9,616,619	2.1	712,852	2.7
Other Services (except Public Administration)	9,006,173	1.9	748,671	2.9
Advertising/Related Services	7,557,329	1.6	370,725	1.4
Data Processing Services	7,500,019	1.6	339,407	1.3
Scientific Research/Development	7,294,935	1.6	424,503	1.6
Management of Companies & Finance	6,607,582	1.4	361,209	1.4
Architectural/Engineering	6,306,890	1.3	350,949	1.3
Management/Scientific	5,777,511	1.2	303,486	1.2
Real Estate & Rental & Leasing	5,407,226	1.2	306,110	1.2
Monetary Authorities - Central Banks	4,817,648	1.0	275,899	1.1
Construction	4,354,039	0.9	258,203	1.0
Utilities	3,715,592	0.8	182,912	0.7
Educational Services	3,216,491	0.7	189,602	0.7
Admin. & Support, Waste Mgt. & Remediation Svc.	2,936,111	0.6	222,539	0.9
Other	8,846,236	1.9	458,505	1.8
Totals	465,553,292	100.0	25,951,942	100.0

(1) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
(2) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.
(3) The Company's tenants are classified according to the U.S. Government's new North American Industrial Classification System (NAICS) which is replacing the Standard Industrial Code (SIC) system.

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MARKET DIVERSIFICATION

The following table lists the Company's 25 largest markets (MSAs), based on annualized contractual base rent of the Consolidated Properties for the month of December 1999:

Market (MSA)	Annualized Base Rental Revenue ($) (1) (2)	Percentage of Company Annualized Base Rental Revenue (%)	Total Property Size Rentable Area	Percentage of Rentable Area (%)
Bergen-Passaic, NJ	80,505,681	17.3	4,530,091	16.5
New York, NY (Westchester-Rockland Counties)	71,202,243	15.3	4,355,070	15.9
Newark, NJ (Essex-Morris-Union Counties)	68,909,133	14.8	3,671,218	13.4
Jersey City, NJ	49,717,878	10.7	2,508,700	9.2
Philadelphia, PA-NJ	36,771,791	7.9	2,597,058	9.5
Washington, DC-MD-VA	18,112,798	3.9	616,549	2.2
Denver, CO	16,795,658	3.6	1,007,931	3.7
Dallas, TX	13,669,100	2.9	959,463	3.5
Trenton, NJ (Mercer County)	13,272,301	2.9	672,365	2.5
Middlesex-Somerset-Hunterdon, NJ	12,248,874	2.6	659,041	2.4
San Antonio, TX	11,392,112	2.4	940,302	3.4
San Francisco, CA	9,983,451	2.1	450,891	1.6
Houston, TX	8,724,516	1.9	700,008	2.6
Stamford-Norwalk, CT	8,545,912	1.8	527,250	1.9
Monmouth-Ocean, NJ	6,414,352	1.4	577,423	2.1
Nassau-Suffolk, NY	5,762,698	1.2	261,849	1.0
Austin-San Marcos, TX	5,500,942	1.2	270,703	1.0
Phoenix-Mesa, AZ	5,411,031	1.2	416,967	1.5
Tampa-St. Petersburg-Clearwater, FL	3,803,349	0.8	297,429	1.1
Boulder-Longmont, CO	3,543,931	0.8	270,421	1.0
Omaha, NE-IA	3,082,228	0.7	319,535	1.2
Bridgeport, CT	2,985,077	0.6	145,487	0.5
Colorado Springs, CO	2,832,524	0.6	209,987	0.8
Dutchess County, NY	2,180,658	0.5	118,727	0.4
Atlantic-Cape May, NJ	1,467,725	0.3	80,344	0.3
Other	2,717,329	0.6	218,465	0.8
Totals	465,553,292	100.0	27,383,274	100.0

(1) Annualized base rental revenue is based on actual December 1999 billings times 12. For leases whose rent commences after January 1, 2000, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
(2) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.

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THE COMPANY'S REAL ESTATE MARKETS

The Company's Properties are located primarily in the Northeast, including a predominant presence in New Jersey, New York and Pennsylvania. The following is a discussion of the markets within which substantially all of the Company's properties are located:

NORTHERN NEW JERSEY
The Northern New Jersey market consists of Bergen, Essex, Hudson, Morris and Passaic Counties. Northern New Jersey's five counties are part of the greater New York metropolitan area, are less than a 45 minute drive from Manhattan, and are widely regarded as major centers for corporate and international business. The region has direct access to New York City by public transportation and extensive road networks. In addition to being home to the two largest cities in New Jersey, Newark and Jersey City, Newark International Airport and the New York/New Jersey Harbor are also located within the five-county boundary. Overall vacancy rates have declined in the Northern New Jersey market for six out of the last seven years as a direct result of an increase in leasing activity and net absorption levels. Build-to-suit activity is present, and selective speculative construction exists. The Company owns or has an interest in approximately 10.1 million square feet of office and office/flex space in Northern New Jersey.

CENTRAL NEW JERSEY
The Central New Jersey market consists of Union, Somerset, Hunterdon, Middlesex, Mercer and Monmouth Counties. Encompassing approximately 2,000 square miles in six counties, Central New Jersey is notable for its proximity to major highway arteries, including Interstates 78 and 287, Route 1, the Garden State Parkway and the New Jersey Turnpike. This market continues to be a prime location for Fortune 500 headquarters, research & development operations and information businesses. Central New Jersey vacancy rates are decreasing while average asking rents are increasing. This is, in part, attributable to the increase in demand, measured by leasing activity, which rose predominantly due to corporate expansions. The Company owns and operates approximately 2.6 million square feet of office and office/flex space in the Central New Jersey counties of Union, Middlesex, Somerset, Mercer and Monmouth.

SUBURBAN PHILADELPHIA, PENNSYLVANIA
The Suburban Philadelphia market consists of six counties in Pennsylvania on the west side of the Delaware River and eight counties in New Jersey on the east side of the Delaware River. The Pennsylvania counties consist of Bucks, Chester, Delaware, Montgomery, Lehigh and Northampton Counties. These six counties surround the city of Philadelphia, are home to many affluent communities, and are regarded as major centers for corporate and international business. The areas are served by an extensive highway network allowing easy access to Philadelphia International Airport and the Port of Philadelphia. Over the last few years, the overall vacancy rate in this region has declined as a result of strong leasing activity and moderate new construction. The New Jersey counties consist of Burlington, Camden, Atlantic, Ocean, Gloucester, Salem, Cumberland and Cape May Counties. This market has extensive geographic boundaries, stretching from the Delaware River to the Atlantic Ocean and Atlantic City. This region is mainly suburban and is home to many affluent communities, and Atlantic City, one of the nation's largest centers for gaming/tourism. The Company owns

and operates approximately 2.7 million square feet of office and office/flex space and a 327-unit multi-family residential complex in Suburban Philadelphia.

WESTCHESTER COUNTY, NEW YORK
Westchester County, New York, is located immediately north of New York City and is accessible to New York City by public transportation and through an extensive road network. Westchester County has a population of almost 900,000 and is considered to be one of the most prestigious counties surrounding New York City. The Company owns and operates approximately 3.8 million square feet of office and office/flex space, 387,400 square feet of industrial/warehouse space, a 124-unit multi-family residential property, two stand-alone retail properties, and two land leases in Westchester County, New York.

ROCKLAND COUNTY, NEW YORK
Rockland County, New York is located north of the New Jersey/New York border directly adjacent to Bergen County. Rockland County has excellent highway access to both New York City via Interstate 87 and to New Jersey via Interstate 287. The Company owns or has an interest in approximately 412,000 square feet of office and office/flex space in Rockland County.

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FAIRFIELD COUNTY, CONNECTICUT
Fairfield County, Connecticut is the county in Connecticut closest in proximity to New York City. It has direct access to New York City via public transportation and through an extensive road network. The county is home to 10 Fortune 500 headquarters and there has been a substantial decline in vacancy during the past three years. The Company owns and operates approximately 673,000 square feet of office and office/flex space in Fairfield County.

WASHINGTON, DISTRICT OF COLUMBIA
Washington, D.C. is bordered by the state of Maryland on its northern and eastern borders and the state of Virginia on its western and southern borders. Washington, D.C. is served by an extensive highway network. Most notable is Interstate 495, the "Beltway" which surrounds Washington and affords access to all of the surrounding suburbs in both Maryland and Virginia. The Company owns and operates approximately 495,000 square feet of office space in the District of Columbia.

DALLAS-FORT WORTH, TEXAS
The Dallas-Fort Worth market includes Dallas, Tarrant and portions of Collin and Denton Counties. The market includes the central business districts of both Dallas and Fort Worth and the suburban areas primarily to the north of those cities. Dallas-Forth Worth International Airport is one of the busiest airports in the nation and is important to the growth of the area. This area is home to the headquarters of numerous Fortune 500 high-technology and telecommunications companies. The Company owns and operates approximately 1.0 million square feet of office space in Dallas, Tarrant and Collin Counties.

HOUSTON, TEXAS
The Houston office market is comprised primarily of the city of Houston and its surrounding suburbs. Houston is a major location of Fortune 500 companies' headquarters. Houston is also a major port serving the southern portion of the United States. The Company owns or has an interest in approximately 1.0 million square feet of office space in the Houston market.

SAN ANTONIO, TEXAS
The San Antonio market consists primarily of Bexar County. San Antonio is located at the cross roads of two major arteries, Interstate 35 and Interstate 10, and is a primary location of military facilities. San Antonio is the third largest metropolitan area in Texas, behind Dallas and Houston. The Company owns and operates approximately 940,000 square feet of office space in Bexar County.

PHOENIX, ARIZONA
The Phoenix market is comprised primarily of the city of Phoenix and several

suburbs to the north and west, including Scottsdale. Phoenix is the focal point of Arizona, in addition to being the state capital. It is the location of numerous corporate headquarters and regional headquarter facilities. The Phoenix market has been considered one of the most rapidly growing markets in the country. The Company owns and operates approximately 417,000 square feet of office space in the Phoenix market.

DENVER, COLORADO
The Denver Market is comprised primarily of the city of Denver and several suburbs to the north, east, and south. Denver is the focal point of Colorado, in addition to being the state capital. It is the location of numerous corporate headquarters, with a large emergence of high-technology and telecommunications industries. Its new airport could become a major transportation artery for the near-western states. The Company owns and operates approximately 1.3 million square feet of office space in the Denver market.

SAN FRANCISCO, CALIFORNIA
The San Francisco market is comprised primarily of the city of San Francisco and its surrounding suburbs. San Francisco is the second largest financial center in the nation, after New York, and is home to the booming high-technology/e-commerce industry. The Company owns or has an interest in approximately 757,000 square feet of office space in the city of San Francisco.

ITEM 3. LEGAL PROCEEDINGS

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

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

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

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

MARKET INFORMATION

The following table sets forth the quarterly high, low, and closing price per share of Common Stock reported on the NYSE for the years ended December 31, 1999 and 1998, respectively:

For the Year Ended December 31, 1999:

	HIGH	LOW	CLOSE
First Quarter	$31.8750	$27.0000	$29.3750
Second Quarter	$33.6250	$27.1875	$30.9375
Third Quarter	$30.8125	$25.7500	$26.8215
Fourth Quarter	$26.8125	$23.1250	$26.0625

For the Year Ended December 31, 1998:

	HIGH	LOW	CLOSE
First Quarter	$41.2500	$36.7500	$39.0625
Second Quarter	$39.3125	$31.5000	$34.3750
Third Quarter	$35.6250	$26.1250	$30.0000
Fourth Quarter	$32.1250	$26.8750	$30.8750

On February 18, 2000, the closing Common Stock sales price on the NYSE was $23.9375 per share.

HOLDERS

On February 18, 2000, the Company had 396 common shareholders of record.

RECENT SALES OF UNREGISTERED SECURITIES

Reference is made to Notes 3 (1997 Transactions) and 11 of the Consolidated Financial Statements contained in Item 14 of this Form 10-K for a description of equity issuances of common and preferred Units in the Operating Partnership (and warrants exercisable for common units) which are redeemable under certain circumstances for shares of Common Stock in the Company. All of such equity issuances were issued to the holders directly by the Company without the use of an underwriter or placement agent and without registration under the Securities Act of 1933, as amended, pursuant to the private placement exemption contained in Section 4(2) of such Act. Reference also is made to Note 16 (Stock Warrants) contained in Item 14 of this Form 10-K for a description of equity issuances of warrants to purchase Common Stock of the Company. All of such warrants were issued to the holders (who are executives of the Company) directly by the Company without the use of an underwriter or placement agent and without registration under the Securities Act pursuant to the private placement exemption contained in Section 4(2) of such Act.

DIVIDENDS AND DISTRIBUTIONS

The dividends and distributions payable at December 31, 1999 represents dividends payable to shareholders of record as of January 4, 2000 (58,450,552 shares), distributions payable to minority interest common unitholders (8,153,710 common units) on that same date and preferred distributions to preferred unitholders (229,304 preferred units) for the

fourth quarter 1999. The fourth quarter 1999 dividends and common unit distributions of $0.58 per share and per common unit (pro-rated for units issued during the quarter), as well as the fourth quarter preferred unit distribution of $16.875 per preferred unit, were approved by the Board of Directors on

December 17, 1999 and paid on January 21, 2000.

The dividends and distributions payable at December 31, 1998 represents dividends payable to shareholders of record as of January 6, 1999 (57,266,737 shares), distributions payable to minority interest common unitholders (9,086,585 common units) on that same date and preferred distributions to preferred unitholders (250,256 preferred units) for the fourth quarter 1998. The fourth quarter 1998 dividends and common unit distributions of $0.55 per share and per common unit (pro-rated for units issued during the quarter), as well as fourth quarter preferred unit distribution of $16.875 per preferred unit, were approved by the Board of Directors on December 15, 1998 and paid on January 26, 1999.

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ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data on a consolidated basis for the Company. The consolidated selected operating, balance sheet and cash flow data of the Company as of December 31, 1999, 1998, 1997, 1996 and 1995, and for the periods then ended have been derived from financial statements audited by PricewaterhouseCoopers LLP, independent accountants.

OPERATING DATA IN THOUSANDS, EXCEPT PER SHARE DATA	Year Ended December 31, 1999	1998	1997	1996	1995
Total revenues	$ 551,484	$ 493,699	$249,801	$ 95,472	$ 62,335
Operating and other expenses	$ 168,651	$ 150,448	$ 75,353	$ 29,662	$ 20,705
General and administrative	$ 25,480	$ 24,828	$ 15,659	$ 5,800	$ 3,712
Depreciation and amortization	$ 87,209	$ 78,916	$ 36,825	$ 14,731	$ 10,655
Interest expense	$ 102,960	$ 88,043	$ 39,078	$ 13,758	$ 10,117
Non-recurring charges	$ 16,458	$ --	$ 46,519	--	--
Income before minority interests and extraordinary item	$ 150,726	$ 151,464	$ 36,367	$ 37,179	$ 17,146
Income before extraordinary item	$ 119,739	$ 118,951	$ 4,988	$ 32,419	$ 13,638
Basic earnings per share - before extraordinary item	$ 2.05	$ 2.13	$ 0.13	$ 1.76	$ 1.23
Diluted earnings per share - before extraordinary item	$ 2.04	$ 2.11	$ 0.12	$ 1.73	$ 1.22
Dividends declared per common share	$ 2.26	$ 2.10	$ 1.90	$ 1.75	$ 1.66
Basic weighted average shares outstanding	58,385	55,840	39,266	18,461	11,122
Diluted weighted average shares outstanding	67,133	63,893	44,156	21,436	14,041

BALANCE SHEET DATA IN THOUSANDS	December 31, 1999	1998	1997	1996	1995
Rental property, before accumulated depreciation and amortization	$ 3,654,845	$ 3,467,799	$ 2,629,616	$ 853,352	$ 387,675
Total assets	$ 3,629,601	$ 3,452,194	$ 2,593,444	$ 1,026,328	$ 363,949
Mortgages and loans payable	$ 1,490,175	$ 1,420,931	$ 972,650	$ 268,010	$ 135,464
Total liabilities	$ 1,648,844	$ 1,526,974	$ 1,056,759	$ 297,985	$ 150,058
Minority interests	$ 538,875	$ 501,313	$ 379,245	$ 26,964	$ 28,083
Stockholders' equity	$ 1,441,882	$ 1,423,907	$ 1,157,440	$ 701,379	$ 185,808

OTHER DATA IN THOUSANDS	Year Ended December 31, 1999	1998	1997	1996	1995
Cash flows provided by operating activities	$ 243,638	$ 208,761	$ 98,142	$ 46,823	$ 28,446
Cash flows used in investing activities	$ (195,178)	$ (749,067)	$ (939,501)	$ (307,752)	$ (133,736)
Cash flows (used in) provided by financing activities	$ (45,598)	$ 543,411	$ 639,256	$ 464,769	$ 99,863
Funds from operations (1), before distributions to preferred unitholders	$ 244,240	$ 216,949	$ 111,752	$ 45,220	$ 27,397
Funds from operations (1), after distributions to preferred unitholders	$ 228,764	$ 200,636	$ 110,864	$ 45,220	$ 27,397

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(1) The Company considers funds from operations (after adjustment for straight-lining of rents) one measure of REIT performance. Funds from operations ("FFO") is defined as net income (loss) before minority interest of unitholders (preferred and common) 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 for net income as an indication of the Company's performance or to cash flows as a measure of liquidity. Funds from operations presented herein is not necessarily comparable to funds from operations presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's funds from operations is comparable to the funds from operations of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts ("NAREIT"), after the adjustment for straight-lining of rents. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations," contained elsewhere in this Report, for the calculation of FFO for the periods presented.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

The following comparisons for the year ended December 31, 1999 ("1999"), as compared to the year ended December 31, 1998 ("1998") and for 1998, as compared to the year ended December 31, 1997 ("1997") make reference to the following: (i) the effect of the "Same-Store Properties," which represents all in-service properties owned by the Company at December 31, 1997 (for the 1999 versus 1998 comparison) and which represents all in-service properties owned by the Company at December 31, 1996 (for the 1998 versus 1997 comparison), (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, (iv) the effect of the "Acquired Properties," which represents all properties acquired or placed in service by the Company from January 1, 1998 through December 31, 1999 (for the 1999 versus 1998 comparison) and which represents all properties acquired or placed in service by the Company from January 1, 1997 through December 31, 1998 excluding RM Properties and Mack Properties (for the 1998 versus 1997 comparison) and (v) the effect of the "Dispositions", which refers to the Company's sale of its property at 400 Alexander Road, Princeton, New Jersey on November 15, 1999 and its property at 20002 North 19th Avenue, Phoenix, Arizona on December 15, 1999.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

(IN THOUSANDS)	Year Ended December 31, 1999	1998	Dollar Change	Percent Change
REVENUE FROM RENTAL OPERATIONS:				
Base rents	$ 469,853	$ 427,528	$42,325	9.9%
Escalations and recoveries from tenants	62,182	51,981	10,201	19.6
Parking and other	15,915	10,712	5,203	48.6
Sub-total	547,950	490,221	57,729	11.8
Equity in earnings of unconsolidated joint ventures	2,593	1,055	1,538	145.8
Interest income	941	2,423	(1,482)	(61.2)
Total revenues	551,484	493,699	57,785	11.7
PROPERTY EXPENSES:				
Real estate taxes	57,382	48,297	9,085	18.8
Utilities	41,580	38,440	3,140	8.2
Operating services	69,689	63,711	5,978	9.4
Sub-total	168,651	150,448	18,203	12.1
General and administrative	25,480	24,828	652	2.6
Depreciation and amortization	87,209	78,916	8,293	10.5
Interest expense	102,960	88,043	14,917	16.9
Non-recurring charges	16,458	--	16,458	--
Total expenses	400,758	342,235	58,523	17.1
Income before gain on sale of rental property, minority interests and extraordinary item	150,726	151,464	(738)	(0.5)
Gain on sale of rental property	1,957	--	1,957	--
Income before minority interests and extraordinary item	152,683	151,464	1,219	0.8
Minority interests:				
Operating partnership	32,865	32,513	352	1.1
Partially-owned properties	79	--	79	--
Income before extraordinary item	119,739	118,951	788	0.7
Extraordinary item - loss on early retirement of debt (net of minority interest's share of $297 in 1998)	--	(2,373)	2,373	(100.0)
Net income	$ 119,739	$ 116,578	$ 3,161	2.7%

The following is a summary of the changes in revenue from rental operations and property expenses divided into Acquired Properties, Same-Store Properties and Dispositions (in thousands).

	Total Company		Acquired Properties		Same-Store Properties		Dispositions	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
REVENUE FROM RENTAL OPERATIONS:								
Base rents	$ 42,325	9.9%	$ 32,519	7.6%	$ 10,007	2.4%	$ (201)	(0.1)%
Escalations and recoveries								

from tenants	10,201	19.6	5,404	10.4	4,800	9.2	(3)	0.0
Parking and other	5,203	48.6	2,601	24.3	2,585	24.1	17	0.2
Total	$ 57,729	11.8%	$ 40,524	3.6%	$ 17,392	8.3%	$ (187)	(0.1)%
PROPERTY EXPENSES:								
Real estate taxes	$ 9,085	18.8%	$ 5,817	12.1%	$ 3,300	6.8%	$ (32)	(0.1)%
Utilities	3,140	8.2	2,738	7.2	400	1.0	2	0.0
Operating services	5,978	9.4	6,210	9.8	(165)	(0.3)	(67)	(0.1)
Total	$ 18,203	12.1%	$ 14,765	9.8%	$ 3,535	2.4%	$ (97)	(0.1)%
OTHER DATA:								
Number of Consolidated Properties	253		66		187		2	
Square feet (in thousands)	27,383,274		5,607,666		21,775,608		189,851	

Base rents for the Same-Store Properties increased $10.0 million, or 2.4 percent, for 1999 as compared to 1998, due primarily to rental rate increases in 1999. Escalations and recoveries from tenants for the Same-Store Properties increased $4.8 million, or 9.2 percent, for 1999 over 1998, due to the recovery of an increased amount of total property expenses, as well as additional settle-up billings in 1999. Parking and other income for the Same-Store Properties increased $2.6 million, or 24.1 percent, due primarily to lease termination fees received in 1999.

Real estate taxes on the Same-Store Properties increased $3.3 million, or 6.8 percent, for 1999 as compared to 1998, due primarily to property tax rate increases in certain municipalities in 1999. Utilities for the Company increased $3.1 million, or 8.2 percent, for 1999 as compared to 1998, due substantially to the Acquired Properties. Operating services for the Same-Store Properties decreased $0.2 million, or 0.3 percent, due primarily to a reduction in maintenance costs incurred.

Equity in earnings of unconsolidated joint ventures increased $1.5 million in 1999 as compared to 1998. This is due primarily to additional joint venture investments made by the Company (see Note 4 to the Financial Statements).

Interest income decreased by approximately $1.5 million, or 61.2 percent, for 1999 as compared to 1998. This decrease was due primarily to repayment by a borrower of a mortgage note receivable in 1998.

General and administrative increased by $0.7 million, or 2.6 percent, for 1999 as compared to 1998. This increase is due primarily to increased payroll and related costs in 1999.

Depreciation and amortization increased by $8.3 million, or 10.5 percent, for 1999 over 1998. Of this increase, $4.8 million or 6.1 percent, is attributable to the Acquired Properties, and $3.5 million, or 4.4 percent, is due to the Same-Store Properties.

Interest expense increased $14.9 million, or 16.9 percent, for 1999 as compared to 1998. This increase is due primarily to the replacement in 1999 of short-term credit facility borrowings with long-term fixed rate unsecured debt and net additional drawings from the Company's revolving credit facilities generally as a result of Company acquisitions in 1998. These increases were partially offset by the reduction in spread over LIBOR due to the 1998 Unsecured Facility signed in April 1998 and the achievement by the Company of investment grade credit ratings in November 1998.

Non-recurring charges of $16.5 million were incurred in 1999, as a result of the resignation of Thomas A. Rizk (see Note 14 to the Financial Statements).

Income before gain on sale of rental property, minority interests and extraordinary item decreased to $150.7 million in 1999 from $151.5 million in 1998. The decrease of approximately $0.8 million is due to the factors discussed above.

Net income increased by $3.1 million, from $116.6 million in 1998 to $119.7 million in 1999. This increase was a result of an extraordinary item of $2.4 million (net of minority interest) due to early retirement of debt in 1998, and a gain on sale of rental property of $1.9 million in 1999. These were partially offset by a decrease in income before gain on sale of rental property, minority interests and extraordinary item of $0.8 million and an increase in minority interests of $0.4 million.

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YEAR ENDED DECEMBER 31, 1998 COMPARED TO YEAR ENDED DECEMBER 31, 1997

(IN THOUSANDS)	Years Ended December 31, 1998	1997	Dollar Change	Percent Change
REVENUE FROM RENTAL OPERATIONS:				
Base rents	$ 427,528	$ 206,215	$221,313	107.3%
Escalations and recoveries from tenants	51,981	31,130	20,851	67.0
Parking and other	10,712	6,910	3,802	55.0
Sub-total	490,221	244,255	245,966	100.7
Equity in earnings of unconsolidated joint ventures	1,055	--	1,055	--
Interest income	2,423	5,546	(3,123)	(56.3)
Total revenues	493,699	249,801	243,898	97.6
PROPERTY EXPENSES:				
Real estate taxes	48,297	25,992	22,305	85.8
Utilities	38,440	18,246	20,194	110.7
Operating services	63,711	31,115	32,596	104.8
Sub-total	150,448	75,353	75,095	99.7
General and administrative	24,828	15,659	9,169	58.6
Depreciation and amortization	78,916	36,825	42,091	114.3
Interest expense	88,043	39,078	48,965	125.3
Non-recurring charges	--	46,519	(46,519)	(100.0)
Total expenses	342,235	213,434	128,801	60.3
Income before minority interest and extraordinary item	151,464	36,367	115,097	316.5
Minority interest	32,513	31,379	1,134	3.6
Income before extraordinary item	118,951	4,988	113,963	2,284.7
Extraordinary item - loss on early				

retirement of debt (net of minority interest's share of $297 and $402)	(2,373)	(3,583)	1,210	(33.8)
Net income	$ 116,578	$ 1,405	$115,173	8,197.4%

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The following is a summary of the changes in revenue from rental operations and property expenses divided into Acquired Properties, Same-Store Properties, RM Properties and Mack Properties (in thousands):

	Total Company		Acquired Properties		Same-Store Properties		RM Properties		Mack Properties	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
REVENUE FROM RENTAL OPERATIONS:										
Base rents	$221,313	107.3%	$75,052	36.4%	$1,834	0.9%	$5,539	2.7%	$138,888	67.3%
Escalations and recoveries from tenants	20,851	67.0	9,070	29.1	403	1.3	222	0.7	11,156	35.9
Parking and other	3,802	55.0	0	0.0	3,341	48.3	461	6.7	0	0.0
Total	$245,966	100.7%	$84,122	34.5%	$5,578	2.3%	$6,222	2.5%	$150,044	61.4%
PROPERTY EXPENSES:										
Real estate taxes	$22,305	85.8%	$8,796	33.8%	$835	3.2%	$1,013	3.9%	$11,661	44.9%
Utilities	20,194	110.7	6,184	33.9	355	1.9	(212)	(1.2)	13,867	76.1
Operating services	32,596	104.8	12,241	39.3	(1,327)	(4.3)	1,080	3.5	20,602	66.3
Total	$75,095	99.7%	$27,221	36.2%	$(137)	(0.2)%	$1,881	2.5%	$46,130	61.2%
OTHER DATA:										
Number of Consolidated Properties	244		68		57		65		54	
Square feet (in thousands)	26,834,983		6,365,474		7,134,551		4,102,220		9,232,738	

Base rents for the Same-Store Properties increased $1.8 million, or 0.9 percent, for 1998 as compared to 1997, due primarily to rental rate increases in 1998. Escalations and recoveries from tenants for the Same-Store Properties increased $0.4 million, or 1.3 percent, for 1998 over 1997, due to the recovery of an increased amount of total property expenses, as well as additional settle-up billings in 1998. Parking and other income for the Same-Store Properties increased $3.3 million, or 48.3 percent, which is primarily attributable to lease termination fees received in 1998.

Real estate taxes on the Same-Store Properties increased $0.8 million, or 3.2 percent, for 1998 as compared to 1997, due primarily to property tax rate increases in certain municipalities in 1998. Utilities for the Same-Store Properties increased $0.4 million, or 1.9 percent, for 1998 as compared to 1997, due primarily to increased electric rates and usage in early 1998. Operating services for the Same-Store Properties decreased $1.3 million, or 4.3 percent, due primarily to decreased snow removal costs incurred at the Same-Store Properties in 1998.

The Company recognized $1.1 million from equity in earnings of unconsolidated joint ventures in 1998 (see Note 4 to the Financial Statements).

Interest income decreased by $3.1 million, or 56.3 percent, due primarily to investment of the funds held from the Company's October 1997 common stock offering in 1997.

General and administrative expense increased $9.2 million or 58.6 percent , of which $6.6 million, or 42.2 percent, was due primarily to an increase in payroll and related costs as a result of the Company's expansion in late 1997 and 1998 and $2.6 million, or 16.4 percent, is attributable to additional costs related to the Mack Properties.

Depreciation and amortization increased by $42.1 million, or 114.3 percent, for 1998 over 1997, of which $22.6 million, or 61.1 percent, was due to Mack Properties; an increase of $16.2 million, or 44.0 percent, relates to depreciation on the Acquired Properties; an increase of $1.8 million, or 5.0 percent, due to the RM Properties; and an increase of $1.5 million or 4.2 percent, due to the Same-Store Properties.

Interest expense increased by $48.9 million, or 125.3 percent, for 1998 over 1997, of which $23.4 million, or 60.0 percent, was due to assumed mortgages from the Mack Properties, an increase of $23.2 million, or 59.5 percent, due to net additional drawings from the Company's credit facilities as a result of Company acquisitions and the $200 million term loan with Prudential Securities Corp. obtained in December 1997, as well as changes in LIBOR, $1.2 million, or 3.0 percent, was attributable to assumed mortgages on Acquired Properties, and an increase of $1.1 million, or 2.8 percent, due to the TIAA Mortgage.

Non-recurring charges of $46.5 million were incurred in 1997, as a result of the Mack Transaction.

Income before minority interest and extraordinary item increased to $151.5 million in 1998 from $36.4 million in 1997. The increase of $115.1 million was due to the factors discussed above.

Net income increased by $115.2 million for 1998, from $1.4 million in 1997 to $116.6 million in 1998. This increase was a result of an increase in income before minority interest and extraordinary item of $115.1 million, and an extraordinary item of $3.6 million (net of minority interest), related to early retirement of debt in 1997, offset by an extraordinary item of $2.4 million (net of minority interest), related to early retirement of debt in 1998, and an increase of $1.1 million in minority interest.

LIQUIDITY AND CAPITAL RESOURCES

STATEMENT OF CASH FLOWS

During the year ended December 31, 1999, the Company generated $243.6 million in cash flows from operating activities, and together with $1.2 billion in borrowings from the Company's revolving credit facilities, the issuance of unsecured notes and funds from additional mortgage debt, $83.6 million in proceeds from minority interest of consolidated partially-owned properties, $20.6 million in distributions received from unconsolidated joint ventures, $17.4 million in proceeds from sales of rental property and $1.0 million in proceeds from stock options exercised, used an aggregate of approximately $1.6 billion to acquire properties and land parcels and pay for other tenant and building improvements totaling $191.5 million, repay outstanding borrowings on its revolving credit facilities and other mortgage debt of $1.1 billion, pay quarterly dividends and distributions of $164.7 million, invest $40.6 million in unconsolidated joint ventures, repurchase 1,014,500 shares of its common stock for $27.5 million, pay deferred financing costs of $7.0 million, add $1.1 million to restricted cash and increase the Company's cash and cash equivalents by $2.9 million.

CAPITALIZATION

During the year ended December 31, 1999, in conjunction with the redemption of certain of the contingent units issued in the Mack Transaction, the Company issued a total of 275,046 common units with a total value of approximately $8.1 million at time of issuance.

In August 1998, the Board of Directors of the Company authorized a share repurchase program under which the Company was permitted to purchase up to $100.0 million of the Company's outstanding common stock. Purchases could be made from time to time in open market transactions at prevailing prices or through privately negotiated transactions. Subsequently, through December 31, 1999, the Company purchased for constructive retirement, 1,869,200 shares of its outstanding common stock for an aggregate cost of approximately $52.6 million. Concurrent with these purchases, the Company sold to the Operating Partnership 1,869,200 common units for approximately $52.6 million.

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

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

to two times the Purchase Price of the Right. The Company's adoption of the shareholder rights plan was not taken in response to any known effort to acquire control of the Company.

As of December 31, 1999, the Company's total indebtedness of $1.5 billion (weighted average interest rate of 7.27 percent) was comprised of $249.2 million of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 7.42 percent) and fixed rate debt of $1.2 billion (weighted average rate of 7.24 percent).

As of December 31, 1999, the Company had outstanding borrowings of $177.0 million under its revolving credit facilities (with aggregate borrowing capacity of $1.1 billion). The total outstanding borrowings were from the 1998 Unsecured Facility, with no outstanding borrowings on its Prudential Facility. The 1998 Unsecured Facility, with 28 lender banks, carries an interest rate, at the Company's election, of either 90 basis points over LIBOR or the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points and matures in April 2001. The interest rate is currently LIBOR plus 90 basis points. The Prudential Facility carries an interest rate of 110 basis points over LIBOR and matures in December 2000.

The terms of the 1998 Unsecured Facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations for such period, subject to certain other adjustments. The 1998 Unsecured Facility also requires a 17.5 basis point fee on the unused balance payable quarterly in arrears.

The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Duff & Phelps Credit Rating Co. ("DCR") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and DCR have also assigned their BBB- rating to prospective preferred stock offerings of the Company. Moody's Investors Service has assigned its Baa3 rating to the existing and prospective senior unsecured debt of the Operating Partnership and its Ba1 rating to prospective preferred stock offerings of the Company.

The terms of the unsecured corporate debt include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets.

As of December 31, 1999, the Company had 223 unencumbered properties, totaling 20.5 million square feet, representing 74.7 percent of the Company's total portfolio on a square footage basis.

The Company has an effective shelf registration statement with the SEC for an aggregate amount of $2.0 billion in equity securities of the Company. The Company and Operating Partnership also have an effective shelf registration statement with the SEC for an aggregate of $2.0 billion in debt securities, preferred stock and preferred stock represented by depositary shares, under which the Operating Partnership has issued an aggregate of $785.3 million of unsecured corporate debt. The Company also has an effective registration statement with the SEC for a dividend reinvestment and stock purchase plan, which commenced on March 1, 1999.

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 and construction project 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 1998 Unsecured Facility and the Prudential Facility. The Company is frequently examining potential property acquisitions and construction projects and, at any given time, one or more of such acquisitions or construction projects may be under consideration. Accordingly, the ability to fund property acquisitions and construction projects is a major part of the Company's financing requirements. The Company expects to meet its financing requirements through funds generated from operating activities, proceeds from property sales, long-term or short-term borrowings (including draws on the Company's revolving credit facilities) and the issuance of additional debt or equity securities. In addition, the Company anticipates utilizing the 1998 Unsecured Facility and the Prudential Facility primarily to fund property acquisitions and construction projects.

As of December 31, 1999, the Company's total debt had a weighted average term to maturity of 5.4 years. The Company does not intend to reserve funds to retire the unsecured corporate debt, Harborside mortgages, $150.0 Million Prudential Mortgage Loan, its other property mortgages 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 is reviewing various refinancing options, including the issuance of additional unsecured corporate debt, preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed during 2000. The Company anticipates that its available cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs both in the short and long-term. However, if these sources of funds are insufficient or unavailable, the Company's ability to make the expected distributions discussed below may be adversely affected.

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 $135.6 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 ("FFO"), 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, 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. Funds from operations presented herein is not necessarily comparable to funds from operations presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's funds from operations is comparable to the funds from operations of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts ("NAREIT"), after the adjustment for straight-lining of rents.

NAREIT's definition of funds from operations 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.

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Funds from operations for the years ended December 31, 1999, 1998 and 1997, as calculated in accordance with NAREIT's definition as published in March 1995, after adjustment for straight-lining of rents, are summarized in the following table (IN THOUSANDS):

	Years Ended December 31, 1999	1998	1997
Income before non-recurring charges, gain on sale of rental property, distributions to preferred unitholders, minority interests and extraordinary item	$ 167,184	$ 151,464	$ 82,886
Add: Real estate-related depreciation and amortization (1)	89,731	79,169	36,599
Deduct: Rental income adjustment for			

straight-lining of rents (1)	(12,596)	(13,684)	(7,733)
Minority interests: partially-owned properties	(79)	--	--
Funds from operations, after adjustment for straight-lining of rents, before distributions to preferred unitholders	$ 244,240	$ 216,949	$ 111,752
Deduct: Distributions to preferred unitholders	(15,476)	(16,313)	(888)
Funds from operations, after adjustment for straight-lining of rents, after distributions to preferred unitholders	$ 228,764	$ 200,636	$ 110,864
Cash flows provided by operating activities	$ 243,638	$ 208,761	$ 98,142
Cash flows used in investing activities	$ (195,178)	$ (749,067)	$ (939,501)
Cash flows (used in) provided by financing activities	$ (45,598)	$ 543,411	$ 639,256
Basic weighted average shares/units outstanding (2)	66,885	63,438	43,356
Diluted weighted average shares/units outstanding (2)	73,769	70,867	44,351

(1) Includes FFO adjustments related to the Company's investments in unconsolidated joint ventures.
(2) See calculations for the amounts presented in the following reconciliation.

The following schedule reconciles the Company's basic weighted average shares to the basic and diluted weighted average shares/units presented above:

	Year Ended December 31,		
	1999	1998	1997
Basic weighted average shares:	58,385	55,840	39,266
Add: Weighted average common units	8,500	7,598	4,090
Basic weighted average shares/units:	66,885	63,438	43,356
Add: Weighted average preferred units (after conversion to common units)	6,636	6,974	383
Stock options	241	411	579
Restricted Stock Awards	7	--	--
Stock Warrants	--	44	33
Diluted weighted average shares/units:	73,769	70,867	44,351

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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.

DISRUPTION IN OPERATIONS DUE TO YEAR 2000 PROBLEMS

The Year 2000 issue was the result of computer programs and embedded chips using a two-digit format, as opposed to four digits, to indicate the year. Such computer systems may have been unable to interpret dates beyond the year 1999, which could have caused a system failure or other computer errors, leading to disruptions in operations.

We developed a three-phase Year 2000 project (the "Project") to identify, remedy and test our Year 2000 systems compliance, including, but not limited to, central accounting and operating systems, tenant compliance and property compliance. In addition, we prepared contingency plans in the event of Year 2000 failures associated with critical building support systems and our accounting system.

Our Project was completed on schedule during the fourth quarter of 1999. Approximately $1.0 million was incurred to modify, upgrade and/or replace non-compliant systems.

We experienced no system failures or computer errors associated with Year 2000 compliance. We have concluded the Project and anticipate no further Year 2000 compliance issues or expenditures.

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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Approximately $1.2 billion of the Company's long-term debt bears interest at fixed rates, and therefore the fair value of these instruments is affected by changes in the market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rate on the variable rate debt as of December 31, 1999 ranged from LIBOR plus 65 basis points to LIBOR plus 90 basis points.

DECEMBER 31, 1999

LONG-TERM DEBT, INCLUDING CURRENT PORTION	2000	2001	2002	2003	2004	THEREAFTER	TOTAL	FAIR VALUE
Fixed Rate	$8,727	$7,468	$3,458	$195,611	$312,195	$713,512	$1,240,971	$1,180,901
Average Interest Rate	6.93%	7.44%	8.20%	7.30%	7.34%	7.17%	7.24%	
Variable Rate ..		$ 177,000				$ 72,204	$ 249,204	$ 249,204

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this item is submitted as a separate section of this Form 10-K. See Item 14.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 16, 2000.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 16, 2000.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 16, 2000.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 16, 2000.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

(a)1. Financial Statements and Report of PricewaterhouseCoopers LLP, Independent Accountants

Consolidated Balance Sheets as of December 31, 1999 and 1998

Consolidated Statements of Operations for the Years Ended December 31, 1999, 1998 and 1997

Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 1999, 1998 and 1997

Consolidated Statements of Cash Flows for the Years Ended December 31, 1999, 1998 and 1997

Notes to Consolidated Financial Statements (a)2. FINANCIAL STATEMENT SCHEDULES

Schedule III - Real Estate Investments and Accumulated Depreciation as of December 31, 1999

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

(a)3. EXHIBITS

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed:

EXHIBIT NUMBER	EXHIBIT TITLE
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 2, 1999, together with Articles Supplementary thereto (filed as Exhibit 3.1 to the Company's Form 8-K dated June 10, 1999 and as Exhibit 4.2 to the Company's Form 8-K dated July 6, 1999 and each incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Second Amended and Restated Agreement of Limited Partnership dated December 11, 1997, for Mack-Cali Realty, L.P. (filed as Exhibit 10.110 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.4	Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).
3.5	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
4.1	Shareholder Rights Agreement, dated as of July 6, 1999, between Mack-Cali Realty Corporation and ChaseMellon Shareholder Services, LLC, as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
4.2	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.3	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).

EXHIBIT NUMBER	EXHIBIT TITLE
4.4	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.3 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.3	Amended and Restated Employment Agreement dated as of July 1, 1999 between John R. Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.4	Amended and Restated Employment Agreement dated as of July 1, 1999 between Brant Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.5 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.5	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.6	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.7	Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.8	Restricted Share Award Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.9 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.9	Restricted Share Award Agreement dated as of July 1, 1999 between John R. Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.10	Restricted Share Award Agreement dated as of July 1, 1999 between Brant Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.11	Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.12	Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).

EXHIBIT NUMBER	EXHIBIT TITLE
10.13	Credit Agreement, dated as of December 10, 1997, by and among Cali Realty, L.P. and the other signatories thereto (filed as Exhibit 10.122 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.14	Amendment No. 1 to Revolving Credit Agreement dated July 20, 1998, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto (filed as Exhibit 10.5 to the Company's Form 10-K dated December 31, 1998 and incorporated herein by reference).
10.15	Amendment No. 2 to Revolving Credit Agreement dated December 30, 1998, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto (filed as Exhibit 10.6 to the Company's Form 10-K dated December 31, 1998 and incorporated herein by reference).
10.16	Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).
10.17	First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.18	Agreement of Sale and Purchase, dated December 28, 1999, by and between Mack-Cali Realty, L.P. and Parsippany Office Associates L.L.C.
10.19	Operating Agreement of Parsippany Office Associates L.L.C.
21	Subsidiaries of the Company
23	Consent of PricewaterhouseCoopers LLP, independent accountants
27	Financial Data Schedule

(b) REPORTS ON FORM 8-K.

The Company did not file any current reports on Form 8-K during the quarter ended December 31, 1999.

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(1) on page 61 present fairly, in all material respects, the financial position of Mack-Cali Realty Corporation and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(2) on page 62 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
New York, New York
February 22, 2000

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

ASSETS	December 31, 1999	December 31, 1998
Rental property		
Land and leasehold interests	$ 549,096	$ 510,534
Buildings and improvements	3,014,532	2,887,115
Tenant improvements	85,057	64,464
Furniture, fixtures and equipment	6,160	5,686
	3,654,845	3,467,799
Less - accumulated depreciation and amortization	(256,629)	(177,934)
Total rental property	3,398,216	3,289,865
Cash and cash equivalents	8,671	5,809
Investments in unconsolidated joint ventures	89,134	66,508
Unbilled rents receivable	53,253	41,038
Deferred charges and other assets, net	66,436	39,020
Restricted cash	7,081	6,026
Accounts receivable, net of allowance for doubtful accounts of $672 and $670	6,810	3,928
Total assets	$ 3,629,601	$ 3,452,194

LIABILITIES AND STOCKHOLDERS' EQUITY

Senior unsecured notes	$ 782,785	$ --
Revolving credit facilities	177,000	671,600
Mortgages and loans payable	530,390	749,331
Dividends and distributions payable	42,499	40,564
Accounts payable and accrued expenses	63,394	33,253
Rents received in advance and security deposits	36,150	29,980
Accrued interest payable	16,626	2,246
Total liabilities	1,648,844	1,526,974
MINORITY INTERESTS:		
Operating Partnership	455,275	501,313
Partially-owned properties	83,600	--
Total minority interests	538,875	501,313
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, 58,446,552 and 57,266,137 shares outstanding	584	573
Additional paid-in capital	1,549,888	1,514,648
Dividends in excess of net earnings	(103,902)	(91,314)
Unamortized stock compensation	(4,688)	--
Total stockholders' equity	1,441,882	1,423,907
Total liabilities and stockholders' equity	$ 3,629,601	$ 3,452,194

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Years Ended December 31,		
REVENUES	1999	1998	1997
Base rents	$ 469,853	$ 427,528	$ 206,215
Escalations and recoveries from tenants	62,182	51,981	31,130
Parking and other	15,915	10,712	6,910
Equity in earnings of unconsolidated joint ventures	2,593	1,055	--
Interest income	941	2,423	5,546
Total revenues	551,484	493,699	249,801
EXPENSES			
Real estate taxes	57,382	48,297	25,992
Utilities	41,580	38,440	18,246
Operating services	69,689	63,711	31,115
General and administrative	25,480	24,828	15,659
Depreciation and amortization	87,209	78,916	36,825
Interest expense	102,960	88,043	39,078
Non-recurring charges	16,458	--	46,519
Total expenses	400,758	342,235	213,434
Income before gain on sale of rental property, minority interests and extraordinary item	150,726	151,464	36,367
Gain on sale of rental property	1,957	--	--
Income before minority interests and extraordinary item	152,683	151,464	36,367
Minority interests:			
Operating partnership	32,865	32,513	31,379
Partially-owned properties	79	--	--
Income before extraordinary item	119,739	118,951	4,988
Extraordinary item - loss on early retirement of debt (net of minority interest's share of $0, $297 and $402)	--	(2,373)	(3,583)

Net income	$ 119,739	$ 116,578	$ 1,405
BASIC EARNINGS PER SHARE:			
Income before extraordinary item	$ 2.05	$ 2.13	$ 0.13
Extraordinary item - loss on early retirement of debt	--	(0.04)	(0.09)
Net income	$ 2.05	$ 2.09	$ 0.04
DILUTED EARNINGS PER SHARE:			
Income before extraordinary item	$ 2.04	$ 2.11	$ 0.12
Extraordinary item - loss on early retirement of debt	--	(0.04)	(0.08)
Net income	$ 2.04	$ 2.07	$ 0.04
Dividends declared per common share	$ 2.26	$ 2.10	$ 1.90
Basic weighted average shares outstanding	58,385	55,840	39,266
Diluted weighted average shares outstanding	67,133	63,893	44,156

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)

	Common Stock Shares	Common Stock Par Value	Additional Paid-In Capital	Dividends in Excess of Net Earnings	Unamortized Stock Compensation	Total Stockholders' Equity
Balance at January 1, 1997	36,319	$ 363	$ 714,052	$ (13,036)	$ --	$ 701,379
Net income	--	--	--	1,405	--	1,405
Dividends	--	--	--	(76,311)	--	(76,311)
Net proceeds from common stock offerings	13,000	130	488,986	--	--	489,116
Beneficial conversion feature	--	--	26,801	--	--	26,801
Redemption of common units for shares of common stock	1	--	17	--	--	17
Proceeds from stock options exercised	337	4	7,183	--	--	7,187
Issuance of Restricted Stock Awards and Stock Purchase Rights	351	4	12,522	--	(12,526)	--
Amortization of stock compensation	--	--	--	--	12,526	12,526
Repurchase of common stock	(152)	(2)	(4,678)	--	--	(4,680)
Balance at December 31, 1997	49,856	499	1,244,883	(87,942)	--	1,157,440
Net income	--	--	--	116,578	--	116,578
Dividends	--	--	--	(119,950)	--	(119,950)
Net proceeds from common stock offerings	7,968	80	288,313	--	--	288,393
Redemption of common units for shares of common stock	29	--	1,029	--	--	1,029
Proceeds from stock options exercised	268	3	5,472	--	--	5,475
Repurchase of common stock	(855)	(9)	(25,049)	--	--	(25,058)
Balance at December 31, 1998	57,266	573	1,514,648	(91,314)	--	1,423,907
Net income	--	--	--	119,739	--	119,739
Dividends	--	--	--	(132,327)	--	(132,327)
Redemption of common units for shares of common stock	1,935	19	56,046	--	--	56,065
Proceeds from stock options exercised	48	--	1,049	--	--	1,049
Proceeds from dividend reinvestment and stock purchase plan	1	--	32	--	--	32
Deferred compensation plan for directors	--	--	90	--	--	90
Issuance of Restricted Stock Awards	212	2	5,513	--	(5,515)	--
Amortization of stock compensation	--	--	--	--	827	827
Repurchase of common stock	(1,015)	(10)	(27,490)	--	--	(27,500)
Balance at December 31, 1999	58,447	$584	$ 1,549,888	$ (103,902)	$ (4,688)	$ 1,441,882

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)

	Years Ended December 31, 1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 119,739	$ 116,578	$ 1,405
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	87,209	78,916	36,825
Amortization of stock compensation	827	--	12,526
Amortization of deferred financing costs and debt discount	3,570	1,580	983
Equity in earnings of unconsolidated joint ventures	(2,593)	(1,055)	--
Gain on sales of rental property	(1,957)	--	--
Minority interests	32,944	32,513	31,379
Extraordinary item - loss on early retirement of debt	--	2,373	3,583
Changes in operating assets and liabilities:			
Increase in unbilled rents receivable	(12,412)	(13,600)	(7,733)
Increase in deferred charges and other assets, net	(28,893)	(17,811)	(9,507)
Increase in accounts receivable, net	(2,882)	(192)	(1,663)
Increase in accounts payable and accrued expenses	27,536	2,117	17,569
Increase in rents received in advance and security deposits	6,170	8,585	10,614
Increase (decrease) in accrued interest payable	14,380	(1,243)	2,161
Net cash provided by operating activities	$ 243,638	$ 208,761	$ 98,142
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to rental property	$ (191,507)	$ (692,766)	$ (928,974)
Issuance of mortgage note receivable	--	(20,000)	(11,600)
Repayment of mortgage note receivable	--	20,000	--
Investments in unconsolidated joint ventures	(40,567)	(58,844)	--
Distributions from unconsolidated joint ventures	20,551	1,725	--
Proceeds from sales of rental property	17,400	--	--
(Increase) decrease in restricted cash	(1,055)	818	1,073
Net cash used in investing activities	$ (195,178)	$ (749,067)	$ (939,501)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from senior unsecured notes	$ 782,535	$ --	$ --
Proceeds from revolving credit facilities	372,248	1,375,758	669,180
Proceeds from mortgages and loans payable	45,500	150,000	--
Repayments of revolving credit facilities	(866,848)	(826,258)	(376,885)
Repayments of mortgages and loans payable	(264,431)	(271,807)	(65,300)
Debt prepayment premiums and other costs	--	--	(1,812)
Proceeds from minority interest of consolidated partially-owned properties	83,600	--	--
Repurchase of common stock	(27,500)	(25,058)	(4,680)
Redemption of common units	--	(3,163)	--
Payment of financing costs	(7,048)	(10,110)	(3,095)
Net proceeds from common stock offerings	--	288,393	489,116
Proceeds from stock options exercised	1,049	5,475	7,187
Proceeds from dividend reinvestment and stock purchase plan	32	--	--
Payment of dividends and distributions	(164,735)	(139,819)	(74,455)
Net cash (used in) provided by financing activities	$ (45,598)	$ 543,411	$ 639,256
Net increase (decrease) in cash and cash equivalents	$ 2,862	$ 3,105	$ (202,103)
Cash and cash equivalents, beginning of period	5,809	2,704	204,807
Cash and cash equivalents, end of period	$ 8,671	$ 5,809	$ 2,704

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/unit 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 December 31, 1999, the Company owned or had interests in 259 properties plus developable land (collectively, the "Properties"). The Properties aggregate approximately 28.6 million square feet, and are comprised of 160 office buildings and 86 office/flex buildings totaling approximately 28.2 million square feet (which includes five office buildings and one office/flex building, aggregating 1.2 million square feet, owned by unconsolidated joint ventures in which the Company has investment interests), six industrial/warehouse buildings totaling approximately 387,400 square feet, two multi-family residential complexes consisting of 451 units, two stand-alone retail properties and three land leases. The Properties are located in 12 states, primarily in the Northeast, plus the District of Columbia.

BASIS OF PRESENTATION
The accompanying consolidated financial statements include all accounts of the Company, its majority-owned and/or controlled subsidiaries, which consist principally of Mack-Cali Realty, L.P. (the "Operating Partnership"). See Investments in Unconsolidated Joint Ventures in Note 2 for the Company's treatment of unconsolidated joint venture 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 development. Included in total rental property is construction-in-progress of $103,977 and $57,052 as of December 31, 1999 and 1998, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

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

Leasehold interests	Remaining lease term
Buildings and improvements	5 to 40 years
Tenant improvements	The shorter of the term of the

	related lease or useful life
Furniture, fixtures and equipment	5 to 10 years

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. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. Management does not believe that the value of any of its rental properties is impaired.

When assets are identified by management as held for the sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. If, in management's opinion, the net sales price of the assets which have been identified for sale is less than the net book value of the assets, a valuation allowance is established.

INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost, as Investments in Unconsolidated Joint Ventures, and subsequently adjusted for equity in earnings (loss) and cash contributions and distributions. Any difference between the carrying amount of these investments on the balance sheet of the Company and the underlying equity in net assets is amortized as an adjustment to equity in earnings (loss) of unconsolidated joint ventures over 40 years. See Note 4.

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 $3,320, $1,580 and $983 for the years ended December 31, 1999, 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 Company provide leasing services to the Properties and receive compensation based on space leased. The portion of such compensation which is capitalized and amortized, approximated $3,704, $3,509 and $1,859 for the years ended

December 31, 1999, 1998 and 1997, respectively.

REVENUE RECOGNITION

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

Reimbursements are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 15.

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 over the life of the contracts as adjustments to interest expense.

In certain situations, the Company uses forward treasury lock agreements to mitigate the potential effects of changes in interest rates for prospective transactions. Gains and losses are deferred and amortized as adjustments 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 December 31, 1999 represents dividends payable to shareholders of record as of January 4, 2000 (58,450,552 shares), distributions payable to minority interest common unitholders (8,153,710 common units) on that same date and preferred distributions to preferred unitholders (229,304 preferred units) for the fourth quarter 1999. The fourth quarter 1999 dividends and common unit distributions of $0.58 per share and per common unit (pro-rated for units issued during the quarter), as well as the fourth quarter preferred unit distribution of $16.875 per preferred unit, were approved by the Board of Directors on December 17, 1999 and paid on January 21, 2000.

The dividends and distributions payable at December 31, 1998 represents dividends payable to shareholders of record as of January 6, 1999 (57,266,737 shares), distributions payable to minority interest common unitholders (9,086,585 common units) on that same date and preferred distributions to preferred unitholders (250,256 preferred units) for the fourth quarter 1998. The fourth quarter 1998 dividends and common unit distributions of $0.55 per share and per common unit (pro-rated for units issued during the quarter), as well as the fourth quarter preferred unit distribution of $16.875 per preferred unit, were approved by the Board of Directors on December 15, 1998 and paid on January 26, 1999.

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 16.

EXTRAORDINARY ITEM — Extraordinary item represents the effect resulting from the early settlement of certain debt obligations, including related deferred financing costs, prepayment penalties, yield maintenance payments and other related items.

NON-RECURRING CHARGES — The Company considers non-recurring charges as costs incurred specific to significant non-recurring events that impact the comparative measurement of the Company's performance.

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

3. ACQUISITIONS/TRANSACTIONS

1999 TRANSACTIONS
OPERATING PROPERTY ACQUISITIONS
The Company acquired the following operating properties during the year ended December 31, 1999:

Acquisition Date	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet	Investment by Company (a)
OFFICE					
3/05/99	Pacifica Portfolio - Phase III (b)	Colorado Springs, El Paso County, CO	2	94,737	$ 5,709
7/21/99	1201 Connecticut Avenue, NW	Washington, D.C.	1	169,549	32,799
Total Office Property Acquisitions:			3	264,286	$ 38,508
OFFICE/FLEX					
12/21/99	McGarvey Portfolio - Phase III (c)	Moorestown, Burlington County, NJ	3	138,600	$ 8,012
TOTAL OFFICE/FLEX PROPERTY ACQUISITION:			3	138,600	$ 8,012
TOTAL OPERATING PROPERTY ACQUISITIONS:			6	402,886	$ 46,520

PROPERTIES PLACED IN SERVICE
The Company placed in service the following properties through the completion of development or redevelopment during the year ended December 31, 1999:

Date Placed in Service	Property Name	Location	# of Bldgs.	Rentable Square Feet	Investment by Company (a)
OFFICE					
8/09/99	2115 Linwood Avenue	Fort Lee, Bergen County, NJ	1	68,000	$ 8,147
11/01/99	795 Folsom Street (d)	San Francisco, San Francisco County, CA	1	183,445	37,337
Total Office Properties Placed in Service:			2	251,445	$ 45,484
OFFICE/FLEX					
3/01/99	One Center Court	Totowa, Passaic County, NJ	1	38,961	$ 2,140
9/17/99	12 Skyline Drive	Hawthorne, Westchester County, NY	1	46,850	5,023
12/10/99	600 West Avenue (e)	Stamford, Fairfield County, CT	1	66,000	5,429
Total Office/Flex Properties Placed in Service:			3	151,811	$ 12,592
LAND LEASE					
2/01/99	Horizon Center Business Park (f)	Hamilton Township, Mercer County, NJ	N/A	27.7 acres	$ 1,007
TOTAL LAND LEASE TRANSACTIONS:				27.7 acres	$ 1,007
TOTAL PROPERTIES PLACED IN SERVICE:			5	403,256	$ 59,083

(a) Unless otherwise noted, transactions were funded by the Company with funds primarily made available through draws on the Company's credit facilities.
(b) William L. Mack, a director and equity holder of the Company, was an

indirect owner of an interest in certain of the buildings contained in the Pacifica portfolio.

(c) The properties were acquired through the exercise of a purchase option obtained in the initial acquisition of the McGarvey portfolio in January 1998.

(d) On June 1, 1999, the building was acquired for redevelopment for approximately $34,282.

(e) On May 4, 1999, the Company acquired, from an entity whose principals include Timothy M. Jones, Martin S. Berger and Robert F. Weinberg, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively, approximately 2.5 acres of vacant land in the Stamford Executive Park, located in Stamford, Fairfield County, Connecticut. The Company acquired the land for approximately $2,181.

(f) On February 1, 1999, the Company entered into a ground lease agreement to lease 27.7 acres of developable land located at the Company's Horizon Center Business Park, located in Hamilton Township, Mercer County, New Jersey on which Home Depot constructed a 134,000 square-foot retail store.

LAND TRANSACTIONS

On February 26, 1999, the Company acquired approximately 2.3 acres of vacant land adjacent to one of the Company's operating properties located in San Antonio, Bexar County, Texas for approximately $1,524, which was made available from the Company's cash reserves.

On March 2, 1999, the Company entered into a joint venture agreement with SJP Vaughn Drive, L.L.C. Under the agreement, the Company has agreed to contribute its vacant land at Three Vaughn Drive, Princeton, Mercer County, New Jersey, subject to satisfaction of certain conditions, for an equity interest in the venture.

On March 15, 1999, the Company entered into a joint venture with SJP 106 Allen Road to form MC-SJP Pinson Development, LLC, which acquired vacant land located in Bernards Township, Somerset County, New Jersey. The venture has commenced construction of a 130,000 square-foot office building on this site. The Company accounts for the joint venture on a consolidated basis.

On August 31, 1999, the Company acquired, from an entity whose principals include Brant Cali, Executive Vice President and Chief Operating Officer of the Company and a member of the Board of Directors of the Company, and certain immediate family members of John J. Cali, Chairman of the Board of Directors of the Company, approximately 28.1 acres of developable land adjacent to two of the Company's operating properties located in Roseland, Essex County, New Jersey for approximately $6,097. The acquisition was funded with cash and the issuance of 121,624 common units to the seller (see Note 11). The Company has commenced construction of a 220,000 square-foot office building on the acquired land.

In August 1999, the Company entered into an agreement with SJP Properties Company ("SJP Properties") which provides a cooperative effort in seeking approvals to develop up to approximately 1.8 million square feet of office development on certain vacant land owned or controlled, respectively, by the Company and SJP Properties, in Hanover and Parsippany, Morris County, New Jersey. The agreement provides that the parties shall jointly share equally in the costs associated with seeking such requisite approvals. Subsequent to obtaining the requisite approvals, upon mutual consent, the Company and SJP Properties may enter into one or more joint ventures to construct on the vacant land, or seek to dispose of their respective vacant land subject to this agreement.

DISPOSITIONS

On November 15, 1999, the Company sold its 70,550 square-foot office building located at 400 Alexander Road in Princeton, Mercer County, New Jersey for net proceeds, after selling costs, of approximately $8,628.

On December 15, 1999, the Company sold its 119,301 square-foot office building located at 20002 North 19th Avenue in Phoenix, Maricopa County, Arizona for net proceeds, after selling costs, of approximately $8,772.

1998 TRANSACTIONS

OPERATING PROPERTY ACQUISITIONS

During 1998, the Company acquired 52 office and office/flex operating properties, aggregating 4.7 million square feet in 16 separate transactions, for an aggregate cost of approximately $663,641. Such acquisitions were funded primarily from drawings on the Company's credit facilities, the issuance of common units (see Note 11) and proceeds from the issuance of common stock (see Note 16). In conjunction with the Company's acquisition during 1998 of office properties and vacant land in Denver and Colorado Springs, Colorado, from the Pacifica Holding Company, the Company was subsequently required to pay additional consideration due to earn-out provisions in the purchase agreement. William L. Mack, a director and equity holder of the Company, was an indirect owner of an interest in certain of the buildings contained in the Pacifica portfolio.

PROPERTIES PLACED IN SERVICE

In 1998, the Company placed in service four office and office/flex properties, aggregating 218,600 square feet, for an aggregate cost of approximately $22,965.

LAND AND REDEVELOPMENT TRANSACTIONS

In 1998, the Company acquired six developable land parcels for an aggregate cost of approximately $36,231. Also, in 1998, the Company acquired a 68,000 square-foot office building for redevelopment for approximately $5,164. Such acquisitions were funded primarily from drawings on the Company's credit facilities, the Company's cash reserves, the issuance of common units (see Note 11) and proceeds from the issuance of common stock (see Note 16). Certain of the acquired land parcels were acquired from an entity whose principals include Timothy M. Jones, Martin S. Berger and Robert F. Weinberg, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively. The Company subsequently completed construction and placed in service two office/flex buildings aggregating 87,000 square feet, as well as signed a ground lease to Home Depot for the construction of a retail facility, on the acquired land parcels. During the year, the Company completed redevelopment and placed the 68,000 square-foot office building in service. In addition, in 1999, the Company commenced construction of a 183,000 square-foot office property on one of the acquired land parcels.

1997 TRANSACTIONS

On January 31, 1997, the Company acquired 65 properties, aggregating approximately 4.1 million square feet, ("RM Properties") from Robert Martin Company, LLC and affiliates ("RM") for a total cost of approximately $450,000. The cost of the transaction ("RM Transaction") was financed through the assumption of $185,283 of mortgage indebtedness, 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. Additionally, the Company provided a $11,600 mortgage loan to RM principals in connection with the RM transaction, secured by two properties under purchase options. In conjunction with the Company's acquisition of the option properties in 1997 and 1998, the sellers of the properties, the RM principals, prepaid in full the mortgage note receivable.

On December 11, 1997, the Company acquired 54 office properties, aggregating approximately 9.2 million square feet, ("Mack Properties") from the Mack Company and Patriot American Office Group, pursuant to a Contribution and Exchange

Agreement ("Mack Agreement"), for a total cost of approximately $1,102,024 ("Mack Transaction"). 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.

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 term loan with Prudential Securities Corp., (ii) $291,879 in debt assumed by the Company ("Mack Mortgages"), (iii) the issuance of 1,965,886 common units, valued at approximately $66,373, (iv) the issuance of 15,237 Series A preferred units and 215,325 Series B preferred units, valued at approximately $236,491 (collectively, the "Preferred Units"), (v) warrants to purchase 2,000,000 common units ("Unit Warrants"), valued at approximately $8,524, and (vi) the issuance of Contingent Units (see Note 11).

In accordance with the Mack Agreement, Thomas A. Rizk remained Chief Executive Officer and resigned as President of the Company, and Mitchell E. Hersh was appointed as President and Chief Operating Officer. The Company's other officers retained their existing positions and responsibilities, except that Brant Cali resigned as Chief Operating Officer and John R. Cali resigned as Chief Administrative Officer. Brant Cali and John R. Cali remained as officers of the Company as Executive Vice Presidents.

Entering into new employment agreements with the Company after the Mack Transaction were Thomas A. Rizk, Mitchell E. Hersh, Brant Cali and John R. Cali. Entering into amended and restated employment agreements were Roger W. Thomas, as Executive Vice President, General Counsel and Secretary, Barry Lefkowitz, as Executive Vice President and Chief Financial Officer and Timothy M. Jones, as Executive Vice President.

In connection with the Mack Transaction, under each of the Company's executive officer's then existing employment agreements, due to a change of control of the Company (as defined in each employment agreement), each of the aforementioned officers received the benefit of the acceleration of (i) the immediate vesting and issuance of his restricted stock, including tax gross-up payments associated therewith, (ii) the forgiveness of his Stock Purchase Rights loan, including tax gross-up payments associated therewith, and (iii) the vesting of his unvested employee stock options and warrants. Additionally, under each of Thomas Rizk's, Brant Cali's and John R. Cali's employment agreements with the Company, each of these officers became entitled to receive certain severance-type payments, as a result of certain

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provisions in each of their agreements, triggered as result of the Mack Transaction. Finally, certain officers and employees of the Company were given transaction-based payments as a reward for their efforts and performance in connection with the Mack Transaction. The total expense associated with the acceleration of vesting of restricted stock, the forgiveness of Stock Purchase Rights loans, and the payment of certain severance-type payments, as well as performance payments and related tax-obligation payments, which were approved by the Company's Board of Directors and which took place simultaneous with completion of the Mack Transaction, totaled $45,769. Such expenses are included in non-recurring charges for the year ended December 31, 1997, (see Note 16).

In 1997, the Company also acquired 13 additional office and office/flex properties, aggregating approximately 1.5 million square feet, in nine separate transactions with separate sellers, for an aggregate cost of approximately $204,446. Such acquisitions were funded primarily from drawings on the Company's credit facilities.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

PRU-BETA 3 (NINE CAMPUS DRIVE)

On March 27, 1998, the Company acquired a 50 percent interest in an existing joint venture with The Prudential Insurance Company of America ("Prudential"), known as Pru-Beta 3, which owns and operates Nine Campus Drive, a 156,495 square-foot office building, located in the Mack-Cali Business Campus (formerly Prudential Business Campus) office complex in Parsippany, Morris County, New Jersey. The Company performs management and leasing services for the property owned by the joint venture and recognized $149 and $114 in fees for such services in the years ended December 31, 1999 and 1998, respectively.

HPMC (CONTINENTAL GRAND II/SUMMIT RIDGE/LAVA RIDGE)
On April 23, 1998, the Company entered into a joint venture agreement with HCG Development, L.L.C. and Summit Partners I, L.L.C. to form HPMC Development Partners, L.P. and, on July 21, 1998, entered into a second joint venture, HPMC Development Partners II, L.P. (formerly known as HPMC Lava Ridge Partners, L.P.), with these same parties. HPMC Development Partners, L.P.'s efforts have focused on two development projects, commonly referred to as Continental Grand II and Summit Ridge. Continental Grand II is a 4.2 acre site located in El Segundo, Los Angeles County, California, acquired by the venture upon which it has constructed and placed in service a 237,360 square-foot office property. Summit Ridge is a 7.3 acre site located in San Diego, San Diego County, California, acquired by the venture upon which it has commenced construction of three one-story buildings aggregating 133,750 square feet of office/flex space. HPMC Development Partners II, L.P.'s efforts have focused on three development projects, commonly referred to as Lava Ridge, Peninsula Gateway and Stadium Gateway. Lava Ridge is a 12.1 acre site located in Roseville, Placer County, California, acquired by the venture upon which it has commenced construction of three two-story buildings aggregating 183,200 square feet of office space. Peninsula Gateway is a parcel of land purchased from the City of Daly City, California, for future development into office space, a hotel and other retail establishments. Stadium Gateway is a 1.5 acre site located in Anaheim, Orange County, California, to be acquired by the venture to develop a six-story office building aggregating 261,554 square feet. Among other things, the partnership agreements provide for a preferred return on the Company's invested capital in each venture, in addition to 50 percent of such venture's profit above the preferred returns, as defined in each agreement.

G&G MARTCO (CONVENTION PLAZA)
On April 30, 1998, the Company acquired a 49.9 percent interest in an existing joint venture, known as G&G Martco, which owns Convention Plaza, a 305,618 square-foot office building, located in San Francisco, San Francisco County, California. A portion of its initial investment was financed through the issuance of common units (see Note 11), as well as funds drawn from the Company's credit facilities. Subsequently, on June 4, 1999, the Company acquired an additional 0.1 percent interest in G&G Martco through the issuance of common units (see Note 11). The Company performs management and leasing services for the property owned by the joint venture and recognized $225 and $20 in fees for such services in the years ended December 31, 1999 and 1998, respectively.

AMERICAN FINANCIAL EXCHANGE L.L.C.
On May 20, 1998, the Company entered into a joint venture agreement with Columbia Development Corp. to form American Financial Exchange L.L.C. The venture was initially formed to acquire land for future development, located on the Hudson River waterfront in Jersey City, Hudson County, New Jersey, adjacent to the Company's Harborside Financial Center office complex. The Company holds a 50 percent interest in the joint venture. Among other things, the partnership agreement provides for a preferred return on the Company's invested capital in the venture, in addition to the Company's proportionate share of the venture's profit, as defined in the agreement. The joint venture acquired land on which it constructed a parking facility, which is currently leased to a parking operator under a 10-year agreement. Such parking facility serves a ferry service between the Company's Harborside property and Manhattan.

RAMLAND REALTY ASSOCIATES L.L.C. (ONE RAMLAND ROAD)
On August 20, 1998, the Company entered into a joint venture agreement with S.B. New York Realty Corp. to form Ramland Realty Associates L.L.C. The venture was formed to own, manage and operate One Ramland Road, a 232,000 square-foot office/flex building plus adjacent developable land, located in Orangeburg, Rockland County, New York. In August 1999, the joint venture completed redevelopment of the property and placed the office/flex building in service. The Company holds a 50 percent interest in the joint venture. The Company performs management, leasing and other services for the property owned by the joint venture and recognized $628 and none in fees for such services in the years ended December 31, 1999 and 1998, respectively.

ASHFORD LOOP ASSOCIATES L.P. (1001 SOUTH DAIRY ASHFORD/2100 WEST LOOP SOUTH)
On September 18, 1998, the Company entered into a joint venture agreement with Prudential to form Ashford Loop Associates L.P. The venture was formed to own, manage and operate 1001 South Dairy Ashford, a 130,000 square-foot office building acquired on September 18, 1998 and 2100 West Loop South, a 168,000 square-foot office building acquired on November 25, 1998, both located in Houston, Harris County, Texas. The Company holds a 20 percent interest in the joint venture. The joint venture may be required to pay additional consideration due to earn-out provisions in the acquisition contracts. During the year ended December 31, 1999, the venture paid $9,991 ($1,998 representing the Company's share) in accordance with the earn-out provisions in the acquisition contracts. The Company performs management and leasing services for the properties owned by the joint venture and recognized $117 and $30 in fees for such services in the years ended December 31, 1999 and 1998, respectively.

ARCAP INVESTORS, L.L.C.
On March 18, 1999, the Company invested in ARCap Investors, L.L.C., a joint venture with several participants, which was formed to invest in sub-investment grade tranches of commercial mortgage-backed securities ("CMBS"). The Company has invested $20,000 in the venture. William L. Mack, a director and equity holder of the Company, is a principal of the managing member of the venture. At December 31, 1999, the venture held approximately $298,642 face value of CMBS bonds at an aggregate cost of $132,240.

NORTH PIER AT HARBORSIDE RESIDENTIAL DEVELOPMENT
On August 5, 1999, the Company entered into an agreement which, upon satisfaction of certain conditions, provides for the contribution of its North Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey to a joint venture with Lincoln Property Company Southwest, Inc., in exchange for cash and an equity interest in the venture. The venture intends to develop residential housing on the property.

SOUTH PIER AT HARBORSIDE HOTEL DEVELOPMENT
On November 17, 1999, the Company entered into an agreement with Hyatt Corporation to develop a 350-room hotel on the Company's South Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey, subject to the satisfaction of certain conditions.

SUMMARIES OF UNCONSOLIDATED JOINT VENTURES
The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of December 31, 1999 and 1998:

	December 31, 1999							
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARCap	Combined Total
ASSETS:								
Rental property, net	$21,817	$ 70,823	$ 13,672	$ 10,752	$ 19,549	$ 28,755	$ --	$ 165,368

Other assets	3,319	3,260	2,467	773	5,069	704	239,441	255,033
Total assets	$25,136	$ 74,083	$ 16,139	$ 11,525	$ 24,618	$ 29,459	$ 239,441	$ 420,401
LIABILITIES AND PARTNERS'/ MEMBERS' CAPITAL:								
Mortgages and loans payable	$ --	$ 41,274	$ 43,081	$ --	$ 17,300	$ --	$ 108,407	$ 210,062
Other liabilities	186	4,769	1,383	2	1,263	815	36,109	44,527
Partners'/members' capital	24,950	28,040	(28,325)	11,523	6,055	28,644	94,925	165,812
Total liabilities and partners'/members' capital	$25,136	$ 74,083	$ 16,139	$ 11,525	$ 24,618	$ 29,459	$ 239,441	$ 420,401
Company's net investment in unconsolidated joint ventures	$17,072	$ 23,337	$ 8,352	$ 11,571	$ 2,697	$ 6,073	$ 20,032	$ 89,134

December 31, 1998

	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARCap	Combined Total
ASSETS:								
Rental property, net	$22,711	$ 30,278	$ 11,099	$ 10,621	$8,467	$ 19,166	--	$ 102,342
Other assets	3,995	1,097	4,058	389	1,101	378	--	11,018
Total assets	$26,706	$ 31,375	$ 15,157	$ 11,010	$9,568	$ 19,544	--	$ 113,360
LIABILITIES AND PARTNERS'/ MEMBERS' CAPITAL:								
Mortgages and loans payable	$ --	$ 632	$ 39,762	$ --	$ --	$ --	--	$ 40,394
Other liabilities	484	3,522	2,096	79	6	509	--	6,696
Partners'/members' capital	26,222	27,221	(26,701)	10,931	9,562	19,035	--	66,270
Total liabilities and partners'/members' capital	$26,706	$ 31,375	$ 15,157	$ 11,010	$9,568	$ 19,544	--	$ 113,360
Company's net investment in unconsolidated joint ventures	$17,980	$ 17,578	$ 10,964	$ 10,983	$4,851	$ 4,152	--	$ 66,508

The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the years ended December 31, 1999 and 1998:

Year Ended December 31, 1999

	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARCap	Combined Total
Total revenues	$ 4,938	$ 271	$ 9,165	$ 917	$1,426	$ 4,097	$ 10,093	$ 30,907
Operating and other expenses	(1,505)	(111)	(3,238)	(231)	(352)	(2,327)	(3,774)	(11,538)
Depreciation and amortization	(1,234)	(114)	(1,512)	(95)	(439)	(550)	--	(3,944)
Interest expense	--	(105)	(3,115)	--	(45)	--	(2,185)	(5,450)
Net income (loss)	$ 2,199	$ (59)	$ 1,300	$ 591	$ 590	$ 1,220	$ 4,134	$ 9,975
Company's equity in earnings (loss) of unconsolidated joint ventures	$ 827	--	$ (366)	$ 541	$ 298	$ 233	$ 1,060	$ 2,593

Year Ended December 31, 1998

	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARCap	Combined Total
Total revenues	$ 3,544	--	$4,103	$ 490	--	$ 659	--	$ 8,796
Operating and other expenses	(1,124)	--	(1,704)	(35)	--	(286)	--	(3,149)
Depreciation and amortization	(1,000)	--	(604)	--	--	(76)	--	(1,680)
Interest expense	--	--	(2,097)	--	--	--	--	(2,097)

Net income (loss)	$ 1,420	--	$ (302)	$ 455	--	$ 297	--	$ 1,870
Company's equity in earnings (loss) of unconsolidated joint ventures	$ 723	--	$ (182)	$ 455	--	$ 59	--	$ 1,055

5. DEFERRED CHARGES AND OTHER ASSETS

	December 31, 1999	1998
Deferred leasing costs	$61,623	$ 35,151
Deferred financing costs	17,143	9,962
	78,766	45,113
Accumulated amortization	(20,197)	(13,527)
Deferred charges, net	58,569	31,586
Prepaid expenses and other assets	7,867	7,434
Total deferred charges and other assets, net	$66,436	$ 39,020

6. 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:

	December 31, 1999	1998
Security deposits	$ 6,021	$ 5,696
Escrow and other reserve funds	1,060	330
Total restricted cash	$ 7,081	$ 6,026

7. RENTAL PROPERTY HELD FOR SALE

As of December 31, 1999, included in total rental property are three office properties that the Company has identified as held for sale. The three office properties have an aggregate carrying value of $77,783 and $78,989 as of December 31, 1999 and 1998, respectively, and are located in Omaha, Douglas County, Nebraska; Amarillo, Potter County, Texas; and Jersey City, Hudson County, New Jersey. There were no properties held for sale at December 31, 1998.

The following is a summary of the condensed results of operations of the rental properties held for sale at December 31, 1999 for the years ended December 31, 1999, 1998 and 1997. As some of the properties held for sale were acquired during the periods presented, the amounts presented below may not be comparable from period to period.

	Year Ended December 31, 1999	1998	1997
Total revenues	$24,412	$23,360	$19,463
Operating and other expenses	(8,808)	(8,466)	(4,121)
Depreciation and amortization	(2,915)	(3,145)	(2,890)
Income before extraordinary item	$12,689	$11,749	$12,452

On February 15, 2000, the Company entered into a contract to sell 95 Christopher Columbus Drive, located in Jersey City, Hudson County, New Jersey, for approximately $152,500, pending certain contingencies. Such rental property was identified as held for sale at December 31, 1999.

There can be no assurance, if and when, any of these potential rental property sales will occur.

8. SENIOR UNSECURED NOTES

On March 16, 1999, the Operating Partnership issued $600,000, face amount, of senior unsecured notes with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately $593,500 were used to pay down outstanding borrowings under the 1998 Unsecured Facility, as defined in Note 9, and to pay off certain mortgage loans. The senior unsecured notes were issued at a discount of approximately $2,748, which is being amortized over the terms of the respective tranches as an adjustment to interest expense.

On August 2, 1999, the Operating Partnership issued an additional $185,283 of senior unsecured notes with interest payable monthly. The Company used the proceeds to retire the TIAA Mortgage, as defined in Note 10.

The Operating Partnership's total senior unsecured notes (collectively "Senior Unsecured Notes") are redeemable at any time at the option of the Company, subject to certain conditions including yield maintenance.

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A summary of the terms of the Senior Unsecured Notes outstanding as of December 31, 1999 is presented below:

	Amount	Effective Rate (1)
7.18% Senior Unsecured Notes, due December 31, 2003	$185,283	7.23%
7.00% Senior Unsecured Notes, due March 15, 2004	299,665	7.27%
7.25% Senior Unsecured Notes, due March 15, 2009	297,837	7.49%
Total Senior Unsecured Notes	$782,785	7.34%

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

The terms of the Senior Unsecured Notes include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets.

9. REVOLVING CREDIT FACILITIES

ORIGINAL UNSECURED FACILITY

The Original Unsecured Facility ("Original Unsecured Facility") was repaid in full and retired in connection with the Company obtaining the 1998 Unsecured Facility in April 1998, as defined below. On account of prepayment fees, loan origination fees, legal fees, and other costs incurred in the retirement of the Original Unsecured Facility, an extraordinary loss of $2,203, net of minority interest's share of the loss ($275), was recorded for the year ended December 31, 1998.

1998 UNSECURED FACILITY

In April 1998, the Company repaid in full and terminated the Original Unsecured Facility and obtained a new unsecured revolving credit facility ("1998 Unsecured Facility") with a current borrowing capacity of $1,000,000 from a group of 28 lenders. The interest rate is based on the Company's achievement of investment grade unsecured debt ratings and at the Company's election, bears interest at either 90 basis points over London Inter-Bank Offered Rate ("LIBOR") or the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The interest rate is currently LIBOR (5.82 percent at December 31, 1999) plus 90 basis points. The 1998 Unsecured Facility matures in April 2001.

The terms of the 1998 Unsecured Facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations for such period, subject to certain other adjustments. The 1998 Unsecured Facility also requires a 17.5 basis point fee on the unused balance payable quarterly in arrears.

PRUDENTIAL FACILITY

The Company has a revolving credit facility ("Prudential Facility") from Prudential Securities Corp. ("PSC") in the amount of $100,000, which currently bears interest at 110 basis points over one-month LIBOR, with a maturity date of

December 29, 2000. The Prudential Facility is a recourse liability of the Operating Partnership and is secured by the Company's equity interest in Harborside. The Prudential Facility limits the ability of the Operating Partnership to make any distributions during any fiscal quarter in an amount in excess of 100 percent of the Operating Partnership's available funds from operations for the immediately preceding fiscal quarter (except to the extent such excess distributions or dividends are attributable to gains from the sale of the Operating Partnership's assets or are required for the Company

to maintain its status as a REIT under the Code); provided, however, that the Operating Partnership may make distributions and pay dividends in excess of 100 percent of available funds from operations for the preceding fiscal quarter for not more than three consecutive quarters. In addition to the foregoing, the Prudential Facility limits the liens placed upon the subject property and certain collateral, the use of proceeds from the Prudential Facility, and the maintenance of ownership of the subject property and assets derived from said ownership.

SUMMARY

As of December 31, 1999 and 1998, the Company had outstanding borrowings of $177,000 and $671,600, respectively, under its revolving credit facilities (with aggregate borrowing capacity of $1,100,000). The total outstanding borrowings were from the 1998 Unsecured Facility, with no outstanding borrowings on its Prudential Facility.

10. MORTGAGES AND LOANS PAYABLE

	December 31, 1999	December 31, 1998
Portfolio Mortgages	$150,000	$335,283
Property Mortgages	380,390	414,048
Total Mortgages and Loans Payable	$530,390	$749,331

PORTFOLIO MORTGAGES

TIAA MORTGAGE

The Company had a $185,283 non-recourse mortgage loan with Teachers Insurance and Annuity Association of America, with interest only payable monthly at a fixed annual rate of 7.18 percent ("TIAA Mortgage"). The TIAA Mortgage was secured and cross collateralized by 43 properties. The TIAA Mortgage was prepayable in whole or in part subject to certain provisions, including yield maintenance.

Using the proceeds from the issuance of $185,283 of senior unsecured notes on August 2, 1999 (see Note 8), the Company repaid in full and retired the TIAA Mortgage.

$150,000 PRUDENTIAL MORTGAGE LOAN

On April 30, 1998, the Company obtained a $150,000, interest-only, non-recourse mortgage loan from Prudential ("$150,000 Prudential Mortgage Loan"). The loan, which is secured by 11 properties, has an effective annual interest rate of 7.10 percent and a seven-year term. The Company has the option to convert the mortgage loan to unsecured debt as a result of the achievement of an investment grade credit rating. The mortgage loan is prepayable in whole or in part subject to certain provisions, including yield maintenance.

Certain mortgages and loans payable were repaid and retired in connection with the Company obtaining the $150,000 Prudential Mortgage Loan. On account of prepayment fees, loan origination fees, legal fees, and other costs incurred in the retirement of certain mortgages and loans payable in April 1998, an extraordinary loss of $170, net of minority interest's share of the loss ($22), was recorded in the year ended December 31, 1998.

PROPERTY MORTGAGES
Property mortgages are comprised of various non-recourse loans which are collateralized by certain of the Company's rental properties. Payments on property mortgages are generally due in monthly installments of principal and interest, or interest only.

A summary of the Company's property mortgages as of December 31, 1999 and 1998 is as follows:

			PRINCIPAL BALANCE AT DECEMBER 31,		
PROPERTY NAME	LENDER	INTEREST RATE	1999	1998	DATE OF MATURITY
Mack-Cali Centre VI	CIGNA	7.600%	$ --	$29,223	03/31/99
Mack-Cali Airport	CIGNA	7.600%	--	6,849	03/31/99
Mack-Cali Murray Hill	Horace Mann	7.850%	--	8,027	05/01/99
Mack-Cali Manhasset	IDA Financing	TENR	--	8,000	12/01/99
Harborside Financial Center (1)	Contingent Obligation (1)	6.764%	--	6,150	11/04/02
1717 Route 208, Fair Lawn	Prudential Insurance Co.	8.250%	--	17,586	10/01/03
201 Commerce Drive	Sun Life Assurance Co.	6.240%	1,059	1,121	09/01/00
3 & 5 Terri Lane	First Union National Bank	6.220%	4,434	4,476	10/31/00
101 & 225 Executive Drive	Sun Life Assurance Co.	6.270%	2,375	2,553	06/01/01
Mack-Cali Morris Plains	Corestates Bank	7.510%	2,235	2,292	12/31/01
Mack-Cali Willowbrook	CIGNA	8.670%	10,250	10,918	10/01/03
400 Chestnut Ridge	Prudential Insurance Co.	9.440%	14,446	14,983	07/01/04
Mack-Cali Centre VI	Principal Life Insurance Co.	6.865%	35,000	--	04/01/05
Mack-Cali Bridgewater I	New York Life Ins. Co.	7.000%	23,000	23,000	09/10/05
Mack-Cali Woodbridge II	New York Life Ins. Co.	7.500%	17,500	17,500	09/10/05
Mack-Cali Short Hills	Prudential Insurance Co.	7.740%	26,604	27,696	10/01/05
500 West Putnam Avenue	New York Life Ins. Co.	6.520%	10,784	11,471	10/10/05
Harborside - Plaza I	U.S. West Pension Trust	5.610%	51,276	48,148	01/01/06
Harborside - Plaza II and III	Northwestern Mutual Life Ins.	7.320%	98,724	101,852	01/01/06
Mack-Cali Airport	Allstate Life Insurance Co.	7.050%	10,500	--	04/01/07
Kemble Plaza II	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	40,025	40,025	01/31/08
Kemble Plaza I	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	32,178	32,178	01/31/09
Total Property Mortgages			$380,390	$414,048	

(1) As part of the Harborside acquisition in November 1996, 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") when the Company commenced construction on the acquired site. On November 2, 1999, the Company paid $6,475 to pay off the Contingent Obligation in full to the seller for the development rights.

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 6.285 percent per annum on a notional amount of $24,000. The swap agreement

expired in August 1999.

On January 23, 1996, the Company entered into an interest rate swap agreement with a commercial bank. The swap agreement fixed the Company's one-month LIBOR base to 5.265 percent per annum on a notional amount of $26,000. The swap agreement expired in January 1999.

On November 20, 1997, the Company entered into a forward treasury rate lock agreement with a commercial bank. The agreement locked an interest rate of 5.88 percent per annum for the interpolated seven-year U.S. Treasury Note effective March 1, 1998, on a notional amount of $150,000. The agreement was used to fix the interest rate on the $150,000 Prudential Mortgage Loan. On March 2, 1998, the Company received $2,035 in settlement of the agreement, which is being amortized to interest expense over the term of the $150,000 Prudential Mortgage Loan.

On October 1, 1998, the Company entered into a forward treasury rate lock agreement with a commercial bank. The agreement locked an interest rate of 4.089 percent per annum for the three-year U.S. Treasury Note effective November 4, 1999, on a notional amount of $50,000. The agreement was used to fix the Index Rate on $50,000 of the Harborside-Plaza I mortgage, for which the interest rate re-sets for three years beginning November 4, 1999 to the three-year U.S. Treasury Note plus 110 basis points (see "Property Mortgages: Harborside-Plaza I"). The Company received $2,208 in settlement of the agreement, which is being amortized to interest expense over the three year-period.

In connection with the issuance of the Senior Unsecured Notes in March 1999, the Company entered into and settled forward treasury rate lock agreements. These agreements were settled at a cost of approximately $517, which is being amortized to interest expense over the terms of the respective tranches.

SCHEDULED PRINCIPAL PAYMENTS
Scheduled principal payments and related weighted average annual interest rates for the Company's Senior Unsecured Notes, revolving credit facilities and mortgages and loans payable as of December 31, 1999 are as follows:

YEAR	SCHEDULED AMORTIZATION	PRINCIPAL MATURITIES	TOTAL	WEIGHTED AVG. INTEREST RATE OF FUTURE REPAYMENTS (a)
2000	$ 3,308	$ 5,419	$ 8,727	6.93%
2001	3,257	181,211	184,468	7.43%
2002	3,458	--	3,458	8.20%
2003	3,518	192,093	195,611	7.30%
2004	2,332	309,863	312,195	7.34%
Thereafter	970	784,746	785,716	7.20%
Totals/Weighted Average	$ 16,843	$ 1,473,332	$ 1,490,175	7.27%

(a) Assumes a weighted average LIBOR rate at December 31, 1999 of 6.53 percent in calculating revolving credit facility and other variable rate debt interest rates.

Scheduled principal payments during the years ended December 31, 1999, 1998 and 1997 amounted to $3,222, $5,151 and $412, respectively.

CASH PAID FOR INTEREST & INTEREST CAPITALIZED
Cash paid for interest for the years ended December 31, 1999, 1998 and 1997 was $91,883, $92,441 and $36,917, respectively. Interest capitalized by the Company for the years ended December 31, 1999, 1998 and 1997 was $6,840, $3,547 and $820, respectively.

SUMMARY OF INDEBTEDNESS
As of December 31, 1999, the Company's total indebtedness of $1,490,175 (weighted average interest rate of 7.27 percent) was comprised of $249,204 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 7.42 percent) and fixed rate debt of $1,240,971 (weighted average rate of 7.24 percent).

As of December 31, 1998, the Company's total indebtedness of $1,420,931 (weighted average interest rate of 6.93 percent) was comprised of $751,804 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 6.61 percent), fixed rate debt of $662,977 (weighted average rate of 7.32 percent) and a Contingent Obligation of $6,150.

11. MINORITY INTEREST

Minority interest in the accompanying consolidated financial statements relates to (i) common units in the Operating Partnership, in addition to Preferred Units and Unit Warrants issued in connection with the Mack Transaction, held by parties other than the Company and (ii) interests in consolidated partially-owned properties for the portion of such properties not owned by the Company.

OPERATING PARTNERSHIP
PREFERRED UNITS
In connection with the Mack Transaction in December 1997, the Company issued 15,237 Series A Preferred Units and 215,325 Series B Preferred Units, with an aggregate value of $236,491. 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 for an equal number of shares of common stock.

During the year ended December 31, 1998, the Company issued 19,694 additional Preferred Units (11,895 of Series A and 7,799 of Series B), convertible into 568,369 common units and valued at approximately $20,200, in connection with the achievement of certain performance goals at the Mack Properties in redemption of an equivalent number of contingent Preferred Units.

During the year ended December 31, 1999, 20,952 Series A Preferred Units were converted into 604,675 common units.

As of December 31, 1999, there were 229,304 Preferred Units outstanding (convertible into 6,617,721 common units).

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 year ended December 31, 1998, the Operating Partnership redeemed a total of 82,880 common units in exchange for an aggregate of $3,163 in cash. Additionally, the Operating Partnership redeemed an aggregate of 29,300 common units for an equivalent number of shares of common stock in the Company.

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

On April 30, 1998, in connection with the acquisition of a 49.9 percent interest in the G&G Martco joint venture (see Note 4), the Company issued 218,105 common units, valued at approximately $8,334.

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On June 8, 1998, in connection with the Pacifica portfolio-phase II acquisition, the Company issued 585,263 common units, valued at approximately $20,753.

On July 20, 1998, in connection with the expansion of one of the Mack Properties, the Company issued 52,245 common units, valued at approximately $1,632.

On September 10, 1998, in connection with the acquisition of 40 Richards Avenue, the Company issued 414,114 common units, valued at approximately $12,615.

During the year ended December 31, 1998, the Company also issued 1,731,386 common units, valued at approximately $58,936, in connection with the achievement of certain performance goals at the Mack Properties in redemption of an equivalent number of contingent common units.

On June 4, 1999, in connection with the acquisition of a 0.1 percent interest in the G&G Martco joint venture (see Note 4), the Company issued 437 common units, valued at approximately $17.

On August 31, 1999, in connection with the acquisition of 28.1 acres of vacant land located in Roseland, New Jersey, the Company issued 121,624 common units, valued at approximately $3,345.

During the year ended December 31, 1999, the Operating Partnership redeemed an aggregate of 1,934,657 common units for an equivalent number of shares of common stock in the Company.

During the year ended December 31, 1999, the Company also issued 275,046 common units, valued at approximately $8,141, in connection with the achievement of certain performance goals at the Mack Properties in redemption of an equivalent number of contingent common units.

As of December 31, 1999, there were 8,153,710 common units outstanding.

CONTINGENT COMMON & PREFERRED UNITS

In connection with the Mack Transaction in December 1997, 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

("Contingent 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. When Contingent Units are redeemed for common and Preferred Units, an adjustment to the purchase price of certain of the Mack Properties is recorded, based on the value of the units issued.

On account of certain of the performance goals at the Mack Properties having been achieved during the year ended December 31, 1998, the Company redeemed 1,731,386 contingent common units and 19,694 contingent Preferred Units and issued an equivalent number of common and Preferred Units, as indicated above.

On account of certain of the performance goals at the Mack Properties having been achieved during the year ended December 31, 1999, the Company redeemed 275,046 contingent common units and issued an equivalent number of common units, as indicated above. There were no Contingent Units outstanding as of December 31, 1999.

UNIT WARRANTS

The Company has 2,000,000 Unit Warrants outstanding. The Unit Warrants are exercisable at $37.80 per common unit and expire on December 11, 2002.

MINORITY INTEREST OWNERSHIP

As of December 31, 1999 and 1998, the minority interest common unitholders owned 12.2 percent (20.2 percent, including the effect of the conversion of Preferred Units into common units) and 13.7 percent (22.2 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).

PARTIALLY-OWNED PROPERTIES

On December 28, 1999, the Company sold an interest in six office properties located in Parsippany, Morris County, New Jersey for $83,600. Among other things, the operating agreements provide for a preferred return to the minority interest members.

The Company controls these operations and has consolidated the financial position and results of operations of the partially-owned properties in the financial statements of the Company. The equity interests of the other members, if any, are reflected as minority interests in the consolidated financial statements of the Company.

12. 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 "401(k) Plan"). The 401(k) Plan allows eligible employees to defer up to 15 percent of their annual compensation, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company, at management's discretion, may match employee contributions and/or make discretionary contributions. Total expense recognized by the Company for the years ended December 31, 1999, 1998 and 1997 was $400, $0 and $0, respectively.

13. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, considerable judgement is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments at December 31, 1999 and 1998. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, receivables, accounts payable, and accrued expenses and other liabilities are carried at amounts which reasonably approximate their fair values.

The estimated fair value (excluding prepayment penalties) of the Senior Unsecured Notes and mortgages and loans payable as of December 31, 1999 was approximately $741,824 and $511,281, respectively, based upon then current interest rates for debt with similar terms and remaining maturities. The estimated fair value of the mortgages and loans payable as of December 31, 1998 approximated the carrying value of $749,331. There were no Senior Unsecured Notes outstanding as of December 31, 1998. Revolving credit facility borrowings as of December 31, 1999 and 1998 approximated the carrying values of $177,000 and $671,600, respectively.

The estimated amount to be received to settle the Company's interest rate contracts outstanding at December 31, 1998, based on quoted market prices of comparable contracts, was $339. There were no interest rate contracts outstanding at December 31, 1999.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 1999 and 1998. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since December 31, 1999 and current estimates of fair value may differ significantly from the amounts presented herein.

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14. 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, was $1,267 per annum through May 31, 1999 and is $1,584 per annum through May 31, 2004. The PILOT totaled $1,459, $1,267 and $1,218 for the years ended December 31, 1999, 1998 and 1997, respectively.

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 $145,644. The PILOT totaled $2,620, $2,570 and $2,502 for the years ended December 31, 1999, 1998 and 1997, respectively.

GROUND LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable ground leases, under which the Company is the lessee as of December 31, 1999, are as follows:

YEAR	AMOUNT

2000	$ 531
2001	531
2002	531
2003	531
2004	534
Thereafter	22,532
Total	$25,190

Ground lease expense incurred during the years ended December 31, 1999, 1998 and 1997 amounted to $561, $419 and $192, respectively.

OTHER

On April 19, 1999, the Company announced the following changes in the membership of its Board of Directors and the identities, titles and responsibilities of its executive officers: (i) Thomas A. Rizk resigned from the Board of Directors, the Executive Committee of the Board of Directors, his position as Chief Executive Officer and as an employee of the Company; (ii) Mitchell E. Hersh was appointed Chief Executive Officer of the Company simultaneous with his resignation from his positions as President and Chief Operating Officer of the Company; (iii) Timothy M. Jones was appointed President of the Company simultaneous with his resignation from his positions as Executive Vice President and Chief Investment Officer of the Company; and (iv) Brant Cali was appointed to the Board of Directors of the Company to fill the remainder of Thomas A. Rizk's term as a Class III Director and was appointed Chief Operating Officer of the Company, also remaining as an Executive Vice President and Assistant Secretary of the Company.

Pursuant to the terms of Mr. Rizk's employment agreement entered into with the Company in December 1997 and an agreement entered into simultaneous with his resigning from the Company, Mr. Rizk received a payment of approximately $14,490 in April 1999 and will receive $500 annually over the next three years. All costs associated with Mr. Rizk's resignation are included in non-recurring charges for the year ended December 31, 1999.

The Company is a defendant in 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.

15. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2016. Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.

Future minimum rentals to be received under non-cancelable operating leases at December 31, 1999, are as follows:

YEAR	AMOUNT

2000	$ 457,800
2001	423,657
2002	373,551
2003	310,225
2004	262,393
Thereafter	1,063,658
Total	$ 2,891,284

16. STOCKHOLDERS' EQUITY

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

COMMON STOCK

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 10 Mountainview Road.

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.

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.

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 $34,570 (after offering costs), primarily to pay down a portion of its outstanding borrowings under the Company's credit facilities.

On May 29, 1998, the Company completed an underwritten offer and sale of 984,615 shares of its common stock and used the net proceeds, which totaled approximately $34,100 (after offering costs), primarily to pay down a portion of its outstanding borrowings under the Company's credit facilities.

On December 31, 1998, the Company completed an offer and sale of 132,710 shares of its common stock, using the net proceeds of approximately $3,940 for general corporate purposes.

On August 6, 1998, the Board of Directors of the Company authorized a share repurchase program ("Repurchase Program") under which the Company is permitted to purchase up to $100,000 of the Company's outstanding common stock. Purchases can be made from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

For the year ended December 31, 1998, the Company, under the Repurchase Program, purchased for constructive retirement, 854,700 shares of its outstanding common stock for an aggregate cost of approximately $25,058. Concurrent with these purchases, the Company sold to the Operating Partnership 854,700 common units for approximately $25,058.

For the year ended December 31, 1999, the Company, under the Repurchase Program, purchased for constructive retirement, 1,014,500 shares of its outstanding common stock for an aggregate cost of approximately $27,500. Concurrent with these purchases, the Company sold to the Operating Partnership 1,014,500 common units for approximately $27,500.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN
The Company filed a registration statement with the SEC for the Company's dividend reinvestment and stock purchase plan ("Plan") which was declared effective in February 1999. The Plan commenced on March 1, 1999.

During the year ended December 31, 1999, 1,082 shares were issued and proceeds of approximately $32 were received from stock purchases and/or dividend reinvestments under the Plan.

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

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

STOCK OPTION PLANS In 1994, and as subsequently amended, the Company established the Mack-Cali Employee Stock Option Plan ("Employee Plan") and the Mack-Cali Director Stock Option Plan ("Director Plan") under which a total of 5,380,188 shares (subject to adjustment) of the Company's common stock 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 have become exercisable over a three-year period and those options granted under the Employee Plan in 1996, 1997, 1998 and 1999 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. As of December 31, 1999 and 1998, the stock options outstanding had a weighted average remaining contractual life of approximately 7.4 and 8.5 years, respectively.

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

	Shares Under Options	Weighted Average Exercise Price
Outstanding at January 1, 1997	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	1,048,620	$35.90
Exercised	(267,660)	$20.47
Lapsed or canceled	(128,268)	$36.61
Outstanding at December 31, 1998	3,939,982	$33.22
Granted	426,400	$25.23
Exercised	(47,583)	$22.31
Lapsed or canceled	(591,648)	$36.92
Outstanding at December 31, 1999	3,727,151	$31.86
Options exercisable at December 31, 1998	1,334,137	$27.84
Options exercisable at December 31, 1999	1,724,920	$29.78
Available for grant at December 31, 1998	709,223	
Available for grant at December 31, 1999	662,878	

The weighted average fair value of options granted during 1999, 1998 and 1997 were $2.74, $5.59 and $6.66 per option, respectively. The fair value of each significant option grant is estimated on the date of grant using the Black-Scholes model. The following weighted average assumptions are included in the Company's fair value calculations of stock options:

	1999	1998	1997
Expected life (in years)	6	6	6
Risk-free interest rate	6.12%	5.41%	5.84%
Volatility	24.72%	23.37%	23.76%
Dividend yield	9.15%	5.78%	5.29%

STOCK WARRANTS
The Company has outstanding 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). Such warrants generally vest equally over a three-year period through January 31, 2000 and expire on January 31, 2007.

The Company also has outstanding a total of 514,976 Stock Warrants to purchase an equal number of shares of common stock at $38.75 per share (the market price at date of grant). Such warrants vest equally over a five-year period through December 12, 2002 and expire on December 12, 2007.

As of December 31, 1999 and 1998, there were 914,976 Stock Warrants outstanding. As of December 31, 1999 and 1998, there were 585,989 and 565,991 Stock Warrants exercisable, respectively. No Stock Warrants have been exercised or canceled.

The weighted average fair value of warrants granted during 1997 were $6.27 per warrant. No warrants were granted in 1999 or 1998. The fair value of each warrant grant is estimated on the date of grant using the Black-Scholes model. The following weighted average assumptions are included in the Company's fair value calculation of warrants granted during 1997:

Expected life (in years)	6
Risk-free interest rate	5.96%
Volatility	22.77%
Dividend yield	5.29%

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Under the above models, the value of stock options and warrants granted during 1999, 1998 and 1997 totaled approximately $626, $5,281 and $19,750, respectively, which would be amortized ratably on a pro forma basis over the appropriate vesting period. Had the Company determined compensation cost for these granted securities in accordance with FASB No. 123, the Company's pro forma net income (loss), basic earnings (loss) per share and diluted earnings (loss) per share would have been $113,854, $1.95 and $1.94 in 1999, $110,061, $1.97 and $1.96 in 1998, and ($3,153), ($0.08) and ($0.08) in 1997, respectively.

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 ("Restricted Stock Awards") and Company-financed stock purchase rights ("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 common 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. As a result, the accelerated cost of $16,788 affecting the stock compensation described above was included in non-recurring charges for the year ended December 31, 1997. With such accelerated vestings, there was no remaining balance in unamortized stock compensation as of December 31, 1997.

Included in general and administrative expense for the year ended December 31, 1997 was $2,257 relating to the normal cost of Restricted Stock Awards and Stock Purchase Rights.

Effective July 1, 1999, the Company entered into amended and restated employment contracts with six of its key executive officers which provided for, among other things, compensation in Restricted Stock Awards and associated tax obligation payments. In connection with the Restricted Stock Awards, the executive officers are to receive up to a total of 193,593 shares of the Company's common stock vesting over a five-year period contingent upon the Company meeting certain performance and/or stock price appreciation objectives. The Restricted Stock Awards provided to the executive officers were granted under the Employee Plan.

In addition, on December 6, 1999, the Company granted Restricted Stock Awards, which also provided for associated tax obligation payments, to certain officers of the Company. In connection with the Restricted Stock Awards, the officers are to receive up to a total of 18,000 shares of the Company's common stock vesting over a five-year period contingent upon the Company meeting certain performance and/or stock price appreciation objectives. The Restricted Stock Awards provided to the officers were also granted under the Employee Plan.

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS
The Deferred Compensation Plan for Directors ("Deferred Compensation Plan") commenced January 1, 1999 and is a plan which allows non-employee directors of the Company to elect to defer up to 100 percent of their annual retainer fee into deferred stock units. The deferred stock units are convertible into an equal number of shares of common stock upon the directors' termination of service from the Board of Directors or a change in control of the Company, as defined in the plan. Deferred stock units are credited to each director quarterly using the closing price of the Company's common stock on the applicable dividend record date for the respective quarter. Each participating director's account is also credited for an equivalent amount of deferred stock units based on the dividend rate for each quarter.

During the year ended December 31, 1999, 3,319 deferred stock units were earned.

EARNINGS PER SHARE
FASB No. 128 requires a dual presentation of basic and diluted 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 years ended December 31, 1999, 1998 and 1997 in accordance with FASB No. 128.

	For the Year Ended December 31,					
	1999		1998		1997	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Net income	$ 119,739	$ 119,739	$ 116,578	$ 116,578	$ 1,405	$ 1,405
Add: Net income attributable to potentially dilutive securities	--	17,389	--	15,903	--	143
Adjusted net income	$ 119,739	$ 137,128	$ 116,578	$ 132,481	$ 1,405	$ 1,548
Weighted average shares	58,385	67,133	55,840	63,893	39,266	44,156
Per Share	$ 2.05	$ 2.04	$ 2.09	$ 2.07	$ 0.04	$ 0.04

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

	Year Ended December 31, 1999	1998	1997
Basic EPS Shares:	58,385	55,840	39,266
Add: Operating Partnership units	8,500	7,598	4,090
Stock options	241	411	579
Restricted Stock Awards	7	--	188
Stock Warrants	--	44	33
Diluted EPS Shares:	67,133	63,893	44,156

Preferred Units and Contingent Units outstanding in 1999, 1998 and 1997 were not included in the computation of diluted EPS as such units were anti-dilutive during the period.

Pursuant to the Repurchase Program, during 1998, the Company purchased for constructive retirement, 854,700 shares of its outstanding common stock for approximately $25,058. Additionally, during 1999, the Company purchased for constructive retirement, 1,014,500 shares of its outstanding common stock for approximately $27,500.

17. SEGMENT REPORTING

The Company operates in one business segment - real estate. The Company provides leasing, management, acquisition, development, construction and tenant-related services for its portfolio. The Company does not have any foreign operations. The accounting policies of the segments are the same as those described in Note 2, excluding straight-line rent adjustments and depreciation and amortization.

The Company evaluates performance based upon net operating income from the combined properties in the segment.

Selected results of operations for the years ended December 31, 1999, 1998 and 1997 and selected asset information as of December 31, 1999, 1998 and 1997 regarding the Company's operating segment are as follows:

	Total Segment	Corporate & Other (e)	Total Company
TOTAL CONTRACT REVENUES (a):			
1999	$ 534,984	$ 3,903	$ 538,887 (f)
1998	475,096	4,919	480,015 (g)
1997	234,434	7,634	242,068 (h)
TOTAL OPERATING AND INTEREST EXPENSES (b):			
1999	$ 183,293	$ 113,798	$ 297,091
1998	162,612	100,707	263,319
1997	81,058	49,032	130,090
NET OPERATING INCOME (c):			
1999	$ 351,691	$ (109,895)	$ 241,796 (f)
1998	312,484	(95,788)	216,696 (g)
1997	153,376	(41,398)	111,978 (h)
TOTAL ASSETS:			
1999	$ 3,576,806	$ 52,795	$3,629,601
1998	3,430,865	21,329	3,452,194
1997	2,583,738	9,706	2,593,444
TOTAL LONG-LIVED ASSETS (d):			
1999	$ 3,510,285	$ 30,318	$3,540,603

1998	3,393,313	4,098	3,397,411
1997	2,550,961	2,960	2,553,921

(a) Total contract revenues represents all revenues during the period (including the Company's share of net income from unconsolidated joint ventures), excluding adjustments for straight-lining of rents and the Company's share of straight-line rent adjustments from unconsolidated joint ventures. All interest income is excluded from segment amounts and is classified in Corporate and Other for all periods.
(b) Total operating and interest expenses represents the sum of real estate taxes, utilities, operating services, general and administrative, interest expense and non-recurring charges. All interest expense (including for property-level mortgages) is excluded from segment amounts and classified in Corporate and Other for all periods. Amounts presented exclude depreciation and amortization of $87,209, $78,916 and $36,825 in 1999, 1998 and 1997, respectively, and non-recurring charges of $16,458 and $46,519 in 1999 and 1997, respectively.
(c) Net operating income represents total contract revenues [as defined in Note (a)] less total operating and interest expenses [as defined in Note (b)] for the period.
(d) Long-lived assets is comprised of total rental property, unbilled rents receivable and investments in unconsolidated joint ventures.
(e) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense and non-property general and administrative expense) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
(f) Excludes $12,438 of adjustments for straight-lining of rents and $159 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
(g) Excludes $13,575 of adjustments for straight-lining of rents and $109 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
(h) Excludes $7,733 of adjustments for straight-lining of rents.

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18. IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on the Cost of Start-Up Activities" ("SOP 98-5"), which is effective for fiscal years beginning after December 15, 1998. SOP 98-5 requires costs of start-up and organizational activities be expensed as incurred. The adoption of SOP 98-5 did not have a material effect on the Company's financial statements.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("FASB No. 133"). FASB No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. In June 1999, the FASB delayed the implementation date of FASB No. 133 by one year (January 1, 2001 for the Company). FASB No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of FASB No. 133 will not have a significant effect on the Company's results of operations or its financial position.

19. PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

The following pro forma financial information for the year ended December 31, 1998 is presented as if all acquisitions and common stock offerings (if any) completed in 1998 had occurred on January 1, 1998. In management's opinion, all adjustments necessary to reflect the effects of these transactions have been made. As there were no material transactions that occurred in 1999, no pro forma financial information is presented for the year ended December 31, 1999.

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, 1998, nor do they represent the results of operations of future periods.

	1998
Total revenues	$ 522,661
Operating and other expenses	157,698
General and administrative	26,901
Depreciation and amortization	83,410
Interest expense	102,828
Income before minority interest	151,824
Minority interest	33,244
Net income	$ 118,580
Basic earnings per common share	$ 2.06
Diluted earnings per common share	$ 2.04
Basic weighted average shares outstanding	57,652
Diluted weighted average shares outstanding	66,338

20. CONDENSED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following summarizes the condensed quarterly financial information for the Company:

QUARTER ENDED 1999:	December 31	September 30	June 30	March 31
Total revenues	$ 140,600	$ 139,020	$ 136,975	$ 134,889
Operating and other expenses	43,716	42,947	41,466	40,522
General and administrative	6,258	5,691	5,568	7,963
Depreciation and amortization	19,808	22,967	22,465	21,969
Interest expense	27,167	26,474	25,697	23,622
Non-recurring charges	--	--	16,458	--
Income before gain on sale of rental property, minority interests and extraordinary item	43,651	40,941	25,321	40,813
Gain on sale of rental property	1,957	--	--	--
Income before minority interests and extraordinary item	45,608	40,941	25,321	40,813
Minority interests	9,139	8,421	6,635	8,749

Income before extraordinary item	36,469	32,520	18,686	32,064
Extraordinary item - loss on early retirement debt	--	--	--	--
Net income	$ 36,469	$ 32,520	$ 18,686	$ 32,064
BASIC EARNINGS PER SHARE:				
Income before extraordinary item	$ 0.63	$ 0.55	$ 0.32	$ 0.55
Extraordinary item -- loss on early retirement of debt	--	--	--	--
Net income	$ 0.63	$ 0.55	$ 0.32	$ 0.55
DILUTED EARNINGS PER SHARE:				
Income before extraordinary item	$ 0.62	$ 0.55	$ 0.32	$ 0.55
Extraordinary item -- loss on early retirement of debt	--	--	--	--
Net income	$ 0.62	$ 0.55	$ 0.32	$ 0.55
Dividends declared per common share	$ 0.58	$ 0.58	$ 0.55	$ 0.55

QUARTER ENDED 1998:	December 31	September 30	June 30	March 31
Total revenues	$ 134,941	$ 130,894	$ 122,041	$ 105,823
Operating and other expenses	41,753	40,746	36,724	31,226
General and administrative	6,555	5,967	6,268	6,037
Depreciation and amortization	22,379	21,213	19,093	16,231
Interest expense	23,896	23,881	21,786	18,480
Income before minority interest and extraordinary item	40,358	39,087	38,170	33,849
Minority interest	9,050	8,375	7,782	7,306
Income before extraordinary item	31,308	30,712	30,388	26,543
Extraordinary item - loss on early retirement debt (Net of minority interest's share of $297)	--	--	(2,373)	--
Net income	$ 31,308	$ 30,712	$ 28,015	$ 26,543
BASIC EARNINGS PER SHARE:				
Income before extraordinary item	$ 0.55	$ 0.53	$ 0.53	$ 0.52
Extraordinary item -- loss on early retirement of debt	--	--	(0.04)	--
Net income	$ 0.55	$ 0.53	$ 0.49	$ 0.52
DILUTED EARNINGS PER SHARE:				
Income before extraordinary item	$ 0.55	$ 0.53	$ 0.53	$ 0.51
Extraordinary item -- loss on early retirement of debt	--	--	(0.04)	--
Net income	$ 0.55	$ 0.53	$ 0.49	$ 0.51
Dividends declared per common share	$ 0.55	$ 0.55	$ 0.50	$ 0.50

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EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT TITLE
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 2, 1999, together with Articles Supplementary thereto (filed as Exhibit 3.1 to the Company's Form 8-K dated June 10, 1999 and as Exhibit 4.2 to the Company's Form 8-K dated July 6, 1999 and each incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Second Amended and Restated Agreement of Limited Partnership dated December 11, 1997, for Mack-Cali Realty, L.P. (filed as Exhibit 10.110

to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).

3.4	Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).
3.5	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. (filed as Exhibit 10.2 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
4.1	Shareholder Rights Agreement, dated as of July 6, 1999, between Mack-Cali Realty Corporation and ChaseMellon Shareholder Services, LLC, as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
4.2	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.3	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.4	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.3 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.3	Amended and Restated Employment Agreement dated as of July 1, 1999 between John R. Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.4 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).

EXHIBIT NUMBER	EXHIBIT TITLE
10.4	Amended and Restated Employment Agreement dated as of July 1, 1999 between Brant Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.5 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.5	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).

10.6	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.7	Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.8	Restricted Share Award Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.9 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.9	Restricted Share Award Agreement dated as of July 1, 1999 between John R. Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.10	Restricted Share Award Agreement dated as of July 1, 1999 between Brant Cali and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.11	Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.12	Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.13	Credit Agreement, dated as of December 10, 1997, by and among Cali Realty, L.P. and the other signatories thereto (filed as Exhibit 10.122 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.14	Amendment No. 1 to Revolving Credit Agreement dated July 20, 1998, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto (filed as Exhibit 10.5 to the Company's Form 10-K dated December 31, 1998 and incorporated herein by reference).
10.15	Amendment No. 2 to Revolving Credit Agreement dated December 30, 1998, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto (filed as Exhibit 10.6 to the Company's Form 10-K dated December 31, 1998 and incorporated herein by reference).

EXHIBIT NUMBER	EXHIBIT TITLE
10.16	Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot Entities, Patriot American Management and Leasing Corp., Cali Realty, L.P. and Cali Realty Corporation, dated September 18, 1997 (filed as Exhibit 10.98 to the Company's Form 8-K dated September 19, 1997 and incorporated herein by reference).

10.17	First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
10.18	Agreement of Sale and Purchase, dated December 28, 1999, by and between Mack-Cali Realty, L.P. and Parsippany Office Associates L.L.C.
10.19	Operating Agreement of Parsippany Office Associates L.L.C.
21	Subsidiaries of the Company
23	Consent of PricewaterhouseCoopers LLP, independent accountants
27	Financial Data Schedule

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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: February 23, 2000 By: /S/ BARRY LEFKOWITZ

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

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

NAME	TITLE	DATE
/S/ JOHN J. CALI John J. Cali	Chairman of the Board	February 23, 2000
/S/ MITCHELL E. HERSH Mitchell E. Hersh	Chief Executive Officer and Director	February 23, 2000
/S/ TIMOTHY M. JONES Timothy M. Jones	President	February 23, 2000
/S/ BARRY LEFKOWITZ	Executive Vice President and	February 23, 2000

-------------------------- Barry Lefkowitz	Chief Financial Officer	
/S/ BRANT B. CALI -------------------------- Brant B. Cali	Executive Vice President, Chief Operating Officer, Assistant Secretary and Director	February 23, 2000
/S/ BRENDAN T. BYRNE, ESQ. -------------------------- Brendan T. Byrne, Esq.	Director	February 23, 2000
/S/ MARTIN D. GRUSS -------------------------- Martin D. Gruss	Director	February 23, 2000

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NAME	TITLE	DATE
/S/ NATHAN GANTCHER -------------------------- Nathan Gantcher	Director	February 23, 2000
/S/ EARLE I. MACK -------------------------- Earle I. Mack	Director	February 23, 2000
/S/ WILLIAM L. MACK -------------------------- William L. Mack	Director	February 23, 2000
/S/ ROY J. ZUCKERBERG -------------------------- Roy J. Zuckerberg	Director	February 23, 2000
/S/ ALAN G. PHILIBOSIAN -------------------------- Alan G. Philibosian	Director	February 23, 2000
/S/ DR. IRVIN D. REID -------------------------- Dr. Irvin D. Reid	Director	February 23, 2000
/S/ VINCENT TESE -------------------------- Vincent Tese	Director	February 23, 2000
/S/ MARTIN S. BERGER -------------------------- Martin S. Berger	Director	February 23, 2000

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MACK-CALI REALTY CORPORATION
REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1999
(DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2)	YEAR BUILT	YEAR ACQUIRED	RELATED ENCUMBRANCES	INITIAL COSTS LAND	INITIAL COSTS BUILDING AND IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION
ATLANTIC COUNTY, NEW JERSEY...						
EGG HARBOR						
100 Decadon Drive (O).........	1987	1995	$ --	$300	$3,282	$119
200 Decadon Drive (O).........	1991	1995	--	369	3,241	158
BERGEN COUNTY, NEW JERSEY						
FAIR LAWN						
17-17 Rte 208 North (O).......	1987	1995	--	3,067	19,415	441
FORT LEE						
2115 Linwood Avenue (O).......	1981	1998	--	474	4,419	3,724
One Bridge Plaza (O)..........	1981	1996	--	2,439	24,462	1,488
LITTLE FERRY						
200 Riser Road (O)............	1974	1997	10,500	3,888	15,551	236
MONTVALE						
135 Chestnut Ridge Road (O)...	1981	1997	--	2,587	10,350	85
95 Chestnut Ridge Road (O)....	1975	1997	2,135	1,227	4,907	44
PARAMUS						
140 Ridgewood Avenue (O)......	1981	1997	15,392	7,932	31,463	269
15 East Midland Avenue (O)....	1988	1997	24,790	10,375	41,497	56
461 From Road (O).............	1988	1997	35,000	13,194	52,778	81
61 South Paramus Avenue (O)...	1985	1997	15,776	9,005	36,018	4,046
650 From Road (O).............	1978	1997	23,316	10,487	41,949	430
ROCHELLE PARK						
120 Passaic Street (O)........	1972	1997	--	1,354	5,415	35
365 West Passaic Street (O)...	1976	1997	7,468	4,148	16,592	859
SADDLE RIVER						
1 Lake Street (O).............	1994	1997	35,789	13,952	55,812	6
UPPER SADDLE RIVER						
10 Mountainview Road (O)......	1986	1998	--	4,240	20,485	911
WOODCLIFF LAKE						
300 Tice Boulevard (O)........	1991	1996	--	5,424	29,688	449
400 Chestnut Ridge Road (O)...	1982	1997	14,446	4,201	16,802	--
470 Chestnut Ridge Road (O)...	1987	1997	4,087	2,346	9,385	2
50 Tice Boulevard (O).........	1984	1994	--	4,500	--	26,030
530 Chestnut Ridge Road (O)...	1986	1997	4,032	1,860	7,441	3
BURLINGTON COUNTY, NEW JERSEY						
BURLINGTON						
3 Terri Lane (F)..............	1991	1998	2,084	652	3,433	904
5 Terri Lane (F)..............	1992	1998	2,350	564	3,792	1,279
DELRAN						
Tenby Chase Apartments (M)....	1970	1994	--	396	--	5,370
MOORESTOWN						
1 Executive Drive (F).........	1989	1998	--	226	1,453	118
101 Commerce Drive (F)........	1988	1998	--	422	3,528	240
101 Executive Drive (F).......	1990	1998	1,116	241	2,262	148
102 Executive Drive (F).......	1990	1998	--	353	3,607	231
1256 North Church (F).........	1984	1998	--	354	3,098	232
1507 Lancer Drive (F).........	1995	1998	--	119	1,106	40
1510 Lancer Drive (F).........	1998	1998	--	732	2,928	38
201 Commerce Drive (F)........	1986	1998	1,059	254	1,694	83
102 Commerce Drive (F)........	1987	1999	--	389	1,554	--
202 Commerce Drive (F)........	1988	1999	--	490	1,963	--
2 Commerce Drive (F)..........	1986	1999	--	723	2,893	--
224 Strawbridge Drive (O).....	1984	1997	--	766	4,335	2,786

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) LAND	BUILDING AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
ATLANTIC COUNTY, NEW JERSEY...				
EGG HARBOR				

100 Decadon Drive (O).........	$300	$3,401	$3,701	$351
200 Decadon Drive (O).........	369	3,399	3,768	374
BERGEN COUNTY, NEW JERSEY				
FAIR LAWN				
17-17 Rte 208 North (O).......	3,067	19,856	22,923	2,442
FORT LEE				
2115 Linwood Avenue (O).......	474	8,143	8,617	79
One Bridge Plaza (O)..........	2,439	25,950	28,389	2,112
LITTLE FERRY				
200 Riser Road (O)............	3,888	15,787	19,675	802
MONTVALE				
135 Chestnut Ridge Road (O)...	2,588	10,434	13,022	530
95 Chestnut Ridge Road (O)....	1,227	4,951	6,178	252
PARAMUS				
140 Ridgewood Avenue (O)......	7,932	31,732	39,664	1,317
15 East Midland Avenue (O)....	10,374	41,554	51,928	2,122
461 From Road (O)............	13,194	52,859	66,053	2,699
61 South Paramus Avenue (O)...	9,005	40,064	49,069	1,921
650 From Road (O)............	10,487	42,379	52,866	2,149
ROCHELLE PARK				
120 Passaic Street (O)........	1,357	5,447	6,804	277
365 West Passaic Street (O)...	4,148	17,451	21,599	900
SADDLE RIVER				
1 Lake Street (O)............	13,953	55,817	69,770	2,853
UPPER SADDLE RIVER				
10 Mountainview Road (O)......	4,240	21,396	25,636	1,297
WOODCLIFF LAKE				
300 Tice Boulevard (O)........	5,424	30,137	35,561	2,338
400 Chestnut Ridge Road (O)...	4,201	16,802	21,003	856
470 Chestnut Ridge Road (O)...	2,346	9,387	11,733	480
50 Tice Boulevard (O).........	4,500	26,030	30,530	11,338
530 Chestnut Ridge Road (O)...	1,860	7,444	9,304	380
BURLINGTON COUNTY, NEW JERSEY				
BURLINGTON				
3 Terri Lane (F).............	658	4,331	4,989	258
5 Terri Lane (F).............	569	5,066	5,635	325
DELRAN				
Tenby Chase Apartments (M)....	396	5,370	5,766	3,439
MOORESTOWN				
1 Executive Drive (F).........	228	1,569	1,797	100
101 Commerce Drive (F)........	426	3,764	4,190	262
101 Executive Drive (F).......	244	2,407	2,651	140
102 Executive Drive (F).......	356	3,835	4,191	228
1256 North Church (F).........	356	3,328	3,684	224
1507 Lancer Drive (F).........	120	1,145	1,265	66
1510 Lancer Drive (F).........	735	2,963	3,698	111
201 Commerce Drive (F)........	258	1,773	2,031	115
102 Commerce Drive (F)........	389	1,554	1,943	--
202 Commerce Drive (F)........	490	1,963	2,453	--
2 Commerce Drive (F)..........	723	2,893	3,616	--
224 Strawbridge Drive (O).....	766	7,121	7,887	468

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PROPERTY LOCATION (2)	YEAR BUILT	YEAR ACQUIRED	RELATED ENCUMBRANCES	INITIAL COSTS LAND	INITIAL COSTS BUILDING AND IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION
225 Executive Drive (F)	1990	1998	1,259	323	2,477	96
228 Strawbridge Drive (O)	1984	1997	--	767	4,334	2,888
30 Twosome Drive (F)	1997	1998	--	234	1,954	45
40 Twosome Drive (F)	1996	1998	--	297	2,393	55
50 Twosome Drive (F)	1997	1998	--	301	2,330	43
MOORESTOWN						
840 North Lenola Road (F)	1995	1998	--	329	2,366	45
844 North Lenola Road (F)	1995	1998	--	239	1,714	35
97 Foster Road (F)	1982	1998	--	208	1,382	46
WEST DEPTFORD						
1451 Metropolitan Drive (F)	1996	1998	--	203	1,189	23
ESSEX COUNTY, NEW JERSEY						
MILLBURN						
150 J.F. Kennedy Parkway (O)	1980	1997	26,604	12,606	50,425	182
ROSELAND						
101 Eisenhower Parkway (O)	1980	1994	--	228	--	14,348
103 Eisenhower Parkway (O)	1985	1994	--	--	--	13,208
HUDSON COUNTY, NEW JERSEY						
JERSEY CITY						
95 Christopher Columbus Drive (O)	1989	1994	--	6,205	--	81,394
Harborside Financial Center Plaza I (O) .	1983	1996	51,276	3,923	51,013	--
Harborside Financial Center Plaza II (O)	1990	1996	49,362	17,655	101,546	3,563
Harborside Financial Center Plaza III (O)	1990	1996	49,362	17,655	101,878	3,569
MERCER COUNTY, NEW JERSEY						
HAMILTON TOWNSHIP						
100 Horizon Drive (F)	1989	1995	--	205	1,676	--
200 Horizon Drive (F)	1991	1995	--	205	3,027	--
300 Horizon Drive (F)	1989	1995	--	379	4,355	55
500 Horizon Drive (F)	1990	1995	--	379	3,395	100
Zero Horizon Drive (L)	n/a	1999	--	498	--	--
PRINCETON						
5 Vaughn Drive (O)	1987	1995	--	657	9,800	404
103 Carnegie Center (O)	1984	1996	--	2,566	7,868	579
100 Overlook Center (O)	1988	1997	--	2,378	21,754	143
MIDDLESEX COUNTY, NEW JERSEY						
EAST BRUNSWICK						
377 Summerhill Road (O)	1977	1997	--	649	2,594	149
PLAINSBORO						
500 College Road East (O)	1984	1998	--	614	20,626	261
SOUTH BRUNSWICK						
3 Independence Way (O)	1983	1997	--	1,997	11,391	102
WOODBRIDGE						
581 Main Street (O)	1991	1997	17,500	3,237	12,949	19,342
MONMOUTH COUNTY, NEW JERSEY						
NEPTUNE						
3600 Route 66 (O)	1989	1995	--	1,098	18,146	39
WALL TOWNSHIP						
1305 Campus Parkway (O)	1988	1995	--	335	2,560	67
1320 Wykoff Avenue (F)	1986	1995	--	255	1,285	--
1324 Wykoff Avenue (F)	1987	1995	--	230	1,439	92
1325 Campus Parkway (F)	1988	1995	--	270	2,928	41
1340 Campus Parkway (F)	1992	1995	--	489	4,621	310

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) LAND	BUILDING AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
225 Executive Drive (F)	326	2,570	2,896	172
228 Strawbridge Drive (O)	766	7,223	7,989	578
30 Twosome Drive (F)	235	1,998	2,233	139
40 Twosome Drive (F)	300	2,445	2,745	150

50 Twosome Drive (F)	304	2,370	2,674	158
MOORESTOWN				
840 North Lenola Road (F)	333	2,407	2,740	155
844 North Lenola Road (F)	241	1,747	1,988	112
97 Foster Road (F)	211	1,425	1,636	82
WEST DEPTFORD				
1451 Metropolitan Drive (F)	206	1,209	1,415	81
ESSEX COUNTY, NEW JERSEY				
MILLBURN				
150 J.F. Kennedy Parkway (O)	12,606	50,607	63,213	2,580
ROSELAND				
101 Eisenhower Parkway (O)	228	14,348	14,576	7,887
103 Eisenhower Parkway (O)	2,300	10,908	13,208	4,011
HUDSON COUNTY, NEW JERSEY				
JERSEY CITY				
95 Christopher Columbus Drive (O)	6,205	81,394	87,599	23,922
Harborside Financial Center Plaza I (O) .	3,923	51,013	54,936	4,039
Harborside Financial Center Plaza II (O)	18,315	104,449	122,764	8,168
Harborside Financial Center Plaza III (O)	18,295	104,807	123,102	8,169
MERCER COUNTY, NEW JERSEY				
HAMILTON TOWNSHIP				
100 Horizon Drive (F)	205	1,676	1,881	175
200 Horizon Drive (F)	205	3,027	3,232	315
300 Horizon Drive (F)	379	4,410	4,789	464
500 Horizon Drive (F)	379	3,495	3,874	412
Zero Horizon Drive (L)	498	--	498	--
PRINCETON				
5 Vaughn Drive (O)	657	10,204	10,861	1,179
103 Carnegie Center (O)	2,566	8,447	11,013	924
100 Overlook Center (O)	2,378	21,897	24,275	1,183
MIDDLESEX COUNTY, NEW JERSEY				
EAST BRUNSWICK				
377 Summerhill Road (O)	649	2,743	3,392	138
PLAINSBORO				
500 College Road East (O)	614	20,887	21,501	915
SOUTH BRUNSWICK				
3 Independence Way (O)	1,997	11,493	13,490	672
WOODBRIDGE				
581 Main Street (O)	8,115	27,413	35,528	1,043
MONMOUTH COUNTY, NEW JERSEY				
NEPTUNE				
3600 Route 66 (O)	1,098	18,185	19,283	1,900
WALL TOWNSHIP				
1305 Campus Parkway (O)	335	2,627	2,962	315
1320 Wykoff Avenue (F)	255	1,285	1,540	134
1324 Wykoff Avenue (F)	230	1,531	1,761	202
1325 Campus Parkway (F)	270	2,969	3,239	328
1340 Campus Parkway (F)	489	4,931	5,420	581

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INITIAL COSTS	COSTS CAPITALIZED

PROPERTY LOCATION (2)	YEAR BUILT	YEAR ACQUIRED	RELATED ENCUMBRANCES	LAND	BUILDING AND IMPROVEMENTS	SUBSEQUENT TO ACQUISITION
1350 Campus Parkway (O).......	1990	1995	--	454	7,134	544
1433 Highway 34 (F)...........	1985	1995	--	889	4,321	338
1345 Campus Parkway (F).......	1995	1997	--	1,023	5,703	55
MORRIS COUNTY, NEW JERSEY						
FLORHAM PARK						
325 Columbia Parkway (O)......	1987	1994	--	1,564	--	15,860
MORRIS PLAINS						
201 Littleton Road (O)........	1979	1997	--	2,407	9,627	100
250 Johnson Road (O)..........	1977	1997	2,235	2,004	8,016	221
MORRIS TOWNSHIP						
340 Mt. Kemble Avenue (O).....	1985	1997	32,178	13,624	54,496	40
412 Mt. Kemble Avenue (O).....	1986	1997	40,025	15,737	62,954	32
PARSIPPANY						
2 Dryden Way (O)..............	1990	1998	--	778	420	13
2 Hilton Court (O)............	1991	1998	--	1,971	32,007	115
600 Parsippany Road (O).......	1978	1994	--	1,257	5,594	614
7 Campus Drive (O)............	1982	1998	--	1,932	27,788	107
7 Sylvan Way (O)..............	1987	1998	--	2,084	26,083	35
8 Campus Drive (O)............	1987	1998	--	1,865	35,456	690
5 Sylvan Way (O)..............	1989	1998	--	1,160	25,214	346
1 Sylvan Way (O)..............	1989	1998	--	1,689	24,699	2,215
PASSAIC COUNTY, NEW JERSEY						
CLIFTON						
777 Passaic Avenue (O)........	1983	1994	--	--	--	7,181
TOTOWA						
11 Commerce Way (F)...........	1989	1995	--	586	2,986	232
120 Commerce Way (F)..........	1994	1995	--	228	--	1,200
140 Commerce Way (F)..........	1994	1995	--	229	--	1,200
2 Center Court (F)............	1998	1998	--	191	--	2,563
20 Commerce Way (F)...........	1992	1995	--	516	3,108	26
29 Commerce Way (F)...........	1990	1995	--	586	3,092	229
40 Commerce Way (F)...........	1987	1995	--	516	3,260	375
45 Commerce Way (F)...........	1992	1995	--	536	3,379	137
60 Commerce Way (F)...........	1988	1995	--	526	3,257	261
80 Commerce Way (F)...........	1996	1996	--	227	--	1,631
100 Commerce Way (F)..........	1996	1996	--	226	--	1,631
999 Riverview Drive (O).......	1988	1995	--	476	6,024	416
1 Center Court (F)............	1999	1999	--	270	1,824	87
WAYNE						
201 Willowbrook Boulevard (O).	1970	1997	10,250	3,103	12,410	475
SOMERSET COUNTY, NEW JERSEY						
BASKING RIDGE						
222 Mt. Airy Road (O).........	1986	1996	--	775	3,636	31
233 Mt. Airy Road (O).........	1987	1996	--	1,034	5,033	16
BRIDGEWATER						
721 Route 202/206 (O).........	1989	1997	23,000	6,730	26,919	205

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) LAND	BUILDING AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
1350 Campus Parkway (O).......	454	7,678	8,132	893
1433 Highway 34 (F)...........	889	4,659	5,548	635
1345 Campus Parkway (F).......	1,024	5,757	6,781	420
MORRIS COUNTY, NEW JERSEY				
FLORHAM PARK				

325 Columbia Parkway (O)......	1,564	15,860	17,424	6,116
MORRIS PLAINS				
201 Littleton Road (O)........	2,407	9,727	12,134	495
250 Johnson Road (O)..........	2,004	8,237	10,241	415
MORRIS TOWNSHIP				
340 Mt. Kemble Avenue (O).....	13,624	54,536	68,160	2,786
412 Mt. Kemble Avenue (O).....	15,738	62,985	78,723	3,218
PARSIPPANY				
2 Dryden Way (O)..............	778	433	1,211	29
2 Hilton Court (O)............	1,971	32,122	34,093	1,545
600 Parsippany Road (O).......	1,257	6,208	7,465	870
7 Campus Drive (O)............	1,932	27,895	29,827	1,314
7 Sylvan Way (O)..............	2,084	26,118	28,202	1,269
8 Campus Drive (O)............	1,865	36,146	38,011	1,709
5 Sylvan Way (O)..............	1,160	25,560	26,720	1,174
1 Sylvan Way (O)..............	1,689	26,914	28,603	1,462
PASSAIC COUNTY, NEW JERSEY				
CLIFTON				
777 Passaic Avenue (O)........	1,100	6,081	7,181	2,654
TOTOWA				
11 Commerce Way (F)...........	586	3,218	3,804	327
120 Commerce Way (F)..........	228	1,200	1,428	127
140 Commerce Way (F)..........	229	1,200	1,429	128
2 Center Court (F)............	191	2,563	2,754	161
20 Commerce Way (F)...........	516	3,134	3,650	326
29 Commerce Way (F)...........	586	3,321	3,907	434
40 Commerce Way (F)...........	516	3,635	4,151	515
45 Commerce Way (F)...........	536	3,516	4,052	434
60 Commerce Way (F)...........	526	3,518	4,044	469
80 Commerce Way (F)...........	227	1,631	1,858	317
100 Commerce Way (F)..........	226	1,631	1,857	317
999 Riverview Drive (O).......	476	6,440	6,916	687
1 Center Court (F)............	270	1,911	2,181	38
WAYNE				
201 Willowbrook Boulevard (O).	3,103	12,885	15,988	647
SOMERSET COUNTY, NEW JERSEY				
BASKING RIDGE				
222 Mt. Airy Road (O).........	775	3,667	4,442	312
233 Mt. Airy Road (O).........	1,034	5,049	6,083	431
BRIDGEWATER				
721 Route 202/206 (O).........	6,730	27,124	33,854	1,379

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UNION COUNTY, NEW JERSEY						
CLARK						

100 Walnut Avenue (O).........	1985	1994	--	--	--	17,658
CRANFORD						
11 Commerce Drive (O).........	1981	1994	--	470	--	6,230
12 Commerce Drive (O).........	1967	1997	--	887	3,549	151
20 Commerce Drive (O).........	1990	1994	--	2,346	--	22,154
6 Commerce Drive (O)..........	1973	1994	--	250	--	2,732
65 Jackson Drive (O)..........	1984	1994	--	541	--	7,015
NEW PROVIDENCE						
890 Mountain Road (O).........	1977	1997	--	2,796	11,185	4,224
DUTCHESS COUNTY, NEW YORK						
FISHKILL						
300 South Lake Drive (O)......	1987	1997	--	2,258	9,031	120
NASSAU COUNTY, NEW YORK						
NORTH HEMPSTEAD						
111 East Shore Road (O).......	1980	1997	--	2,093	8,370	218
600 Community Drive (O).......	1983	1997	--	11,018	44,070	180
ROCKLAND COUNTY, NEW YORK						
SUFFERN						
400 Rella Boulevard (O).......	1988	1995	--	1,090	13,412	1,302
WESTCHESTER COUNTY, NEW YORK						
ELMSFORD						
1 Warehouse Lane (I)..........	1957	1997	--	3	268	190
1 Westchester Plaza (F).......	1967	1997	--	199	2,023	31
100 Clearbrook Road (O).......	1975	1997	--	220	5,366	445
101 Executive Boulevard (O)...	1971	1997	--	267	5,838	132
11 Clearbrook Road (F)........	1974	1997	--	149	2,159	5
150 Clearbrook Road (F).......	1975	1997	--	497	7,030	81
175 Clearbrook Road (F).......	1973	1997	--	655	7,473	280
2 Warehouse Lane (I)..........	1957	1997	--	4	672	26
2 Westchester Plaza (F).......	1968	1997	--	234	2,726	--
200 Clearbrook Road (F).......	1974	1997	--	579	6,620	488
250 Clearbrook Road (F).......	1973	1997	--	867	8,647	442
3 Warehouse Lane (I)..........	1957	1997	--	21	1,948	166
3 Westchester Plaza (F).......	1969	1997	--	655	7,936	--
300 Executive Boulevard (F)...	1970	1997	--	460	3,609	--
350 Executive Boulevard (F)...	1970	1997	--	100	1,793	--
399 Executive Boulevard (F)...	1962	1997	--	531	7,191	105
4 Warehouse Lane (I).........	1957	1997	--	84	13,393	185
4 Westchester Plaza (F).......	1969	1997	--	320	3,729	70
400 Executive Boulevard (F)...	1970	1997	--	2,202	1,846	273
5 Warehouse Lane (I)..........	1957	1997	--	19	4,804	204
5 Westchester Plaza (F).......	1969	1997	--	118	1,949	--
50 Executive Boulevard (F)....	1969	1997	--	237	2,617	--
500 Executive Boulevard (F)...	1970	1997	--	258	4,183	272
525 Executive Boulevard (F)...	1972	1997	--	345	5,499	30
570 Taxter Road (O)...........	1972	1997	--	438	6,078	198
6 Warehouse Lane (I)..........	1982	1997	--	10	4,419	25
6 Westchester Plaza (F).......	1968	1997	--	164	1,998	133
7 Westchester Plaza (F).......	1972	1997	--	286	4,321	24
700 Executive Boulevard (L)...	N/A	1997	--	970	--	--
75 Clearbrook Road (F)........	1990	1997	--	2,314	4,716	--
77 Executive Boulevard (F)....	1977	1997	--	34	1,104	6

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) LAND	BUILDING AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
UNION COUNTY, NEW JERSEY				
CLARK				
100 Walnut Avenue (O).........	1,822	15,836	17,658	7,045
CRANFORD				
11 Commerce Drive (O).........	470	6,230	6,700	3,220
12 Commerce Drive (O).........	887	3,700	4,587	183

20 Commerce Drive (O).........	2,346	22,154	24,500	6,484
6 Commerce Drive (O)..........	250	2,732	2,982	1,623
65 Jackson Drive (O)..........	542	7,014	7,556	3,352
NEW PROVIDENCE				
890 Mountain Road (O).........	3,764	14,441	18,205	722
DUTCHESS COUNTY, NEW YORK				
FISHKILL				
300 South Lake Drive (O)......	2,258	9,151	11,409	478
NASSAU COUNTY, NEW YORK				
NORTH HEMPSTEAD				
111 East Shore Road (O).......	2,093	8,588	10,681	439
600 Community Drive (O).......	11,018	44,250	55,268	2,296
ROCKLAND COUNTY, NEW YORK				
SUFFERN				
400 Rella Boulevard (O).......	1,090	14,714	15,804	1,801
WESTCHESTER COUNTY, NEW YORK				
ELMSFORD				
1 Warehouse Lane (I)..........	3	458	461	24
1 Westchester Plaza (F).......	199	2,054	2,253	154
100 Clearbrook Road (O).......	220	5,811	6,031	454
101 Executive Boulevard (O)...	267	5,970	6,237	446
11 Clearbrook Road (F)........	149	2,164	2,313	160
150 Clearbrook Road (F).......	497	7,111	7,608	529
175 Clearbrook Road (F).......	655	7,753	8,408	600
2 Warehouse Lane (I)..........	4	698	702	51
2 Westchester Plaza (F).......	234	2,726	2,960	199
200 Clearbrook Road (F).......	579	7,108	7,687	518
250 Clearbrook Road (F).......	867	9,089	9,956	647
3 Warehouse Lane (I)..........	21	2,114	2,135	150
3 Westchester Plaza (F).......	655	7,936	8,591	579
300 Executive Boulevard (F)...	460	3,609	4,069	263
350 Executive Boulevard (F)...	100	1,793	1,893	131
399 Executive Boulevard (F)...	531	7,296	7,827	534
4 Warehouse Lane (I).........	85	13,577	13,662	999
4 Westchester Plaza (F).......	320	3,799	4,119	292
400 Executive Boulevard (F)...	2,202	2,119	4,321	172
5 Warehouse Lane (I)..........	19	5,008	5,027	357
5 Westchester Plaza (F).......	118	1,949	2,067	142
50 Executive Boulevard (F)....	237	2,617	2,854	191
500 Executive Boulevard (F)...	258	4,455	4,713	314
525 Executive Boulevard (F)...	345	5,529	5,874	410
570 Taxter Road (O)...........	438	6,276	6,714	461
6 Warehouse Lane (I)..........	10	4,444	4,454	323
6 Westchester Plaza (F).......	164	2,131	2,295	157
7 Westchester Plaza (F).......	286	4,345	4,631	322
700 Executive Boulevard (L)...	970	--	970	--
75 Clearbrook Road (F)........	2,314	4,716	7,030	344
77 Executive Boulevard (F)....	34	1,110	1,144	82

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PROPERTY LOCATION (2)	YEAR BUILT	ACQUIRED	RELATED ENCUMBRANCES	INITIAL COSTS LAND	BUILDING AND IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION
8 Westchester Plaza (F).......	1971	1997	--	447	5,262	546
85 Executive Boulevard (F)....	1968	1997	--	155	2,507	19
HAWTHORNE						
1 Skyline Drive (O)...........	1980	1997	--	66	1,711	35
10 Skyline Drive (F)..........	1985	1997	--	134	2,799	78
11 Skyline Drive (F)..........	1989	1997	--	--	4,788	66
12 Skyline Drive (F)..........	1999	1999	--	1,562	3,254	1,573
15 Skyline Drive (F)..........	1989	1997	--	--	7,449	349
17 Skyline Drive (O)..........	1989	1997	--	--	7,269	136
2 Skyline Drive (O)...........	1987	1997	--	109	3,128	254
200 Saw Mill River Road (F)...	1965	1997	--	353	3,353	125
30 Saw Mill River Road (O)....	1982	1997	--	2,355	34,254	3,634
4 Skyline Drive (F)...........	1987	1997	--	363	7,513	389
7 Skyline Drive (O)...........	1987	1998	--	330	13,013	35
8 Skyline Drive (F)...........	1985	1997	--	212	4,410	792
TARRYTOWN						
200 White Plains Road (O).....	1982	1997	--	378	8,367	606
220 White Plains Road (O).....	1984	1997	--	367	8,112	352
230 White Plains Road (R).....	1984	1997	--	124	1,845	--
WHITE PLAINS						
1 Barker Avenue (O)...........	1975	1997	--	208	9,629	426
1 Water Street (O)............	1979	1997	--	211	5,382	262
11 Martine Avenue (O).........	1987	1997	--	127	26,833	2,870
25 Martine Avenue (M).........	1987	1997	--	120	11,366	250
3 Barker Avenue (O)...........	1983	1997	--	122	7,864	432
50 Main Street (O)............	1985	1997	--	564	48,105	1,946
YONKERS						
1 Enterprise Boulevard (L)....	N/A	1997	--	1,380	--	--
1 Executive Boulevard (O).....	1982	1997	--	1,104	11,904	573
1 Odell Plaza (F).............	1980	1997	--	1,206	6,815	235
100 Corporate Boulevard (F)...	1987	1997	--	602	9,910	349
2 Executive Plaza (R).........	1986	1997	--	89	2,439	--
200 Corporate Boulevard South (F)	1990	1997	--	502	7,575	63
3 Executive Plaza (O).........	1987	1997	--	385	6,256	307
4 Executive Plaza (F).........	1986	1997	--	584	6,134	284
5 Odell Plaza (F).............	1983	1997	--	331	2,988	29
6 Executive Plaza (F).........	1987	1997	--	546	7,246	28
7 Odell Plaza (F).............	1984	1997	--	419	4,418	86
CHESTER COUNTY, PENNSYLVANIA						
BERWYN						
1000 Westlakes Drive (O)......	1989	1997	--	619	9,016	101
1055 Westlakes Drive (O)......	1990	1997	--	1,951	19,046	206
1205 Westlakes Drive (O)......	1988	1997	--	1,323	20,098	393
1235 Westlakes Drive (O)......	1986	1997	--	1,417	21,215	545
DELAWARE COUNTY, PENNSYLVANIA						
LESTER						
100 Stevens Drive (O).........	1986	1996	--	1,349	10,018	161
200 Stevens Drive (O).........	1987	1996	--	1,644	20,186	335
300 Stevens Drive (O).........	1992	1996	--	491	9,490	358
MEDIA						
1400 Providence Rd - Center I (O)................	1986	1996	--	1,042	9,054	644
1400 Providence Rd. - Center II(O)................	1990	1996	--	1,543	16,464	895

GROSS AMOUNT AT WHICH
CARRIED AT CLOSE OF
PERIOD (1)

BUILDING AND ACCUMULATED

PROPERTY LOCATION (2)	LAND	IMPROVEMENTS	TOTAL	DEPRECIATION
8 Westchester Plaza (F).......	447	5,808	6,255	523
85 Executive Boulevard (F)....	155	2,526	2,681	185
HAWTHORNE				
1 Skyline Drive (O)...........	66	1,746	1,812	126
10 Skyline Drive (F)..........	134	2,877	3,011	228
11 Skyline Drive (F)..........	--	4,854	4,854	370
12 Skyline Drive (F)..........	1,562	4,827	6,389	33
15 Skyline Drive (F)..........	--	7,798	7,798	701
17 Skyline Drive (O)..........	--	7,405	7,405	533
2 Skyline Drive (O)...........	109	3,382	3,491	258
200 Saw Mill River Road (F)...	353	3,478	3,831	263
30 Saw Mill River Road (O)....	2,356	37,887	40,243	3,458
4 Skyline Drive (F)...........	363	7,902	8,265	733
7 Skyline Drive (O)...........	330	13,048	13,378	435
8 Skyline Drive (F)...........	212	5,202	5,414	357
TARRYTOWN				
200 White Plains Road (O).....	378	8,973	9,351	796
220 White Plains Road (O).....	367	8,464	8,831	645
230 White Plains Road (R).....	124	1,845	1,969	134
WHITE PLAINS				
1 Barker Avenue (O)...........	207	10,056	10,263	739
1 Water Street (O)............	211	5,644	5,855	406
11 Martine Avenue (O).........	127	29,703	29,830	2,091
25 Martine Avenue (M).........	120	11,616	11,736	839
3 Barker Avenue (O)...........	122	8,296	8,418	638
50 Main Street (O)............	564	50,051	50,615	3,865
YONKERS				
1 Enterprise Boulevard (L)....	1,380	--	1,380	--
1 Executive Boulevard (O).....	1,105	12,476	13,581	989
1 Odell Plaza (F).............	1,206	7,050	8,256	512
100 Corporate Boulevard (F)...	602	10,259	10,861	740
2 Executive Plaza (R).........	89	2,439	2,528	178
200 Corporate Boulevard South (F)	502	7,638	8,140	492
3 Executive Plaza (O).........	385	6,563	6,948	461
4 Executive Plaza (F).........	584	6,418	7,002	521
5 Odell Plaza (F).............	331	3,017	3,348	218
6 Executive Plaza (F).........	546	7,274	7,820	531
7 Odell Plaza (F).............	419	4,504	4,923	364
CHESTER COUNTY, PENNSYLVANIA				
BERWYN				
1000 Westlakes Drive (O)......	619	9,117	9,736	654
1055 Westlakes Drive (O)......	1,951	19,252	21,203	1,386
1205 Westlakes Drive (O)......	1,323	20,491	21,814	1,546
1235 Westlakes Drive (O)......	1,418	21,759	23,177	1,543
DELAWARE COUNTY, PENNSYLVANIA				
LESTER				
100 Stevens Drive (O).........	1,349	10,179	11,528	763
200 Stevens Drive (O).........	1,644	20,521	22,165	1,532
300 Stevens Drive (O).........	491	9,848	10,339	718
MEDIA				
1400 Providence Rd - Center I (O)................	1,042	9,698	10,740	925
1400 Providence Rd. - Center II(O)...............	1,544	17,358	18,902	1,742

MACK-CALI REALTY CORPORATION
REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1999
(DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2)	YEAR BUILT	YEAR ACQUIRED	RELATED ENCUMBRANCES	INITIAL COSTS LAND	INITIAL COSTS BUILDING AND IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION
MONTGOMERY COUNTY, PENNSYLVANIA						
LOWER PROVIDENCE						
1000 Madison Avenue (O).......	1990	1997	--	1,713	12,559	130
PLYMOUTH MEETING						
Five Sentry East (O)..........	1984	1996	--	642	7,992	464
Five Sentry West (O)..........	1984	1996	--	268	3,334	51
1150 Plymouth Meeting Mall (O)	1970	1997	--	125	499	20,463
FAIRFIELD COUNTY, CONNECTICUT						
GREENWICH						
500 West Putnam Avenue (O)....	1973	1998	10,784	3,300	16,734	540
NORWARK						
40 Richards Avenue (O)........	1985	1998	--	1,087	18,399	1,077
SHELTON						
1000 Bridgeport Avenue (O)....	1986	1997	--	773	14,934	159
STAMFORD						
419 West Avenue (F)...........	1986	1997	--	4,538	9,246	39
500 West Avenue (F)...........	1988	1997	--	415	1,679	62
550 West Avenue (F)...........	1990	1997	--	1,975	3,856	322
600 West Avenue (F)...........	1999	1999	--	2,305	2,863	261
650 West Avenue (F)...........	1998	1998	--	1,328	--	3,787
DISTRICT OF COLUMBIA						
WASHINGTON						
1400 L Street, NW (O).........	1987	1998	--	13,054	27,423	416
1709 New York Avenue, NW (O)..	1972	1998	--	19,898	29,686	1,291
1201 Connecticut Avenue, NW (O)	1940	1999	--	14,228	18,571	65
PRINCE GEORGE'S COUNTY, MARYLAND						
LANHAM						
4200 Parliament Place (O).....	1989	1998	--	2,114	13,546	461
BEXAR COUNTY, TEXAS						
SAN ANTONIO						
111 Soledad (O)...............	1918	1997	--	2,004	8,017	322
1777 N.E. Loop 410 (O)........	1986	1997	--	3,119	12,477	817
84 N.E. Loop 410 (O)..........	1971	1997	--	2,295	10,382	289
200 Concord Plaza Drive (O)...	1986	1997	--	2,387	31,825	556
COLLIN COUNTY, TEXAS						
PLANO						
555 Republic Place (O)........	1986	1997	--	942	3,767	56
DALLAS COUNTY, TEXAS						
DALLAS						
3030 LBJ Freeway (O)..........	1984	1997	--	6,098	24,366	937
3100 Monticello (O)...........	1984	1997	--	1,940	7,762	4,594
8214 Westchester (O)..........	1983	1997	--	1,705	6,819	200
IRVING						
2300 Valley View (O)..........	1985	1997	--	1,913	7,651	325
RICHARDSON						
1122 Alma Road (O)............	1977	1997	--	754	3,015	169
HARRIS COUNTY, TEXAS						
HOUSTON						
10497 Town & Country Way (O)..	1981	1997	--	1,619	6,476	418

PROPERTY LOCATION (2)	LAND	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) BUILDING AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
MONTGOMERY COUNTY, PENNSYLVANIA				
LOWER PROVIDENCE				
1000 Madison Avenue (O).......	1,714	12,688	14,402	733
PLYMOUTH MEETING				
Five Sentry East (O)..........	642	8,456	9,098	659
Five Sentry West (O)..........	268	3,385	3,653	269
1150 Plymouth Meeting Mall (O)	125	20,962	21,087	934
FAIRFIELD COUNTY, CONNECTICUT				
GREENWICH				
500 West Putnam Avenue (O)....	3,300	17,274	20,574	926
NORWARK				
40 Richards Avenue (O)........	1,087	19,476	20,563	647
SHELTON				
1000 Bridgeport Avenue (O)....	773	15,093	15,866	997
STAMFORD				
419 West Avenue (F)...........	4,538	9,285	13,823	679
500 West Avenue (F)...........	415	1,741	2,156	127
550 West Avenue (F)...........	1,975	4,178	6,153	334
600 West Avenue (F)...........	2,305	3,124	5,429	7
650 West Avenue (F)...........	1,328	3,787	5,115	211
DISTRICT OF COLUMBIA				
WASHINGTON				
1400 L Street, NW (O).........	13,054	27,839	40,893	1,138
1709 New York Avenue, NW (O)..	19,898	30,977	50,875	1,229
1201 Connecticut Avenue, NW (O)	14,228	18,636	32,864	193
PRINCE GEORGE'S COUNTY, MARYLAND				
LANHAM				
4200 Parliament Place (O).....	1,393	14,728	16,121	514
BEXAR COUNTY, TEXAS				
SAN ANTONIO				
111 Soledad (O)...............	2,004	8,339	10,343	423
1777 N.E. Loop 410 (O)........	3,119	13,294	16,413	738
84 N.E. Loop 410 (O)..........	2,296	10,670	12,966	538
200 Concord Plaza Drive (O)...	2,393	32,375	34,768	1,649
COLLIN COUNTY, TEXAS				
PLANO				
555 Republic Place (O)........	942	3,823	4,765	200
DALLAS COUNTY, TEXAS				
DALLAS				
3030 LBJ Freeway (O)..........	6,098	25,303	31,401	1,443
3100 Monticello (O)...........	2,511	11,785	14,296	563
8214 Westchester (O)..........	1,705	7,019	8,724	358
IRVING				
2300 Valley View (O)..........	1,913	7,976	9,889	443
RICHARDSON				
1122 Alma Road (O)............	754	3,184	3,938	161
HARRIS COUNTY, TEXAS				
HOUSTON				
10497 Town & Country Way (O)..	1,619	6,894	8,513	372

MACK-CALI REALTY CORPORATION
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SCHEDULE III

PROPERTY LOCATION (2)	YEAR BUILT	YEAR ACQUIRED	RELATED ENCUMBRANCES	INITIAL COSTS LAND	INITIAL COSTS BUILDING AND IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION
14511 Falling Creek (O).......	1982	1997	--	434	1,738	223
1717 St. James Place (O)......	1975	1997	--	909	3,636	155
1770 St. James Place (O)......	1973	1997	--	730	2,920	289
5225 Katy Freeway (O).........	1983	1997	--	1,403	5,610	695
5300 Memorial (O).............	1982	1997	--	1,283	7,269	103
POTTER COUNTY, TEXAS						
AMARILLO						
6900 IH - 40 West (O).........	1986	1997	--	287	1,147	256
TARRANT COUNTY, TEXAS						
EULESS						
150 West Park Way (O).........	1984	1997	--	852	3,410	78
TRAVIS COUNTY, TEXAS						
AUSTIN						
1250 Capital of Texas Hwy. South (O)..................	1985	1998	--	4,121	32,935	401
MARICOPA COUNTY, ARIZONA						
GLENDALE						
5551 West Talavi Boulevard (O)	1991	1997	6,717	2,732	10,927	5,743
PHOENIX						
19640 North 31st Street (O)...	1990	1997	7,112	3,437	13,747	4
SCOTTSDALE						
9060 E. Via Linda Boulevard (O)	1984	1997	--	3,720	14,879	--
ARAPAHOE COUNTY, COLORADO						
AURORA						
750 South Richfield Street (O)	1997	1998	--	2,680	23,125	27
DENVER						
400 South Colorado Boulevard (O)	1983	1998	--	1,461	10,620	402
ENGLEWOOD						
5350 South Roslyn Street (O)..	1982	1998	--	862	6,831	129
9359 East Nichols Avenue (O)..	1997	1998	--	1,155	8,171	(444)
BOULDER COUNTY, COLORADO						
BROOMFIELD						
105 South Technology Court (O)	1997	1998	--	653	4,936	14
303 South Technology Court-A (O)	1997	1998	--	623	3,892	4
303 South Technology Court-B (O)	1997	1998	--	623	3,892	5
LOUISVILLE						
1172 Century Drive (O)........	1996	1998	--	707	4,647	37
248 Centennial Parkway (O)....	1996	1998	--	708	4,647	37
285 Century Place (O).........	1997	1998	--	889	10,133	13
DENVER COUNTY, COLORADO						
DENVER						
3600 South Yosemite (O).......	1974	1998	--	556	12,980	27
DOUGLAS COUNTY, COLORADO						
ENGLEWOOD						
384 Inverness Drive South (O).	1985	1998	--	703	5,653	150
400 Inverness Drive (O).......	1997	1998	--	1,584	19,878	(895)

5975 South Quebec Street (O)..	1996	1998	--	855	11,551	201
67 Inverness Drive East (O)...	1996	1998	--	1,034	5,516	10
PARKER						
9777 Pyramid Court (O)........	1995	1998	--	1,304	13,189	26

	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1)			
PROPERTY LOCATION (2)	LAND	BUILDING AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
14511 Falling Creek (O).......	434	1,961	2,395	100
1717 St. James Place (O)......	909	3,791	4,700	227
1770 St. James Place (O)......	730	3,209	3,939	190
5225 Katy Freeway (O).........	1,403	6,305	7,708	321
5300 Memorial (O).............	1,710	6,945	8,655	355
POTTER COUNTY, TEXAS				
AMARILLO				
6900 IH - 40 West (O).........	287	1,403	1,690	66
TARRANT COUNTY, TEXAS				
EULESS				
150 West Park Way (O).........	852	3,488	4,340	192
TRAVIS COUNTY, TEXAS				
AUSTIN				
1250 Capital of Texas Hwy. South (O)...................	4,121	33,336	37,457	1,620
MARICOPA COUNTY, ARIZONA				
GLENDALE				
5551 West Talavi Boulevard (O)	3,593	15,809	19,402	731
PHOENIX				
19640 North 31st Street (O)...	3,437	13,751	17,188	703
SCOTTSDALE				
9060 E. Via Linda Boulevard (O)	3,720	14,879	18,599	760
ARAPAHOE COUNTY, COLORADO				
AURORA				
750 South Richfield Street (O)	2,682	23,150	25,832	1,022
DENVER				
400 South Colorado Boulevard (O)	1,461	11,022	12,483	458
ENGLEWOOD				
5350 South Roslyn Street (O)..	862	6,960	7,822	346
9359 East Nichols Avenue (O)..	1,155	7,727	8,882	358
BOULDER COUNTY, COLORADO				
BROOMFIELD				
105 South Technology Court (O)	653	4,950	5,603	225
303 South Technology Court-A (O)	623	3,896	4,519	195
303 South Technology Court-B (O)	623	3,897	4,520	196
LOUISVILLE				
1172 Century Drive (O)........	707	4,684	5,391	238
248 Centennial Parkway (O)....	708	4,684	5,392	239
285 Century Place (O).........	891	10,144	11,035	430
DENVER COUNTY, COLORADO				
DENVER				
3600 South Yosemite (O).......	556	13,007	13,563	550

DOUGLAS COUNTY, COLORADO				
ENGLEWOOD				
384 Inverness Drive South (O).	703	5,803	6,506	277
400 Inverness Drive (O).......	1,584	18,983	20,567	848
5975 South Quebec Street (O)..	856	11,751	12,607	548
67 Inverness Drive East (O)...	1,035	5,525	6,560	276
PARKER				
9777 Pyramid Court (O)........	1,306	13,213	14,519	650

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SCHEDULE III

PROPERTY LOCATION (2)	YEAR BUILT	YEAR ACQUIRED	RELATED ENCUMBRANCES	INITIAL COSTS LAND	INITIAL COSTS BUILDING AND IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) LAND	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) BUILDING AND IMPROVEMENTS	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD (1) TOTAL
EL PASO COUNTY, COLORADO									
COLORADO SPRINGS									
1975 Research Parkway (O).....	1997	1998	--	1,397	13,221	2,455	1,611	15,462	17,073
2375 Telstar Drive (O)........	1998	1999	--	348	2,507	2,791	348	5,298	5,646
8415 Explorer (O).............	1998	1999	--	347	2,507	2,790	347	5,297	5,644
JEFFERSON COUNTY, COLORADO									
LAKEWOOD									
141 Union Boulevard (O).......	1985	1998	--	774	6,891	403	775	7,293	8,068
SAN FRANCISCO COUNTY, CALIFORNIA									
SAN FRANCISCO									
760 Market Street (O).........	1908	1997	--	5,588	22,352	38,306	13,499	52,747	66,246
795 Folsom Street (O).........	1977	1999	--	9,348	24,934	3,836	9,348	28,770	38,118
HILLSBOROUGH COUNTY, FLORIDA									
TAMPA									
501 Kennedy Boulevard (O).....	1982	1997	--	3,959	15,837	394	3,959	16,231	20,190
POLK COUNTY, IOWA									
WEST DES MOINES									
2600 Westown Parkway (O)......	1988	1997	--	1,708	6,833	181	1,708	7,014	8,722
DOUGLAS COUNTY, NEBRASKA									
OMAHA									
210 South 16th Street (O).....	1894	1997	--	2,559	10,236	110	2,559	10,346	12,905
PROJECTS UNDER DEVELOPMENT....			--	49,831	--	50,542	49,831	50,542	100,373
FURNITURE, FIXTURES & EQUIPMENT			--	--	--	6,160	--	6,160	6,160
TOTALS			$527,004	$527,383	$2,655,585	$471,877	$549,096	$3,105,749	$3,654,845

PROPERTY LOCATION (2)	ACCUMULATED DEPRECIATION
EL PASO COUNTY, COLORADO	
COLORADO SPRINGS	
1975 Research Parkway (O).....	630

2375 Telstar Drive (O)........	58
8415 Explorer (O)............	58
JEFFERSON COUNTY, COLORADO	
LAKEWOOD	
141 Union Boulevard (O).......	367
SAN FRANCISCO COUNTY, CALIFORNIA	
SAN FRANCISCO	
760 Market Street (O).........	2,232
795 Folsom Street (O).........	329
HILLSBOROUGH COUNTY, FLORIDA	
TAMPA	
501 Kennedy Boulevard (O).....	822
POLK COUNTY, IOWA	
WEST DES MOINES	
2600 Westown Parkway (O)......	384
DOUGLAS COUNTY, NEBRASKA	
OMAHA	
210 South 16th Street (O).....	428
PROJECTS UNDER DEVELOPMENT....	--
FURNITURE, FIXTURES & EQUIPMENT	1,955
TOTALS	$256,629

(1) The aggregate cost for federal income tax purposes at December 31, 1999 was approximately $2.65 billion.

(2) LEGEND OF PROPERTY CODES:
(O)=Office Property (M)=Multi-family Residential Property
(F)=Office/Flex Property (R)=Stand-alone Retail Property
(I)=Industrial/Warehouse Property (L)=Land Lease

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MACK-CALI REALTY CORPORATION
NOTE TO SCHEDULE III

Changes in rental properties and accumulated depreciation for the periods ended December 31, 1999, 1998 and 1997 are as follows:

	1999	1998	1997
RENTAL PROPERTIES			
Balance at beginning of year	$ 3,467,799	$ 2,629,616	$ 853,352
Additions	204,565	838,183	1,776,264

Retirements/Disposals	(17,519)	--	--
Balance at end of year	$ 3,654,845	$ 3,467,799	$ 2,629,616
ACCUMULATED DEPRECIATION			
Balance at beginning of year	$ 177,934	$ 103,133	$ 68,610
Depreciation expense	81,730	74,801	34,523
Retirements/Disposals	(3,035)	--	--
Balance at end of year	$ 256,629	$ 177,934	$ 103,133

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EX-10.18
2
EXHIBIT 10.18

Exhibit 10.18

EXECUTION COPY

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this "AGREEMENT") made this 28th day of December, 1999 by and between MACK-CALI REALTY, L.P., a Delaware limited partnership having an address at c/o Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 ("SELLER") and PARSIPPANY OFFICE ASSOCIATES L.L.C., a New Jersey limited liability company having an address at c/o Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 ("PURCHASER").

In consideration of the mutual promises, covenants, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 DEFINITIONS. For purposes of this Agreement, the following capitalized terms have the meanings set forth in this Section 1.1:

"AFFILIATE" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise; PROVIDED (but without limiting the foregoing) that no pledge of voting securities of any Person without the current right to exercise voting rights with respect thereto shall by itself be deemed to constitute control over such Person; PROVIDED, FURTHER, that Purchaser and the Companies shall not be deemed to be an Affiliate of Seller or Seller's Affiliates immediately following the Closing.

"ASSIGNMENT" has the meaning ascribed to such term in Section 10.3(a), in the form attached hereto as EXHIBIT A.

"AUTHORITIES" means the various governmental and quasi-governmental bodies or agencies having jurisdiction over the Properties, or any applicable portion thereof.

"BUSINESS DAY" means any day other than a Saturday, Sunday or a day on which national banking associations are authorized or required to close.

"CERTIFICATE AS TO FOREIGN STATUS" has the meaning ascribed to such term in Section 10.3(g).

"CLOSING" means the consummation of the purchase and sale of the Membership Interests contemplated by this Agreement, as provided for in Article X.

"CLOSING DATE" means December 28, 1999.

"CLOSING STATEMENT" has the meaning ascribed to such term in Section 10.4(a).

"CLOSING SURVIVING OBLIGATIONS" means the rights, liabilities and obligations set forth in Article VIII and 10.4, Articles XII and XVI, and Sections 18.2, 18.5, 18.7, 18.9, 18.11 and 18.12, and any other provisions which pursuant to their terms survive the Closing hereunder.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMPANIES" means Mack-Cali Campus Realty L.L.C., a New Jersey limited liability company, and Mack-Cali Morris Realty L.L.C., a New Jersey limited liability company.

"DOCUMENTS" has the meaning ascribed to such term in Section 8.1(z).

"EFFECTIVE DATE" means the date first written above.

"ENVIRONMENTAL LAWS" means each and every federal, state, county and municipal statute, ordinance, rule, regulation, code, order, requirement, directive, binding written interpretation and binding written policy pertaining to Hazardous Substances issued by any Authorities and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Properties, or any portion thereof, the use, ownership, occupancy or operation of the Properties, or any portion thereof, or the Companies, and as same have been amended, modified or supplemented from time to time prior to the Effective Date, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. SECTIONS 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. SECTIONS 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. SECTIONS 6901 et seq.), as amended by the Hazardous and Solid Wastes Amendments of 1984, the Water Pollution Control Act (33 U.S.C. SECTIONS 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. SECTIONS 300f et seq.), the Clean Water Act (33 U.S.C. SECTIONS 1321 et seq.), the Clean Air Act (42 U.S.C. SECTIONS 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. SECTIONS 6901 et seq.), the Toxic Substances Control Act (15 U.S.C.

SECTIONS 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. SECTIONS 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. SECTIONS 7401 note, et seq.), the National Environmental Policy Act (42 U.S.C. SECTIONS 4321 et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. SECTIONS 9601 et seq.), the Occupational Safety and Health Act (29 U.S.C. SECTIONS 651 et seq.), the New Jersey Environmental Rights Act (N.J.S.A. 2A:35A-1 et seq.),

the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), the New Jersey Air Pollution Control Act (N.J.S.A. 26:2C-1 et seq.), the Hazardous Substances Discharge: Reports and Notices Act (N.J.S.A. 13:1K-15 et seq.), the Industrial Site Recovery Act (N.J.S.A. 13:1K-6 et seq.), the New Jersey Underground Storage of Hazardous Substances Act (N.J.S.A. 58:10A-21 et seq.) (collectively, the "ENVIRONMENTAL STATUTES"), and any and all rules and regulations which have become effective prior to the Effective Date under any and all of the Environmental Statutes.

"FINANCIAL INFORMATION has the meaning ascribed to such term in Section 8.1(z).

"GOVERNMENTAL REGULATIONS" means all statutes, ordinances (including without limitation, zoning ordinances), rules and regulations of the Authorities applicable to Seller or the Companies or the use or operation of the Properties or any portion thereof.

"HAZARDOUS SUBSTANCES" means (a) asbestos, radon gas and urea formaldehyde foam insulation, (b) any solid, liquid, gaseous or thermal contaminant, including smoke vapor, soot, fumes, acids, alkalis, chemicals, petroleum products or byproducts, PCBs, phosphates, lead or other heavy metals and chlorine, (c) any solid or liquid waste (including, without limitation, hazardous waste), hazardous air pollutant, hazardous substance, hazardous chemical substance and mixture, toxic substance, pollutant, pollution, regulated substance and contaminant, as such terms are defined in any of the Environmental Statutes as such Environmental Statutes have been amended and/or supplemented from time to time prior to the date of this Agreement, and any and all rules and regulations promulgated under any of the above, and (d) any other chemical, material or substance, the use or presence of which, or exposure to the use or presence of which, is prohibited, limited or regulated by any Environmental Statutes.

"IMPROVEMENTS" means all buildings, structures, fixtures, parking areas and other improvements located on the Real Properties.

"KNOWLEDGE," "TO ITS KNOWLEDGE," "TO THE BEST OF ITS KNOWLEDGE," "KNOWN TO IT" means the current actual knowledge of any employee or officer of the party hereto to which the term applies or of the Companies who have actively and directly participated in the negotiation and closing of the matters described herein or who have actively and directly participated in the management or operation of the Real Properties and who devoted substantive attention

"LEASE SCHEDULES" has the meaning ascribed to such term in Section 8.1(z).

"LEASES" means all of the leases and other agreements with Tenants with respect to the use and occupancy of the Real Properties, together with all renewals and modifications thereof, if any, and any new leases entered into after the Effective Date and prior to the Closing.

"LICENSES AND PERMITS" means, collectively, all of the Companies' right, title and interest, to the extent assignable, in and to licenses, permits, certificates of occupancy, approvals, dedications, subdivision maps and entitlements now or hereafter issued, approved or granted by the Authorities in connection with the Properties, together with all renewals and modifications thereof.

"MANAGEMENT AGREEMENT" means, collectively, that certain Leasing and Management Agreement (in form and substance satisfactory to both Seller and SLAB) dated as of the date hereof between each of the Companies and an Affiliate of Seller for the management of the Properties.

"MEMBERSHIP INTERESTS" means 100% of the membership interests owned by Seller with respect to the Companies.

"PERSON" means any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

"PERSONAL PROPERTY" means all of the Companies' right, title and interest in and to all equipment, appliances, tools, supplies, machinery, artwork, furnishings and other tangible personal property attached to, appurtenant to, located in and used exclusively in connection with the ownership or operation of the Improvements and situated at the Properties at the time of Closing.

"PHASE I UPDATE" means an updated Phase I environmental report for the benefit of the Companies from the environmental consultants who prepared the existing Phase I environmental report on the Properties.

"PROPERTIES" means the Real Properties, the Improvements and the Personal Property.

"PURCHASE PRICE" has the meaning ascribed to such term in Section 3.1.

"PURCHASER" means Parsippany Office Associates L.L.C., a New Jersey limited liability company.

"REAL PROPERTIES" means those certain real properties located at 2 Hilton Court, 7 Campus Drive, 8 Campus Drive, 5 Sylvan Way, 7 Sylvan Way and 2 Dryden Way, all in Parsippany, New Jersey and certain leasehold interests related thereto, all as more particularly described on the legal description attached hereto and made a part hereof as EXHIBIT B, together with all of the Companies' right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to the Companies' right, title and interest in and to the adjacent streets, alleys and right-of-ways, and any easement rights, air rights, subsurface development rights and water rights.

"RENTALS" has the meaning ascribed to such term in Section 10.4(b).

"SERVICE CONTRACTS" means all of the Companies' right, title and interest, to the extent assignable, in and to all service agreements, maintenance contracts, equipment leasing agreements, warranties, guarantees, bonds, open purchase orders and other contracts for the provision of labor, services, materials or supplies relating solely to the Properties, as listed and

described on EXHIBIT C attached hereto, together with all renewals, supplements, amendments and modifications thereof, and any new such agreements entered into after the Effective Date, all to the extent they survive the Closing.

"SECURITY DEPOSITS" means all security deposits paid to the Companies, as landlord (together with any interest which has accrued thereon, but only to the extent such interest has accrued for the account of the Tenant), and not previously applied to Rental or other charges.

"SELLER" means Mack-Cali Realty, L.P., a Delaware limited partnership.

"SLAB" means SLAB Investments Holding, Inc., a Delaware corporation, a member of the Purchaser.

"TENANTS" means the tenants or users who are parties to the Leases.

"TITLE ENDORSEMENTS" means the endorsements to the Title Policies described in Section 10.3(d).

"TITLE POLICIES" means those certain owner's title policies in respect of the Real Properties listed on EXHIBIT G attached thereto.

SECTION 1.2 REFERENCES: EXHIBITS AND SCHEDULES. Except as otherwise specifically indicated, all references in this Agreement to Articles or Sections refer to Articles or Sections of this Agreement, and all references to Exhibits or Schedules refer to Exhibits or Schedules attached hereto, all of which Exhibits and Schedules are incorporated into, and made a part of, this Agreement by reference. The words "herein," "hereof," "hereinafter" and words and phrases of similar import refer to this Agreement as a whole and not to any particular Section or Article.

ARTICLE II
AGREEMENT OF PURCHASE AND SALE

SECTION 2.1 AGREEMENT. Seller hereby agrees to sell, convey, transfer and assign to Purchaser, and Purchaser hereby agrees to purchase, acquire, assume and accept from Seller, on the Closing Date and subject to the terms and conditions of this Agreement, all of the Membership Interests.

SECTION 2.2 INDIVISIBLE ECONOMIC PACKAGE. Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Membership Interests, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has agreed to sell, all of the Membership Interests, subject to and in accordance with the terms and conditions hereof.

ARTICLE III
PURCHASE PRICE

SECTION 3.1 PURCHASE PRICE. The purchase price for the Membership Interests (the "PURCHASE PRICE") shall be One Hundred Fifty Two Million and/100 Dollars ($152,000,000) in lawful currency of the United States of America, payable as provided in Section 3.2.

SECTION 3.2 METHOD OF PAYMENT OF PURCHASE PRICE. On or before 11:00 a.m. Eastern time on the Closing Date, Purchaser shall pay to Seller the Purchase Price, as adjusted pursuant to the terms of this Agreement, by Federal Reserve wire transfer of immediately available funds to the account of Seller.

ARTICLE IV
[INTENTIONALLY OMITTED.]

ARTICLE V
[INTENTIONALLY OMITTED.]

ARTICLE VI
[INTENTIONALLY OMITTED.]

ARTICLE VII
[INTENTIONALLY OMITTED.]

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES

SECTION 8.1 SELLER'S REPRESENTATIONS AND WARRANTIES. The following constitute the sole representations and warranties of Seller, which representations and warranties shall be true as of the Effective Date and as of the Closing Date. Seller represents and warrants to Purchaser the following:

(a) STATUS. Seller is a limited partnership, duly organized and validly existing under the laws of the State of Delaware with all requisite power and authority to carry on the business in which it is engaged and to own the properties it owns. Mack-Cali Campus Realty L.L.C. is a limited liability company, duly organized and validly existing under the laws of the State of New Jersey with all requisite power and authority to carry on the business in which it is engaged and to own the properties it owns. Mack-Cali Morris Realty L.L.C. is a limited liability company, duly organized and validly existing under the laws of the State of New Jersey with all requisite power and authority to carry on the business in which it is engaged and to own the properties it owns. Each of the Companies and Seller is not in violation or breach of its organizational documents including, without limitation, its Certificate of Formation or LLC Agreement. Each of Seller and the Companies is duly qualified and licensed to do business and is in good standing in all jurisdictions where the nature of their business makes such qualification necessary and has the requisite power and authority to conduct its business as now being conducted and to own, lease and sell all of the Properties. Companies possess all franchises, patents, copyrights, trademarks, trade names, licenses and permits adequate for the conduct of their businesses substantially as now conducted. Companies do not have any direct or indirect subsidiaries or any equity interests in any other entity. Each of Seller and the Companies are not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended. No election is in effect whereby the Seller or the Companies are treated as a corporation for tax purposes. Neither of the Companies owns, nor have they ever owned, any asset or property other than the Real Properties (and 1 Sylvan Way, Parsippany, New Jersey, in the case of Mack-Cali Morris Realty LLC which that Company no longer owns or has any rights or obligations in respect of) and incidental personal property necessary for the ownership and operation of the Real Properties. The Companies do not now engage in, nor have they ever engaged in, any business other than that permitted by their respective LLC operating agreements. The Companies have no obligations, liabilities or commitments other than those related to the Real Properties and disclosed to Purchasers. The Companies have not entered into any contract or agreement with any member, manager, general partner, principal or affiliate of Seller or any affiliate thereof, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's length basis with third parties other than an affiliate. The Companies have not incurred any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than trade payables or accrued expenses incurred in the ordinary course of business of operating the Real Properties. The Companies have not made any loans or advances to any third party (including any member, manager, general partner, principal or affiliate of Seller, or any guarantor). The Companies have done or caused to be done all things necessary to preserve their existence and limited liability company formalities.

(b) AUTHORITY. This Agreement has been duly executed and delivered by Seller and the execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been or will, on or prior to the Closing, be duly authorized by all necessary action on the part of Seller and the Companies, and no other procedures on the part of Seller or either of the Companies are necessary in order to permit them to consummate the transactions contemplated hereby, and this Agreement constitutes the legal, valid and binding obligation of Seller. Neither Seller nor the Companies is required to obtain the consent or any other authorization of a person or entity in connection with execution and delivery of this Agreement and performance of its obligations under this Agreement.

(c) NON-CONTRAVENTION. The execution and delivery of this Agreement by Seller and the consummation by Seller or either of the Companies of the transactions contemplated hereby will not (i) violate any judgment, order, statute, writ, injunction, decree, regulation or ruling of any court or Authority or arbitrator or conflict with, result in a breach of,

or constitute a default under the organizational documents of Seller or the Companies, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other agreement or instrument to which Seller or either of the Companies is a party or by which they are bound; (ii) result in the creation of any lien, charge, claim or encumbrance upon the Properties by virtue of any of those items set forth in (i) above; or (iii) require any order, authorization or consent of any Authority or other person or entity which has not been obtained.

(d) OWNERSHIP OF MEMBERSHIP INTERESTS. The Membership Interest in each of the Companies is duly authorized, validly issued, fully paid and nonassessable, and has not been issued in violation of any preemptive or similar rights. Seller is the owner of record and beneficially of the Membership Interests, free and clear of all mortgages, pledges, encumbrances, security interests, charges, agreements or claims of any kind (collectively, "Liens"). There are no authorized or outstanding options, warrants, calls, subscriptions or rights, commitments or other agreements of any kind to purchase any membership interest or capital stock of the Companies or to cause the Companies to issue any membership interest or shares of capital stock or securities convertible into or exchangeable or exercisable for any membership interest or capital stock of any Company. There are no agreements or understandings to which either of the Companies is a party or by which it is bound with respect to the voting, sale or transfer of its Membership Interest, other than the limited liability company agreements. Upon delivery of the Membership Interests against payment thereof in accordance with this Agreement, Purchaser will acquire good and marketable title to the Membership Interests, free and clear of any and all Liens. No Person, other than Purchaser, has any right to acquire any of the Membership Interests. The Membership Interests constitute all of the membership interests in each of the Companies.

(e) FINANCIAL INFORMATION; LIABILITIES AND OBLIGATIONS. There are no material inaccuracies or omissions in the Financial Information. Except for those incurred in the ordinary course of business since the date of the Financial Information, the Financial Information reflects all liabilities of each of the Companies, accrued, contingent or otherwise, arising out of transactions effected or events occurring on or prior to the Effective Date of this Agreement. As of the Closing, each of the Companies will not be liable upon or with respect to, or obligated in any other way to provide funds in respect of or to guarantee or assume in any manner, any debt, obligation, dividend or distribution of any other Person, and there is no basis for the assertion of any other claims or liabilities of any nature or in any amount against the Companies.

(f) ORGANIZATIONAL DOCUMENTS AND RECORDS OF COMPANIES. The copies of the operating agreement, other organizational documents and the minute books of the Companies which have been or are delivered to Purchaser hereunder are true, correct and complete copies thereof.

(g) TAXES. Each of the Companies has duly and timely filed all income, excise, corporate, franchise, property, sales, payroll, withholding and other tax returns and reports required to be filed by it as of the date hereof and has paid or established adequate reserves for all taxes (including penalties and interest) which have or may become due pursuant to such returns and any assessments which have been received by it or otherwise. Except as disclosed in the Financial Information, no tax audit of the Companies is pending or threatened,

and the results of any completed audits are properly reflected in the Financial Information. Neither of the Companies has granted any extension to any taxing authority of the limitation period during which any tax liability may be asserted. No transfer taxes are or shall be due as a result of transfer of the Membership Interests or the transactions contemplated hereunder or related hereto.

(h) SUITS AND PROCEEDINGS. Except as listed in EXHIBIT D, there are no:

(i) legal actions, claims, charges, complaints, petitions, suits or similar proceedings or unsatisfied orders pending and served, or threatened against the Companies, the Seller or the Properties which if adversely determined, might adversely affect the value of the Companies or the Properties, the continued ownership, occupancy, or operations thereof, or Seller's ability to consummate the transactions contemplated hereby;

(ii) pending or threatened grievances or arbitration proceedings or unsatisfied arbitration awards, or judicial proceedings or orders respecting awards, relating to any of the Properties or their ownership, operation or occupancy;

(iii) pending or threatened unfair labor practice orders or judicial proceedings or orders with respect thereto relating to any of the Properties or their ownership, operation or occupancy; or

(iv) any other action, proceeding or investigation pending or threatened against or involving Seller or either of the Companies or any of the Properties that might adversely affect the ownership, operation or occupancy of any of the Properties or such person so acquiring ownership, operation or occupancy.

To the best knowledge of Seller and the Companies, there are no facts which, if known by a potential claimant or Authority, would give rise to a claim or proceeding which, if asserted or conducted with results unfavorable to Seller, would have a material adverse effect on the ownership or operation of the Properties, the financial condition or prospects of the Properties or the consummation of the transactions contemplated by this Agreement. For the purpose of this Section 8.1(a) any of the terms set forth in subsections (i) through (iv) above which are adequately insured against shall not be considered subject to disclosure hereunder.

(i) NON-FOREIGN ENTITY. Seller is not a "foreign person" or "foreign corporation" as those terms are defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(j) TENANTS. As of the Closing, the only tenants of the Properties are the Tenants set forth in the Lease Schedules. The information set forth on each of the Lease Schedules are accurate and complete as of the date thereon. The Lease Schedules, attached hereto as EXHIBIT E, accurately and completely set forth in all material respects for each Lease, the following: the name of the Tenant, the lease expiration date, extension and renewal provisions, the base rent payable and the security deposits held thereunder. Seller and the Companies are in compliance with all legal requirements relating to such security deposits. The Documents made available to Purchaser pursuant to Section 8.1(z) hereof include true, correct and complete copies of all of the Leases. The Leases are in full force and effect. Except as shown on the Lease Schedules, neither the Companies nor the Tenants are in default of any monetary or, to the best of Sellers' and the Companies' knowledge, non-monetary obligations under the Leases. No event or omission has occurred which but for the passing of time or giving of notice or both would be a monetary or non-monetary default, on the part of either landlord or tenant under any Lease, and there is no outstanding defense, counterclaim or offset against the payment of any rent or other amount payable thereunder or against the performance of any obligation thereunder. Neither Seller nor the Companies have received notice or has knowledge of any pending or threatened rent strikes, tenant organizations, tenant unions or tenant interpleader actions. All work and materials, if any, required to be performed or furnished, as applicable, prior to the date hereof by landlord under each of the Leases has been performed and furnished in accordance with the terms of such Leases and fully paid for. All tenant allowances and concessions (including all rent-free periods) will be paid for and furnished, as applicable, by Seller by Closing to the extent required by agreement or otherwise so to be paid for and furnished, as applicable, by Closing. No commission, compensation or other amount is now or hereafter shall become payable to any broker or other agent under any written or oral agreement or understanding with any broker or other agent in connection with any Leases or renewals thereof, or any other options thereunder. Each such Lease is a bona fide Lease with a Tenant totally unrelated to and independent of Seller, the Companies or their Affiliates. To the best knowledge of Seller and the Companies, there are no circumstances or events affecting the financial condition of any Tenant or otherwise which might prevent or seriously hinder such Tenant from fulfilling its obligations under its Lease. Seller and the Companies have no knowledge of any intention or indication of intention by any Tenant to terminate its Lease or to limit or alter its Lease in any material respect. No Tenant under a Lease has paid rent more than thirty (30) days in advance, and the rents under such Leases have not been waived, released, or otherwise discharged or compromised. Each Lease constitutes the legal , valid and binding obligation of the Company constituting the lessor thereof and is enforceable against the tenant thereof. Each tenant under the Lease has entered into occupancy of the demised premises. Except as disclosed to Purchaser in writing, there are no management fees payable by any Company with respect to the management of the Real Properties. Each Tenant has accepted and is occupying the entire demised premises. No rent has agreed to be paid more than one month in advance. Rent has been paid in respect of each Lease through to the date shown on the Lease Schedules attached. No Tenant has advanced any funds for or on behalf of Landlord for which it has a right to deduct or offset from rent. All amendments, supplements and modifications to the Leases are listed on the Lease Schedule. No Tenant has a purchase option or right of first refusal on the Real Properties or any part thereof or has any right to additional space.

(k) SERVICE CONTRACTS. The Service Contracts are legal, valid and in full force and effect. None of the parties thereto are in default under any Service Contract. The Documents made available to Purchaser pursuant to Section 5.2 hereof include true, correct and complete copies of all Service Contracts under which the Companies are currently paying for services rendered in connection with the Properties. Other than the Leases, the Service Contracts and the

Management Agreement, the Companies, as of the Closing, will not be a party to any other agreements, contracts or commitments.

(l) COMPLIANCE WITH LAWS. Neither Seller nor any of the Companies has received any written notice of any violations of Governmental Regulations with respect to the Companies or the Properties. Neither the Companies nor the Properties are in material violation of any Governmental Regulations and, to the knowledge of Seller and the Companies, neither the Companies nor the Properties are in any other violation of Governmental Regulations. The Real Properties and Improvements do not require any rights over, or restrictions against, other property in order to comply with any Governmental Regulations.

(m) ZONING. The Improvements and the continuation of the present location, use, occupancy, operation, maintenance, repair and replacement of the Real Properties or any part thereof, including the present location, use, occupancy, operation, maintenance, repair and replacement by the Tenants, comply in full with all zoning requirements and do not depend on or require to any extent any further ordinance, variance, special exception or other special governmental approval for their continuing legality. Without limiting the foregoing, such Improvements and such location, use, occupancy, operation, maintenance, repair and replacement are not nonconforming uses in respect of zoning and other governmental requirements. There is no violation of any recorded restriction, condition or agreement affecting any of the Real Properties or, to the best knowledge of Seller and the Companies, of any other restriction, condition or agreement affecting any of the Real Properties; and neither Seller nor either Company has received notice of, and to the best knowledge of Seller and the Companies, there does not exist any violation of, and continuation of the present locations, uses, occupancies and operations will not result in a violation of, any building, health, safety, disability, environmental, pollution control, fire or similar law, ordinance, order, directive or regulation respecting the Real Properties or any part thereof. To the best knowledge of Seller and the Companies, all Improvements (including all roads, parking areas, curbs, curb cuts, sidewalks and sewers and other utilities) in, on or about the Real Properties have been completed and installed in accordance with the drawings, plans and specifications approved by the governmental authorities having jurisdiction or as otherwise required by such governmental authorities. To the best knowledge of Seller and the Companies, all impact and other similar fees and charges have been paid and no additional and/or new impact and other similar fees and charges are pending or contemplated.

(n) ENVIRONMENTAL LAWS. To the best knowledge of Seller and the Companies:

1. the Real Properties are and at all times have been in compliance with all Environmental Laws:

2. no notice, demand, claim or other communication has been given to or served on Seller or either of the Companies or on previous owners or tenants of the Real Properties from any entity, governmental body or individual claiming any violation of any of the Environmental Laws or demanding payment, contribution, indemnification, remedial action, removal action or any other action or inaction with respect to any actual or alleged environmental damage or injury to persons, property or natural resources, and no basis for any of the foregoing exists;

3. no above-ground or underground storage tanks, vessels and related equipment and containers are or ever were located on the Real Properties;

4. the soil, surface water and ground water of, under, on or around the Real Properties are free from any Hazardous Substance;

5. the Real Properties have never been used for or in connection with the manufacture, refinement, treatment, storage, generation, transport or hauling of any Hazardous Substance in excess of levels permitted by applicable Environmental Laws or the disposal of any such material;

6. no asbestos, asbestos-containing materials or presumed asbestos-containing materials have been installed, used, incorporated into or disposed of on the Real Properties;

7. no PCBs are or ever have been located on, in, or used in connection with the Real Properties; and

8. no investigation, administrative order, administrative order by consent, consent order, agreement, litigation or settlement is proposed or in existence or threatened or anticipated, with respect to or arising from the presence of any Hazardous Substance or the transport of Hazardous Substances with respect to the Real Properties.

(o) CC&RS. The current use and occupancy of the Real Property and the Improvements are not in violation of any recorded or unrecorded covenants, conditions, restrictions, reservations, easements or agreements affecting the Real Property and the Improvements.

(p) LICENSES AND PERMITS. The Companies possess all licenses, permits, certificates of occupancy, entitlements, approvals and other governmental authorizations to own, operate, occupy, use and lease the Properties. All certificates, permits, licenses, franchises, authorizations and approvals which are necessary to permit the lawful access, use, occupancy and operation of the Properties for their present and intended accesses, uses, occupancies and operations have been duly and validly obtained, are in full force and effect, and Seller and the Companies have no knowledge of any pending threat or contemplation of modification, cancellation or non-renewal of any such certificate, permit, license, franchise, authorization or approval.

(q) TITLE. Each of the Companies is the sole owner of good insurable and marketable title to such Company's respective Real Properties and Improvements and Personal Property, free and clear of all liens, mortgages, deeds of trust and other encumbrances and title defects and claims, charges, obligations, liabilities or rights in favor of third parties except as otherwise provided in the Title Policies and the Title Endorsements and Purchaser shall receive

such title at Closing. To the best knowledge of Seller and the Companies, all Personal Property is in good working order and condition. The Real Properties are free and clear of any mechanics; or materialsmen's liens or liens in the nature thereof, and no rights are outstanding that under law would give rise to any such liens, except those which are insured against by the Title Policies and the Title Endorsements. There are no outstanding options or rights of first offer or refusal to purchase all or any portion of the Real Properties, Companies' interests therein or ownership thereof.

(r) HVAC ETC. All water, sewer, electric, heating, ventilating, air conditioning, drainage facilities, telephone and other utilities required for ownership, operation or occupancy of the Real Properties or required by applicable law or currently on, under or at the Real Property or the Improvements have been installed in accordance with applicable Governmental Regulations and are in good working order. To the best knowledge of Seller and the Companies. Said utilities either enter the Real Properties through adjoining public streets or if they pass through adjoining private land, do so in accordance with legal, valid and enforceable permanent public or private easements which will inure to the benefit of Purchaser, its successors and assigns.

(s) BANKRUPTCY. Neither Seller nor any of the Companies has received any notice of attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy, or under any other debtor relief laws involving Seller and/or the Companies, or pending against Seller and/or the Companies, or threatened against Seller, the Companies or the Properties, or contemplated by Seller or the Companies.

(t) CONDEMNATION. Neither Seller nor any of the Companies has received any notice of any pending condemnation action with respect to the Properties, or any part thereof (including any proceeding for widening, change of grade or limitation on use of streets abutting the Real Properties) and, to the best knowledge of Seller and the Companies, no such proceeding has been threatened or is contemplated by any Authority.

(u) INSURANCE. Neither Seller nor any of the Companies has received, and neither Seller nor any of the Companies has any other knowledge or information of, any notice from any insurance company or board of fire underwriters requesting the performance of any work or alteration with respect to the Properties, or requiring an increase in the insurance rates applicable to the Properties. Every policy of insurance relating to any of the Real Properties has been disclosed to Purchaser in writing and is in full force and effect at Closing, indicating name of insurer, premium, and coverage.

(v) CONDITION OF REAL PROPERTIES. To the best knowledge of Seller and the Companies, there has been no damage or loss to any of the Real Properties by any fire or other casualty, any act of God or any hazard prior to the date hereof; and there has been no material change (adverse or otherwise) in the physical condition of the Improvements since the date of Purchaser's inspection. No improvements on adjoining properties encroach on the Real Properties.

(w) LATENT DEFECTS. To the best knowledge of Seller and the Companies, there are no latent defects in any of the Improvements, and the structural components, exteriors, electrical, gas, plumbing, water, sewer, air conditioning, heating, ventilating, exhaust, mechanical, security, disability, life/safety, communication, telephone, cable and other building systems, equipment and improvements are in good working order, condition and repair, the roofs, foundations, structures, doors and windows thereof are free from leaks and the Improvements are free from termite or other infestation. To the best knowledge of Seller and the Companies, there are no defects or inadequacies in the Real Properties or any part thereof which might adversely affect the insurability of the same or which might cause the imposition of extraordinary insurance premiums therefor or which might create a hazard or a material operating deficiency.

(x) TENANT PROPERTY. To the best knowledge of seller and the Companies, no equipment, fixture or article of personal property owned by Tenants and removable by them is material to the ownership, operation or occupancy of any of the Real Properties.

(y) REAL ESTATE TAXES. Complete and accurate copies of the most recent real estate and personal property tax bills covering the Properties have been provided by Seller to Purchaser. Neither Seller nor either of the Companies has received any notice, or has any knowledge of any increase in any of the factors comprising such tax bills or any other matters which might increase such taxes above such amount for any subsequent year. Neither Seller nor either of the Companies has received any assessment or other notice with respect to any governmental improvements prior to the date hereof for which the Real Properties can be assessed; and no such governmental improvements are threatened, contemplated, proposed or planned or in progress. To the best knowledge of Seller and the Companies, neither of the Companies has received any notice of any pending, threatened or contemplated assessments. The Real Properties and Improvements constitute separate tax parcels for purposes of ad valorem taxation.

(z) DOCUMENT REVIEW. Seller heretofore has provided to Purchaser for inspection true, accurate and complete copies of all of the following (collectively, the "DOCUMENTS") with respect to the Properties or the Companies: all existing environmental, engineering or consulting reports and studies of the Real Properties (including without limitation, the Phase I Update), real estate tax bills, together with assessments (special or otherwise), ad valorem and personal property tax bills, covering the period of the Companies' ownership of the Properties; the most current lease schedules (the "LEASE SCHEDULES"); current operating statements; the Leases, lease files, Service Contracts, and Licenses and Permits; the Title Policies and the existing surveys; the organizational documents, such as the operating agreement and amendments thereto, the minutes and other similar documents of the Companies; and the most current financial statements and balance sheets of the Companies (the "FINANCIAL INFORMATION").

(aa) COPIES AND SCHEDULES. Copies of all the documents listed on Schedules and Exhibits attached hereto have been delivered to Purchaser. The copies of all documents delivered by Seller to Purchaser pursuant to the terms of this Agreement are complete and accurate. The information contained in attached Schedules is complete and accurate. The representations and warranties of Seller contained in this Agreement do not omit to state any

material fact necessary in order to make such representations and warranties not misleading.

(bb) ISRA COMPLIANCE. The transactions contemplated by this Agreement and the Real Properties are not subject to the requirements of the Industrial Site Recovery Act of New Jersey.

(cc) SINGLE-MEMBER LLC. Each of the Companies has been properly treated as a disregarded entity for income tax purposes.

(dd) 3 SYLVAN WAY. With respect to 3 Sylvan Way, no tenants has rights to lease or acquire the Real Property known as 5 Sylvan Way.

(ee) COOPERS & LYBRAND. With respect to 5 Sylvan Way, the former tenant, Coopers & Lybrand and its successors in title and assigns have no rights of lease, renewal, extension or any others rights relating to the Real Property known as 5 Sylvan Way.

(ff) ERISA. (i) the Companies are not "employee benefit plans" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a "governmental plan" within the meaning of Secton 3(3) of ERISA; (ii) the Companies are not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true with respect to each of the Companies:

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

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

(iii) The Company qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. SECTIONS 2510.3-101(c) or (e) or an investment company registered under The Investment Company Act of 1940.

SECTION 8.2 PURCHASER'S REPRESENTATIONS AND WARRANTIES. Purchaser represents and warrants to Seller the following as of the Effective Date and as of the Closing Date:

(a) STATUS. Purchaser is a limited liability company duly organized and validly existing under the laws of the State of New Jersey.

(b) AUTHORITY. The execution and delivery of this Agreement and the performance of Purchaser's obligations hereunder have been duly authorized by all necessary action on the part of Purchaser and this Agreement constitutes the legal, valid and binding obligation of Purchaser.

(c) NON-CONTRAVENTION. The execution and delivery of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of or constitute a default under the organizational documents of Purchaser, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchaser is a party or by which it is bound.

(d) CONSENTS. No consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

SECTION 8.3 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS. The representations and warranties of Seller set forth in Section 8.1 will survive the Closing. The Closing Surviving Obligations will survive Closing without limitation unless a specified period is otherwise provided in this Agreement. All other representations, warranties, covenants and agreements made or undertaken by Seller under this Agreement, unless otherwise specifically provided herein, will not survive the Closing Date but will be merged into the Assignment and other Closing documents delivered at the Closing.

SECTION 8.4 INDEMNITY.

(a) Seller shall indemnify and hold harmless Purchaser and each member of Purchaser individually, and its directors, officers, shareholders, employees, successors, affiliates, trustees, partners, or principals from and against, any actual damages, loss, cost, liability, damage, expense (including reasonable attorneys' and other professionals' fees and disbursements), penalty or fine incurred, but shall exclude any consequential, speculative, punitive or special damages of Purchaser itself or its affiliates, in connection with or arising from any breach of representation or warranty made in Section 8.1 above. For the purposes of determining whether a breach of any representation or warranty made in Section 8.1 above has occurred and of measuring damages arising out of breaches of representations and warranties in this Agreement, any qualifications relating to the 'knowledge' of the Seller and/or the Companies contained in such representations and warranties shall be ignored.

(b) Seller shall indemnify and hold harmless Purchaser and each member of Purchaser individually, and its directors, officers, shareholders, employees, successors, affiliates, trustees, partners, or principals from and against, any actual loss, cost, liability, damage, expense (including reasonable attorneys' and other professionals' fees and disbursements), penalty or fine incurred, but shall exclude any consequential, speculative, punitive or special damages of Purchaser itself or its affiliates, in connection with or arising from any claim relating to the Companies and the Real Properties attributable to the period prior to the Closing.

(c) In the event that during the ownership of the Real Properties by the Companies and of the Membership Interests by Purchaser, neither Standard & Poor nor Moody's

is rating Seller as investment grade and the book value, determined in accordance with Generally Accepted Accounting Principles of Seller (excluding goodwill and adding back all accumulated depreciation and amortization) falls below $1,500,000,000, within thirty (30) days thereof, Seller shall, at Seller's sole expense, provide to Purchaser:

(i) updated Phase I environmental reports for all of the Real Properties reasonably satisfactory to Purchaser prepared by the environmental consultant who prepared the most recent such reports submitted by Seller to Purchaser prior to Closing; and

(ii) title policies in favor of Purchaser reasonably satisfactory to Purchaser in the amount of at least $86,000,000 (but in no event less than an amount which would prevent Purchaser from being a co-insurer) in the aggregate for all of the Real Properties issued by the title company which issued the most recent title policies in favor of Seller or other title companies reasonably acceptable to Purchaser.

(d) If the Seller for any reason fails to comply with subparagraphs (c)(i) and (ii) above within the above-mentioned thirty (30) day period, within ten (10) business days from the date of expiration of such period, Seller shall at the cost of Seller deliver at Seller's sole expense to Purchaser an irrevocable standby letter of credit in the amount of $86,000,000 to secure Seller's obligations under this Section 8.4. in a form reasonably acceptable to Purchaser, renewable annually for a period of no less than three (3) years, and issued by a bank selected by Seller which is rated AA by all agencies which have jurisdiction to rate the bank, or otherwise reasonably acceptable to Purchaser. If the selected bank is downgraded below AA after issuance of the letter of credit, a replacement letter of credit on all of the same terms set forth herein must be obtained from a AA rated bank as soon as reasonably possible. If the above-mentioned letter of credit is for any reason not renewed during the term thereof within 30 days prior to any annual expiration, the Purchaser shall be able to draw against the letter of credit prior to its expiration in accordance with its terms.

(e) In the event that all of the Real Properties are sold by the Companies or that all of the Membership Interests are sold by Purchaser, on or prior to the closing of the sale of the Real Properties or the Membership Interests, Seller shall deliver to Purchaser at Seller's sole expense an updated Phase I environmental report for all of the Real Properties prepared by the environmental consultant who prepared the most recent such report submitted by Seller to Purchaser or such other environmental consultants reasonably acceptable to Purchaser which are dated on or about the time Seller purchased such Real Properties.

(i) If the above-mentioned updated Phase I environmental reports for all of the Real Properties show no adverse change from the most recent such reports submitted to and approved by Seller prior to Closing, Seller shall have no further obligations under this Section 8.4(c).

(ii) If the above-mentioned updated Phase I environmental reports for

any of the Real Properties show any adverse change from the most recent such reports submitted to and approved by Seller prior to Closing and Seller's investment rating falls or Seller is not rated as set forth in subsection (c) above, within ten (10) business days from the date of delivery of such reports by Seller to Purchaser, Seller shall arrange at Seller's sole expense an indemnity, in form and substance reasonably approved by Purchaser by a person or entity with a book value determined in accordance with GAAP (excluding goodwill and adding back accumulated depreciation and amortization) of $100,000,000, as verified by Purchaser to its reasonable satisfaction.

This Section 8.4 shall survive the Closing.

ARTICLE IX
CONDITIONS PRECEDENT TO CLOSING

SECTION 9.1 CONDITIONS PRECEDENT TO OBLIGATION OF PURCHASER. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment at or prior to the Closing of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 10.3.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing.

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date.

SECTION 9.2 CONDITIONS PRECEDENT TO OBLIGATION TO SELLER. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Seller in it sole discretion:

(a) Seller shall have received the Purchase Price as adjusted pursuant to, and payable in the manner provided for, in this Agreement.

(b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 10.2.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with

appropriate modifications permitted under this Agreement or not materially adverse to Seller).

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Closing Date.

(e) The Companies and an Affiliate of Seller shall have entered into the Management Agreement to become effective as of the Closing.

ARTICLE X
CLOSING

SECTION 10.1 CLOSING. The consummation of the transaction contemplated by this Agreement by delivery of documents and payments of money shall take place on the Closing Date at the office of Weil, Gotshal & Manges, 767 Fifth Avenue (GM Building), New York, New York, or such other place as the parties agree. At Closing, the events set forth in this Article X will occur, it being understood that the performance or tender of performance of all matters set forth in this Article X are mutually concurrent conditions which may be waived by the party for whose benefit they are intended. The acceptance of the Assignment by Purchaser shall be deemed to be full performance and discharge of each and every agreement and obligation on the part of the Seller to be performed hereunder unless otherwise specifically provided herein.

SECTION 10.2 PURCHASER'S CLOSING OBLIGATIONS. At the Closing, Purchaser will deliver the following items to Seller as provided herein:

(a) The Purchase Price, after all adjustments are made as herein provided, by Federal Reserve wire transfer of immediately available funds, in accordance with the timing and other requirements of Section 3.2;

(b) A counterpart original of the Assignment, duly executed by Purchaser;

(c) An original ratification of the Companies' execution and delivery of the Management Agreement, duly executed by the Purchaser as the new sole member of the Companies; and

(d) Evidence reasonably satisfactory to Seller that the person executing the Assignment and the other Closing documents on behalf of Purchaser has full right, power and authority to do so.

SECTION 10.3 SELLER'S CLOSING OBLIGATIONS. At the Closing, Seller will deliver to Purchaser the following documents:

(a) A counterpart original of the Assignment, duly executed by Seller, assigning and transferring to the Purchaser the Membership Interests;

(b) The original Management Agreements, duly executed by the Companies and an Affiliate of Seller which will be the manager thereunder;

(c) The Phase I Update;

(d) Title endorsements commonly referred to as the Fairway Endorsement and the Non-imputation Endorsement (the "TITLE ENDORSEMENTS") to the Title Policy in a form satisfactory to Purchaser;

(e) Evidence reasonably satisfactory to Purchaser that the person executing the documents delivered by Seller or its Affiliates pursuant to this Section 10.3 has full right, power, and authority to do so;

(f) A certificate in the form attached hereto as EXHIBIT F ("CERTIFICATE AS TO FOREIGN STATUS") certifying that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, as well as any form or other document required under applicable laws to be executed by Seller in connection with any transfer tax applicable to the transaction contemplated by this Agreement;

(g) All original Leases, to the extent in Seller's or the Companies' possession, and all original Licenses and Permits and Service Contracts in Seller's or the Companies' control bearing on the Properties (to be delivered to the property manager under the Management Agreement);

(h) A certificate, dated as of the date of Closing, stating that the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of the Closing Date or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. If, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(i) The Lease Schedules, updated to show any changes and dated as of no more than five (5) Business Days prior to the Closing Date; and

(j) UCC Search in respect of Seller regarding assignment of membership interests at Secretary of State's office

(k) UCC Searches for fixtures and Personal Property in respect of the Companies at state, in county of property location and executive office, if different, or county of residence if applicable

(l) Litigation searches for the Companies

(m) Tax Lien searches for the Companies

(n) Amendments of the operating agreements for the Companies to reflect changes in membership and, in the case of Mack-Cali Morris Realty L.L.C., removal of reference to 1 Sylvan Way, Parsippany, New Jersey.

(o) FIRPTA requirements (Federal)

(p) Original executed Asset Management Agreement

(q) Approved Budgets for the Companies in form satisfactory to Purchaser

(r) Certified Service Contracts List in form satisfactory to Purchaser

(s) Certified Rent Roll in respect of the Real Properties in form satisfactory to Purchaser

(t) Environmental reliance letter enabling Purchaser to rely on the Phase I Update in form satisfactory to Purchaser

(u) Real estate tax bills and assessments and evidence of payment for last three years in form satisfactory to Purchaser

(v) Legal opinion of Seller's counsel in form satisfactory to Purchaser relating to (i) due authority of the Seller; and enforceability of this Agreement and the Assignments for transfer of the Membership Interests contemplated hereby and related hereto;

(w) Tax opinion in form satisfactory to Purchaser

(x) Surveys of the Real Properties

(y) The organizational documents in respect of Seller and the Companies listed on EXHIBIT H annexed hereto

(z) Documents evidencing transfer of 1 Sylvan way, to a party other than Purchaser.

(aa) Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transaction which is the subject of this Agreement.

(bb) All certificates of occupancy in the possession of the Companies with respect to the Real Properties.

SECTION 10.4 CLOSING STATEMENT; POST-CLOSING OBLIGATIONS.

(a) CLOSING STATEMENT. Seller agrees that the Closing Statement will reflect the following fair and accurate adjustments (as of 11:59 p.m. on the day preceding the Closing Date):

(i) Seller will receive a credit in the amount of any cash on hand or in any bank, savings or other deposit accounts held in the name of or for the benefit of the Companies.

(ii) Seller will receive a credit for any prepaid amounts for periods after the Closing Date under any agreement or contracts (including insurance policies) to which the Companies are a party and which will survive the Closing.

(iii) Seller will receive a credit equal to the value of fuel stored at the Real Properties, at the Companies' most recent cost, including taxes, on the basis of a reading made within ten (10) days prior to the Closing by the Companies' supplier.

(iv) Purchaser will receive a credit in the amount of the Security Deposits and any prepaid Rents, together with interest required to be paid thereon.

(v) Purchaser will receive a credit in the amount of the utility charges payable by the Companies for periods prior to the Closing Date, including, without limitation, electricity, water charges and sewer charges, based on the most current information.

(vi) Purchaser will receive a credit equal to the amounts payable under the Service Contracts for services rendered prior to the Closing Date.

(vii) Purchaser will receive a credit for any other amounts payable under any other agreement or contracts (including insurance policies) relating to the Companies or the Property for periods prior to the Closing Date and for any other liability whatsoever of the Companies incurred or arising prior to the Closing Date.

(viii) Purchaser will receive a credit in the amount of the real estate taxes due and payable for periods prior to the Closing Date, based on the most current information.

Within fifteen (15) days following the Closing, Seller will deliver to Purchaser the Closing Statement. Any amounts shown by the Closing Statement to be due by any party to the other pursuant to this Section 10.4(a) will be paid within fifteen (15) days following execution of the Closing Statement by Purchaser and Seller. Section 10.4 (a) shall survive the Closing.

(b) POST-CLOSING RECEIPT OF RENTAL. All Rentals received by the Companies

or the Purchaser on or after the Closing Date shall first be applied by Purchaser for payment of Rentals owing in respect of periods commencing on or after the Closing Date then, to the extent any Rentals so received are remaining, the remainder shall be paid or turned over to Seller to the extent attributable to any period prior to the Closing Date. "RENTALS" as used herein includes fixed monthly rentals, additional rentals, percentage rentals, escalation rentals (which include each Tenant's proportionate share of building operation and maintenance costs and expenses as provided for under the Lease, to the extent the same exceeds any expense specified in such Lease), retroactive rentals, all administrative charges, utility charges, other common area maintenance charges, real and personal property taxes and assessments, tenant or real property association dues, storage rentals, special event proceeds, temporary rents, telephone receipts, locker rentals, vending machine receipts and other sums, charges, fees or pass-through items payable by Tenants under the Leases or from other occupants or users of the Properties. The provisions of this Section 10.4(b) shall survive the Closing indefinitely.

(c) COST OF DUE DILIGENCE ITEMS IN EVENT OF SALE. In the event that Purchaser sells or refinances the Membership Interests or the Companies sell or refinance any of the Real Properties to or with any party other than an affiliate of Seller, Seller shall bear at its sole expense, the cost of the following due diligence items if required to be provided by Purchaser or any of the Companies in connection with any such transaction: (i) engineering reports; (ii) Phase I environmental reports; (iii) appraisal; (iv) title reports, searches and endorsements; (v) surveys; (vi) certificates of occupancy.

ARTICLE XI
TERMINATION AND REMEDIES

(a) PURCHASER'S TERMINATION. Provided that Purchaser is not then in material breach of this Agreement, this Agreement shall terminate, upon receipt by Seller of Purchaser's written notice of termination without further notice or action by Purchaser, if any condition to Closing contained in Section 10.2 has not been satisfied or waived by Seller in writing by the Closing Date;

(b) SELLER'S TERMINATION. Provided that Seller is not then in material breach of this Agreement, this Agreement shall terminate, upon receipt by Purchaser of Seller's written notice of termination without further notice or action by Seller, if any condition to Closing contained in Section 10.3 has not been satisfied or waived by Purchaser in writing by the Closing Date;

(c) PURCHASER'S REMEDIES. If Seller materially breaches this Agreement, Purchaser shall be entitled to pursue the remedy of specific performance and the return of any deposit (and any interest accrued thereon) from Seller and Seller shall be liable to Purchaser for such actual costs and expenses (which shall include, without limitation, reasonable attorneys' fees and costs) of enforcing the rights of Purchaser under this Agreement. This Article XI(c) shall survive the Closing.

(d) SELLER'S REMEDIES. If Purchaser breaches this Agreement, Seller shall be entitled to pursue all remedies permitted herein and by law, including, without any limitation, the remedy of specific performance and the retention of any deposit (and any interest accrued thereon) from Purchaser.

(e) INDEMNIFICATION PROCEDURES.

(i) If Purchaser (the"Indemnitee") becomes aware of any matter for which it believes it is entitled to indemnification under Section 8.4, hereof that involves (i) any claim made against the Indemnitee or (ii) the commencement of any action, suit, investigation, arbitration, or similar proceeding against the Indemnitee, the Indemnitee will give Seller (the "Indemnifying Party") prompt written notice of such claim or commencement of such action, suit, investigation, arbitration, or similar proceeding. Such notice will (A) provide (with reasonable specificity) the basis on which indemnification is being asserted, (B) set forth the actual or estimated amount of damages for which indemnification is being asserted, if known, and (C) be accompanied by copies of all relevant pleadings, demands and other papers served on the Indemnitee.

(ii) The Indemnifying Party will have a period of 30-days after the delivery of each notice required by Section 11.2(a) hereof during which to respond to such notice. If the Indemnifying Party elects to defend the claim described in such notice or does not respond within such 30-day period, the Indemnifying Party will be obligated to compromise or defend (and will control the defense of) such claim, at is own expense and by counsel chosen by the Indemnifying Party and reasonably satisfactory to the Indemnitee. The Indemnitee will cooperate fully with the Indemnifying Party and counsel for the Indemnifying Party in the defense against any such claim and the Indemnitee will have the right to participate at its own expense in the defense of any such claim. If the Indemnifying party responds within such 30-day period and elects not to defend such claim, the Indemnitee will be free to compromise or defend (and control the defense of) such claim and to pursue such remedies as may be available to the Indemnitee under applicable law.

(iii) Any compromise or settlement of any claim (whether defended by the Indemnitee or by Indemnifying Party) will require the prior written consent of the Indemnitee and the Indemnifying Party.

(iv) Any reasonable costs or expenses incurred and paid by the Indemnitee in connection with the exercise of any of its rights under this Section 10.4 or with respect to a matter for which it is indemnified under Section 8.4 of this Agreement shall be paid by the Indemnifying Party on demand and if the Indemnifying Party fails to pay such amounts demanded within five (5) days of demand, the amounts demanded will bear interest at the lower fifteen (15%) per annum or the maximum applicable lawful rate; PROVIDED, HOWEVER, that the Indemnifying Party's obligation to pay such costs, expenses and interest shall not apply for any period claimed in the event that Indemnifying Party obtains a final judgement or order that the Indemnitee is not entitled to indemnification or to payment of costs or expenses under the provisions of Section 8.4 or 10.4 of this Agreement.

ARTICLE XII
CONFIDENTIALITY

SECTION 12.1 PRESS RELEASES. Before either of Seller or Purchaser discloses in writing to any third party any of the terms and conditions of this Agreement (or the transaction contemplated hereby), such party shall provide a copy of such writing to the other party for its review and comment (but not its approval). Either Seller or Purchaser may request a meeting to discuss any such writing. The provisions of this Section 12.1 will survive the Closing.

ARTICLE XIII
[INTENTIONALLY OMITTED.]

ARTICLE XIV
[INTENTIONALLY OMITTED.]

ARTICLE XV
ASSIGNMENT

SECTION 15.1 ASSIGNMENT. No party shall have any right to assign this Agreement or any portion thereof.

ARTICLE XVI
BROKERAGE

SECTION 16.1 BROKERS. Purchaser and Seller represent that 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 either party may sustain, incur or be exposed to by reason of any claim for fees or commissions made through the other party. The provisions of this Article XVI will survive any Closing.

ARTICLE XVII
[INTENTIONALLY OMITTED.]

ARTICLE XVIII
MISCELLANEOUS

SECTION 18.1 WAIVERS. No waiver of any breach of any covenant or provisions contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

SECTION 18.2 RECOVERY OF CERTAIN FEES. In the event a party hereto files any action or suit against another party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, then in that event the prevailing party will be entitled to have and recover certain fees from the other party including all reasonable attorneys' fees and costs resulting therefrom. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photostatting, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 18.2 shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment.

SECTION 18.3 CONSTRUCTION. Headings at the beginning of each article and section are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular will include the plural and the masculine will include the feminine and vice versa. This Agreement will not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. All exhibits and schedules referred to in this Agreement are attached and incorporated by this reference, and any capitalized term used in any exhibit or schedule which is not defined in such exhibit or schedule will have the meaning attributable to such term in the body of this Agreement. In the event the date on which Purchaser or Seller is required to take any action under the terms of this Agreement is not a Business Day, the action will be taken on the next succeeding Business Day.

SECTION 18.4 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

SECTION 18.5 SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other conditions and provisions of this Agreement will nevertheless remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to reflect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 18.6 ENTIRE AGREEMENT. This Agreement is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof, and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument, signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein.

SECTION 18.7 GOVERNING LAW. THIS AGREEMENT WILL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK EXCEPT TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF THE STATE OF NEW JERSEY IS MANDATORY. SELLER AND PURCHASER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE CITY OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE CITY OF NEW YORK.

SECTION 18.8 NO RECORDING. The parties hereto agree that neither this Agreement nor any affidavit or memorandum concerning it will be recorded and any recording of this Agreement or any such affidavit or memorandum by Purchaser will be deemed a default by Purchaser hereunder.

SECTION 18.9 FURTHER ACTIONS. The parties agree to execute such documents and instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

SECTION 18.10 EXHIBITS. The following sets forth a list of Exhibits to the Agreement:

Exhibit A -	Assignment
Exhibit B -	Legal Description of Real Properties
Exhibit C -	List of Service Contracts
Exhibit D -	Suits and Proceedings
Exhibit E -	Lease Schedules
Exhibit F -	Certificate of Foreign Status
Exhibit G -	List of Title Policies
Exhibit H -	List of Organizational Documents

SECTION 18.11 NO PARTNERSHIP. Notwithstanding anything to the contrary

contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Membership Interests to be conveyed as contemplated hereby.

SECTION 18.12 LIMITATIONS ON BENEFITS, ETC. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser, the members of Purchaser individually, Seller and, to the extent applicable, the Companies and the manager under the Management Agreement, and their respective permitted successors and assigns is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, Purchaser, the members of Purchaser individually, Seller and, to the extent applicable, the Companies and said manager, or their respective successors and assigns as permitted hereunder. Nothing contained in this Agreement shall under any circumstances whatsoever be deemed or construed, or be interpreted, as making any third party (other than the members of Purchaser individually) a beneficiary of any term or provision of this Agreement or any instrument or document delivered pursuant hereto, and Purchaser and Seller expressly reject any such intent, construction or interpretation of this Agreement.

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IN WITNESS WHEREOF, Seller and Purchaser have respectively executed this Agreement as of the Effective Date.

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

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

By:

Roger W. Thomas,
Executive Vice President

PURCHASER: PARSIPPANY OFFICE ASSOCIATES L.L.C.
a New Jersey limited liability company

By: Mack-Cali Realty, L.P.,
a Delaware limited partnership,
its member

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

By:

Roger W. Thomas,
Executive Vice President

By: Slab Investments Holding, Inc.,
a Delaware corporation
its member

By:

John Bricker
Assistant Secretary

[END OF SIGNATURES]

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EXHIBIT H

ORGANIZATIONAL DOCUMENTS FOR DELIVERY BY SELLER

KEY

MC	Mack-Cali Realty L.P.
LLC1	Mack-Cali Campus Realty LLC
LLC2	Mack-Cali Morris Realty LLC

1 For MC:
- a. Partnership Agreement
- b. Partnership Certificate
- c. Certificate of Good Standing
- d. Certificates of Good Standing for General Partner
- e. Articles of Incorporation of General Partner (or other organizational documents, as applicable)
- f. By-Laws of General Partner (or other organizational documents, as applicable)
- g. Corporate Resolution and Incumbency Certificate of General Partner
- h. Termination of Agreements

2 For LLC 1:
- a. Articles of Organization
- b. LLC Agreement
- c. Certificates of Good Standing
- d. Resignation from all offices of Company, including the board of managers, of MC dated the Closing Date

3 For LLC 2:
- a. Articles of Organization
- b. LLC Agreement
- c. Certificates of Good Standing
- d. Resignation from all offices of Company, including the board of managers, of MC dated the Closing Date

EX-10.19
3
EXHIBIT 10.19

Exhibit 10.19

OPERATING AGREEMENT OF
PARSIPPANY OFFICE ASSOCIATES L.L.C.
A NEW JERSEY LIMITED LIABILITY COMPANY

This OPERATING AGREEMENT OF PARSIPPANY OFFICE ASSOCIATES L.L.C., a New Jersey limited liability company, (this "Agreement") is made and entered into as of December 28,1999, by and between MACK-CALI REALTY, L.P., a Delaware limited partnership ("MC") as the Managing Member (as the Managing Member may be changed or replaced from time to time hereunder, the "Managing Member") and SLAB INVESTMENTS HOLDING, INC., a Delaware corporation ("SLAB") as a Member (each of MC and SLAB is sometimes referred to herein as a "Member" and collectively as the "Members").

1. FORMATION/GOVERNING LAW. This limited liability company ("Company") shall be formed and established as a limited liability company as of the date hereof, pursuant to the provisions of the New Jersey Limited Liability Company Law, NJSA 42 ET SEQ. (the "Act"). This Agreement shall be governed by New Jersey law.

2. NAME. The name of the Company shall be PARSIPPANY OFFICE ASSOCIATES L.L.C.

3. CERTIFICATES. On December 17, 1999, a Certificate of Formation (the "Certificate") was filed in the Office of the Secretary of State of New Jersey.

4. PRINCIPAL PLACE OF BUSINESS. The principal place of

business of the Company shall be at c/o Mack-Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016, or at such other place(s) in New York or New Jersey as may be designated from time to time by the Managing Member.

5. OFFICE AND AGENTS. The name and address of the registered agent for service of process on the Company in the State of New Jersey shall be Corporation Service Company, 830 Bear Tavern Road, West Trenton, New Jersey 08628. The Managing Member in its reasonable discretion and upon notice to the other Member may change the agent specified in this Section 5 of this Agreement.

6. PURPOSES OF COMPANY. The purpose of the Company shall be to acquire for investment purposes, and own, finance, refinance, sell, assign or otherwise dispose of, the investment entities described in Section 9 below (each, together with any other entity that is owned by the Company, an "Investment Entity" and collectively, the "Investment Entities"), owning the Properties (as

defined in Section 9 below) and other assets related thereto. The purposes of the Company shall include any and all other general business activities incidental or reasonably related to the foregoing.

7. TERM. The term of the Company shall begin on the date the Certificate is filed with the Secretary of State of New Jersey and shall continue until December 31, 2029, unless the term of the Company is extended by an amendment to this Agreement so stating and executed by each of the Members, or unless the Company is sooner terminated or liquidated in accordance with the provisions of the Act or this Agreement. The Company's business shall be terminated, and the Company shall be liquidated, upon the bankruptcy of any Member unless a majority in interest of the remaining Members elect in writing, by notice to all Members given within ninety (90) days thereafter, to reconstitute the Company and continue its business, which right of election is hereby granted to them. Notwithstanding any provision to the contrary contained herein, the Company's business shall be terminated, and the Company shall be liquidated, in the event the Company no longer owns any interest in any Investment Entity or all Investment Entities have disposed of the Properties and no longer own any interest therein.

8. RELATIONSHIP OF PARTIES. This Agreement shall be construed and deemed to create a limited liability company. Nothing herein contained shall be considered to constitute any Member as the agent of any other Member, except as may be specifically authorized and provided for herein.

9. CAPITAL CONTRIBUTIONS. At the closing ("Closing") under the Purchase Agreement (as defined below in this Section 9), the Members shall contribute, as their respective capital contributions ("Capital Contributions") to the Company, the amounts set forth on Exhibit A (in the respective proportions stated on Exhibit A) in connection with the Company's purchase of 100% of the membership interests in the following Investment Entities pursuant to that certain Agreement of Sale and Purchase dated as of even date herewith ("Purchase Agreement"): Mack- Cali Campus Realty L.L.C, a New Jersey limited liability company, and Mack-Cali Morris Realty L.L.C., a New Jersey limited liability company. Such Investment Entities own the parcels of real property and the leasehold interest described on Exhibit B attached hereto (each such real property, together with any related leasehold interest, a "Property" and collectively the "Properties", including all improvements thereon and the personal property related thereto that is owned by the applicable Investment Entity). Each Member hereby acknowledges and agrees that all costs and expenses (including without limitation, attorneys' fees and costs) incurred by such Member in connection with this Agreement and (solely as a Member of the Company) the Purchase Agreement, the Management Agreement and the Asset Management Agreement (as such terms are defined in Section 11) shall be borne by such Member.

Except as specifically set forth in this Section 9 or elsewhere in this Agreement or agreed to separately in writing by all of the Members or required by law, (i) none of the Members shall be required or entitled to make any additional capital contributions to the Company, to make loans to the Company, to provide any financing to the Company, or to cause any financing to be made available to

the Company, (ii) the Members shall not have any further liability to contribute money to or in respect of the liabilities or obligations of the Company, and (iii) the Members shall not be liable for any liabilities of the Company. All additional capital contributions will require the approval of both Members (which approval may be withheld in each Member's sole and absolute discretion) and shall be funded by the Members PARI PASSU in their respective Funding Proportions shown on Exhibit A. In the event the Managing Member determines that additional funds are necessary for ordinary and reasonable business purposes of the Company, any Investment Entity or any Property but additional capital contribution for such funds is not approved by both Members and the Managing Member decides to lend such funds (which the Managing Member may but shall not be required to do), the Managing Member shall provide notice to the other Member that the Managing Member intends to lend such funds to the Company as a loan. Within 5 days after receiving such notice from the Managing Member, the other Member shall have the right to participate in such loan in an amount equal to such member's respective Funding Proportion multiplied by the amount of such funds by providing notice thereof (setting forth the percentage of such funds the other Member elects to lend) to the Managing Member. Failure to provide such notice by the other Member to the Managing Member shall be deemed an election by the other Member not to participate, and the Managing Member shall fund the entire loan within 5 days after the other Member's failure to provide such notice. If such a notice is timely given by the other Member to the Managing Member, within 5 days thereafter, the other Member shall fund the percentage of the loan set forth in such notice and the Managing Member shall fund the remainder of the loan. The loans made by the Members to the Company in accordance with this paragraph shall accrue interest at LIBOR plus 200 basis points per annum, compounded monthly, from the date such loans are made until repaid by the Company.

As used in this Agreement, "LIBOR" shall mean, with respect to each LIBOR Reference Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars, for a one-month period, that appears on Telerate Page 3750 (or the successor thereto) as of 11:00 a.m., London, England time, on the related LIBOR Determination Date. If such rate does not appear on Telerate Page 3750 as of 11:00 a.m., London, England time, on such LIBOR Determination Date, LIBOR shall the arithmetic mean of the offered rates (expressed as a percentage per annum) for deposits in U.S. dollars for a one-month period that appear on the Reuters Screen LIBOR Page as of 11:00 a.m., London, England time, on such LIBOR Determination Date, if at least two such offered rates so appear. If fewer than two such offered rates appear on the Reuters Screen LIBOR Page as of 11:00 a.m., London, England time, on such LIBOR Determination Date, SLAB shall request the principal London, England office of each of any four major reference banks in the London interbank market selected by SLAB to provide such bank's offered quotation (expressed as a percentage per annum) to prime banks in the London interbank market for deposits in U.S. dollars for a one-month period as of 11:00 a.m., London, England time, on such LIBOR Determination Date for amounts approximately equal to SLAB Return Amount. If at least two such offered quotations are so provided, LIBOR shall be the arithmetic mean of such quotations. If fewer than two such offered quotations are so provided, SLAB shall request each of any three major banks in New York City selected by SLAB to provide such bank's rate (expressed as a percentage per annum) for loans in U.S. dollars to leading European banks for a one-month period as of approximately 11:00 a.m., New York City time, on the applicable LIBOR Determination Date for amounts approximately equal to the SLAB Return Amount. If at least two such rates are so provided, LIBOR shall be the arithmetic mean of such rates. If fewer than two such rates are so provided, then LIBOR for the applicable LIBOR Reference Period shall be LIBOR as in effect for the next preceding LIBOR Reference Period. LIBOR shall be determined in accordance with this paragraph by SLAB or its designee. Notwithstanding the foregoing, LIBOR for the period commencing on the date hereof and ending January 5, 2000 shall be 6.49% per annum.

As used herein, the term "LIBOR Business Day" shall mean any Business Day on which commercial banks in the City of London, England, are open for interbank or foreign exchange transactions.

As used herein, the term "LIBOR Determination Date" shall mean, with respect to any LIBOR Reference Period, the date that is two (2) LIBOR Business Days prior to the first day of such LIBOR Reference Period.

As used herein, the term "LIBOR Reference Period" shall mean, (i) initially, the period commencing on the date of this Agreement for the Guaranteed Payments and the loan funding date for the Member loans and ending on the first occurring fifth (5th) day of a calendar month thereafter, and (ii) thereafter, a period commencing on the sixth (6th) day of such calendar month and ending on the fifth (5th) day of the following calendar month.

10. CAPITAL ACCOUNTS. An individual capital account shall be maintained for each Member, and tax allocations made pursuant to this Agreement shall be made, in accordance with applicable Treasury Regulations under Section 704 of the Internal Revenue Code of 1986, as amended ("Code"). The Managing Member shall be the "Tax Matters Partner" of the Company and shall be responsible for filing the tax returns of the Company on a timely basis (but no later than May 15 of each year). The Managing Member shall be responsible for complying with any and all reporting requirements on behalf of the Company, including those set forth on Exhibit D. All tax decisions, tax returns and settlements with taxing authorities shall be subject to the reasonable approval of both Members.

11. POWERS AND RESPONSIBILITIES OF THE MEMBERS; PROPERTY MANAGEMENT; ASSET MANAGEMENT FEE; SALE RIGHTS; INDEMNITY.

(a) Subject to the approval rights of the Members under Sections 11(b) and 11(c) and the sale and financing rights of the Members under Section 11(d), and except as otherwise provided herein, the then Managing Member shall have all of the rights, power and authority of a manager in a limited liability company under the Act and the management and operation of the affairs, activities and business of the Company shall be vested exclusively in the Managing Member. The Members hereby authorize the Managing Member to execute all documents and to take all actions as may be necessary or

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desirable on behalf of the Company which are consistent with the Company's purposes, any major decisions approved by the Members under Section 11(b) or 11(c), and any sale or financing decisions made by the applicable Member under Section 11(d). The Members hereby approve the budgets attached hereto as Exhibit E with respect to the Properties (the "Current Budgets") and, subject to the approval rights and the restrictions contained elsewhere in this Agreement, the Managing Member may cause the Investment Entities to make the expenditures described in the Current Budgets (as the same may be modified from time to time by the Managing Member in the exercise of its commercially reasonable business judgment, which modifications, in each instance and in the aggregate, shall not increase the total expenses set forth in the Current Budgets by more than 10% to pay expenditures reasonably required with respect to the Property and provided that such increased expenditures do not prevent the Guaranteed Payments from being made to SLAB under Section 13(c)(1)). The Members also hereby approve that certain Leasing and Management Agreement dated as of December 28, 1999 (collectively, the "Management Agreement") with respect to the Properties and that certain Asset Management Agreement dated as of December 28, 1999 ("Asset Management Agreement") with respect to the Investment Entities and the Properties.

MC shall be the Managing Member until the earlier to occur of the following: (i) MC is removed as the Managing Member under Section 11(e); or (ii) a majority in Residual Percentages (as set forth in Exhibit A) of the Members elects to remove MC as the Managing Member by providing written notice thereof to MC at any time after January 2, 2001.

(b) Subject to the provisions of Section 11(d) but notwithstanding any other provision to the contrary herein, so long as MC is the Managing Member, the following actions and matters are major decisions requiring the reasonable (except as otherwise provided) written approval of the Members (whether in advance in a business plan, budget, or other pre-approval, or at the time of the action in question, as the case may be):

(i) Entering into, approving, terminating or modifying to any material extent the Management Agreement or the Asset Management Agreement (SLAB may withhold its approval to the foregoing actions and matters in this clause (i) in its sole and absolute discretion), or selecting any architect, engineer, broker, leasing agent, property manager, marketing or other consultant, contractor or sales agent for any Property, any Investment Entity or the Company who are not currently providing services to the Investment Entities or the Company or in connection with the Properties in the ordinary course of business;

(ii) Terminating or modifying to any material extent the insurance policies currently maintained by the Investment Entities with respect to the Properties);

(iii) Terminating any leases at any Property (except by reason of a material breach of a tenant thereunder), or entering into, approving or modifying to any material extent any lease at any Property, in each case which is for either more than 25% of the total leaseable space of

the building at issue or more than 40,000 square feet of leaseable space. All new leases shall be on such terms and conditions which are not less favorable to the landlord than those of similar leases entered into at arm's length between unrelated parties for comparable leases of space in the area where the Properties are located;

(iv) Causing or permitting the Company or any Investment Entity to file for bankruptcy or other relief from creditors, including without limitation, an assignment for the benefit of creditors, an admission in writing by any such entity of its inability to pay its debts generally as they become due, causing the Company, a Member's membership interest in the Company, any Investment Entity, the Company's membership interest in any Investment Entity, or any Property or any part thereof or interest therein to be subject to the authority of any trustee, custodian or receiver or to be subject to any proceeding for bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, relief of debtors, dissolution or liquidation or similar proceedings (collectively and singly, "Bankruptcy Action") (SLAB may withhold its approval to all actions and matters in this clause (iv) in its sole and absolute discretion);

(v) Making any distributions except as permitted hereunder, or establishing reserves with respect to a Property in excess of 10% of the annual cash flow from such Property or releasing funds therefrom except in accordance with this Agreement and the reasonable needs of the Company's business (SLAB may withhold its approval to all actions and matters in this clause (v) in its sole and absolute discretion);

(vi) Dissolving, terminating or liquidating the Company or any Investment Entity, or redeeming any interest of any Member, except as provided herein (SLAB may withhold its approval to all actions and matters in this clause (vi) in its sole and absolute discretion);

(vii) Entering into, approving, terminating or modifying the terms of any contracts, agreements, leases and other undertakings with any Member or its affiliates (SLAB may withhold its approval to the foregoing actions and matters in this clause (vii) in its sole and absolute discretion); PROVIDED, HOWEVER, that entering into, approving, terminating or modifying to any material extent any service contracts and other contracts and agreements (not otherwise specifically addressed herein) with non-affiliates shall be permitted without any Member approval so long as such contracts are entered into for reasonable business purposes of the Company or the Investment Entities on bona fide market terms and conditions for comparable goods or services and for the area where the Properties are located. Notwithstanding anything to the contrary contained in this Agreement, to the extent any affiliate of MC is now or hereafter becomes a party to any contract, agreement, lease or other undertaking entered into with the Company or any Investment Entity (including without limitation, the Purchase Agreement, the post-closing agreements in connection therewith, the Management Agreement and the Asset Management Agreement), SLAB, acting alone, shall have the exclusive right and authority on behalf of the Company (A) to exercise termination rights in accordance with the terms of such

document, (B) to enforce and defend the Company's or the applicable Investment Entity's rights (including without limitation, right to seek damages for breach of representations and warranties and enforce indemnities) under such document (including by prosecution or defense of any proceeding or action that it deems necessary or appropriate), and (C) to retain Company or Investment Entity counsel of its choosing in connection with the foregoing at MC's expense. MC shall disclose to SLAB in writing whether any party to a proposed contract, agreement, lease or other undertaking to be entered into with the Company or any Investment Entity is an affiliate of MC promptly after MC becomes aware of such relationship and such proposed contract, agreement, lease or other undertaking, and, in any event (and without limiting the foregoing), prior to the Company's or such Investment Entity's execution of the same. As used in this Agreement, an "affiliate" of a Member shall mean any other individual, corporation, limited liability company, partnership, trust, association or other entity or organization directly or indirectly controlling, controlled by or under common control with such Member. The term "control" or derivatives of same shall mean direct or indirect ownership of more than 50% and/or possession of the power to direct the management policies;

(viii) Acquiring, selling, conveying, exchanging, hypothecating, pledging, encumbering or otherwise transferring all or any portion of or any interest in any Property or Investment Entity (other than pursuant to Section 11(d)), or in any other real property now or hereafter owned by the Company or any Investment Entity (SLAB may withhold its approval to all actions and matters in this clause (viii) in its sole and absolute discretion);

(ix) Performing, or causing to be performed, any construction, repair or rebuilding of any improvements at the Properties (except in an emergency to correct or alleviate any unsafe conditions or except as may be required under any tenant leases); PROVIDED, HOWEVER, that SLAB may withhold its approval in its sole and absolute discretion on decisions to repair or rebuild after a casualty or partial condemnation costing more than $250,000 or to construct any new buildings or increase the size of any existing buildings. If the Members agree to repair or rebuild, any insurance or condemnation proceeds of more than $250,000 shall be placed in an escrow and the Members shall reasonably agree upon the terms and conditions for the release of the proceeds from the escrow in connection with such repair or rebuilding. Any insurance or condemnation proceeds not used to repair or rebuild shall be distributed to the Members pursuant to Section 13;

(x) Except as otherwise provided herein, incurring any indebtedness on behalf of the Company or any Investment Entity (except that the Members hereby approve any reasonable, ordinary and necessary trade payables incurred in the ordinary course of business to non-affiliates of the Managing Member, and payments made, pursuant to non-affiliate contracts which are in effect at the Closing or which are approved by the Members); making, executing or delivering on behalf of the Company or any Investment Entity any indemnity bond or surety bond; lending funds belonging to the Company or any Investment Entity to any person

or entity, or extending any person, firm or corporation credit on behalf of the Company or any Investment Entity; obligating the Company, another Member or any Investment Entity as a surety, guarantor or accommodation party to any obligation, except by endorsing checks for deposit to the Company's or an Investment Entity's accounts in the ordinary course of business, or granting or permitting any lien or encumbrance on any Property other than mechanics' liens for work performed at the Properties (SLAB may withhold its approval to all actions and matters in this clause (x) in its sole and absolute discretion);

(xi) Confessing a judgment against the Company or any Investment Entity; settling or adjusting any claims (including without limitation, insurance claims) against or of the Company or any Investment Entity; consenting to any condemnation awards or settlements; or commencing, defending or discontinuing any legal actions or proceedings involving the Company or any Investment Entity, to the extent such judgment, claims, awards, settlements, actions or proceedings have an aggregate amount in controversy exceeding $250,000 (SLAB may withhold its approval in its sole and absolute discretion with respect to condemnation awards or settlements in excess of 10% of the cost of the Property at issue and with respect to any other actions or matters in this clause (xi) having an aggregate amount in controversy exceeding $1,000,000);

(xii) Submitting binding proposals to, or entering into, approving, terminating or modifying binding agreements with, governmental officials relating to zoning, subdivision, environmental or other land use or entitlement matters (SLAB may withhold its approval to the foregoing actions and matters in this clause (xii) in its sole and absolute discretion; PROVIDED, HOWEVER, that SLAB shall have only reasonable approval rights with respect to binding agreements regarding zoning and entitlement matters related to tenant improvements at the Properties or to landscaping, utility easements, buffers and other similar items and conditions required by the Towns of Hanover or

Parsippany, New Jersey, in connection with obtaining development approvals for adjacent land so long as the Properties are not materially adversely affected thereby; PROVIDED, FURTHER, that any actions taken in order to comply with the applicable zoning and other land use requirements shall not require any approval of SLAB);

(xiii) Possessing, assigning or using funds or other property of the Company or any Investment Entity for other than a Company or Investment Entity purpose (SLAB may withhold its approval to the actions and matters in this clause (xiii) in its sole and absolute discretion);

(xiv) Partitioning all or any portion of any Property, or filing any complaint or instituting any proceeding at law or in equity seeking such partition (SLAB may withhold its approval to the actions and matters in this clause (xiv) in its sole and absolute discretion);

(xv) Purchasing any assets or equipment on behalf of or in the name of the Company or any Investment Entity (except in connection with transfers among Investment Entities under

Section 11(d)) other than those required in the ordinary course of the Company's or such Investment Entity's business (SLAB may withhold its approval to the actions and matters in this clause (xv) in its sole and absolute discretion);

(xvi) Except as otherwise provided in Section 11(d) of this Agreement, entering into, approving, terminating or modifying to any material extent any loan document or loan instrument to which the Company or any Investment Entity is or will be a party or the Company, any Investment Entity or any Property is or will be bound or subject to, or giving any consent, approval or waiver, or making any determination or stipulation, on behalf of the Company or any Investment Entity under any such loan document or instrument (SLAB may withhold its approval to the actions and matters in this clause (xvi) in its sole and absolute discretion);

(xvii) Admitting any new Members or causing or permitting any merger or restructuring of the Company or the Investment Entities (other than pursuant to Section 11(d)) (SLAB may withhold its approval to the actions and matters in this clause (xvii) in its sole and absolute discretion);

(xviii) Modifying or terminating this Agreement or any other Company organizational documents or any organizational documents of any Investment Entity (SLAB may withhold its approval to the actions and matters in this clause (xviii) in its sole and absolute discretion);

(xix) Changing the nature of business or business purpose of the Company or any Investment Entity (SLAB may withhold its approval to the actions and matters in this clause (xix) in its sole and absolute discretion);

(xx) Making any expenditures not in compliance with the Current Budgets, except as the Current Budgets may be modified pursuant to Section 11(a) above (SLAB may withhold its approval to the actions and matters in this clause (xx) in its sole and absolute discretion);

(xxi) Approving the acceptability of any post-closing deliveries under the Purchase Agreement and post-closing adjustments under the Purchase Agreement; and

(xxii) Any other matter that requires the approval of both Members under this Agreement (SLAB may withhold its approval to all such matters in its sole and absolute discretion unless indicated otherwise).

No amount shall be expended by any Member for a major decision without first obtaining the approval of the Members (to the extent such approval is required hereunder at such time). However, the Managing Member may expend reasonable amounts in response to an emergency (which amounts shall be reimbursed by the Company or the Investment Entities, as applicable). Failure to disapprove in writing by a Member within five (5) business days (unless another time period is specified in this

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Agreement) after receiving a written request for approval from the other Member under this Agreement shall be deemed an approval of the action or matter in the request, provided that such request states conspicuously that failure to approve within such time period constitutes such Member's approval. Any request for approval herein shall describe the action or matter to be approved with sufficient specificity to permit a reply, and any approval or disapproval thereof shall set forth the reasons therefor with sufficient specificity to permit a reply.

(c) Subject to the provisions of Section 11(d) but notwithstanding any other provision to the contrary herein, while MC is not the Managing Member, the following actions and matters are major decisions requiring the written approval of MC, which MC may withhold in its sole and absolute discretion:

(i) Causing or permitting the Company or any Investment Entity to file for bankruptcy or other relief from creditors, including without limitation, an assignment for the benefit of creditors, an admission in writing by any such entity of its inability to pay its debts generally as they become due, causing the Company, a Member's membership interest in the Company, any Investment Entity, the Company's membership interest in any Investment Entity, or any Property or any part thereof or interest therein to be subject to the authority of any trustee, custodian or receiver or to be subject to any proceeding for bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, relief of debtors, dissolution or liquidation or similar proceedings;

(ii) Dissolving, terminating or liquidating the Company or any Investment Entity, or redeeming any interest of any Member, except as provided herein;

(iii) Entering into, approving, terminating or modifying to any material extent the terms of contracts, agreements, leases or other undertakings with any affiliates of SLAB. Notwithstanding anything to the contrary contained in this Agreement, to the extent any affiliate of SLAB is now or hereafter becomes a party to any contract, agreement, lease or other undertaking entered into with the Company or any Investment Entity, MC, acting alone, shall have the exclusive right and authority on behalf of the Company (A) to exercise termination rights in accordance with the terms of such document, (B) to enforce and defend the Company's or the applicable Investment Entity's rights under such document (including by prosecution or defense of any proceeding or action that it deems necessary or appropriate), and (C) to retain Company or Investment Entity counsel of its choosing in connection with the foregoing at SLAB's expense. SLAB shall disclose to MC in writing whether any party to a proposed contract, agreement, lease or other undertaking to be entered into with the Company or any Investment Entity is an affiliate of SLAB promptly after SLAB becomes aware of such relationship and such proposed contract, agreement, lease or other undertaking, and, in any event (and without limiting the foregoing), prior to the Company's or such Investment Entity's execution of the same;

(iv) Possessing, assigning or using funds or other property of the Company or any Investment Entity for other than a Company or Investment Entity purpose;

(v) Admitting any new Members or causing or permitting any merger or restructuring of the Company or the Investment Entities (other than pursuant to Section 11(d));

(vi) Modifying or terminating this Agreement or any other Company organizational documents or any organizational documents of any Investment Entity; and

(vii) Changing the nature of business or business purpose of the Company or any Investment Entity.

(d) Notwithstanding any provision to the contrary contained herein (including without limitation, Section 11(b) hereof), the Members shall have the following rights:

(i) From the date of this Agreement and until January 2, 2001 (the "Outside Closing Date"), MC shall have the right, in MC's sole and absolute discretion without the other Member's approval being required, to negotiate, enter into and perform under, on behalf of the Company and/or the Investment Entities, one or more agreements with one or more parties (including MC's affiliates) for the sale, financing or refinancing of one or more Properties and/or Investment Entities (or the ownership interests therein) on any terms and conditions, PROVIDED that: (A) any such transaction closes on or prior to the Outside Closing Date; (B) all accrued and unpaid Guaranteed Payments to SLAB under Section 13(c)(1) must have been made; (C) in the case of sale, a financing or refinancing of all of the Properties or interests therein not previously sold, financed or refinanced under this Section 11(d) (the "Remaining Properties"), the cash sale price received by the Company and the Investment Entities at the closing thereunder or the loan amount received by Company and the Investment Entities must at least be equal to an amount that will result in SLAB receiving, from proceeds of the transaction and previous transactions, the sum of the amounts described in Sections 13(b)(2)(i), 13(b)(2)(ii), and 13(c)(1) hereof (the "SLAB Return Amount"); (D) in the case of sale, a financing or refinancing of less than all of the Remaining Properties, the cash sale price received by the Company and the Investment Entities at the closing thereunder or the loan amount received by Company and the Investment Entities must at least be equal to an amount that will result in SLAB receiving (in addition to all accrued and unpaid Guaranteed Payments), from proceeds of the transaction and distributions under Section 13(b)(i), 102% of the amount(s) set forth for the Property(ies) at issue in Exhibit C; (E) in the case of sale, a financing or refinancing of less than all of the Remaining Properties, the Property(ies) to be sold, financed or refinanced must be owned by a separate Investment Entity(ies) created and maintained as a limited liability company, and the Company and the other Investment Entities must not be subject to any personal liability under such sale, financing or refinancing (and no other assets of the Company or any Investment Entity except those that are the subject of such sale, financing or refinancing shall be subject to the claims of the lender or purchaser in such transaction, whether for debt service, damages or any other amounts), and there must not then exist any monetary breach or any uncured material non-monetary breach by MC hereunder; and (F) in the case of a sale, financing or refinancing of less than all of the Remaining Properties, there must not then exist any uncured monetary or material non-monetary breach by MC hereunder (except that with respect to Section 11(f)(xix) hereof (which shall be determined without regard to whether MC used reasonable commercial efforts and without regard to materiality), the seller under the Purchase Agreement must also have failed to make the deliveries as required by Sections 8.4(c), 8.4(d) and 8.4(e) of the Purchase Agreement) and there must not have been a material adverse change with respect to any of the other Remaining Properties (including without limitation, the value, cash flow or tenancy at any such Property). In transactions described in the immediately preceding clause (F), MC shall provide written notice of same to SLAB at least fifteen (15) business days prior to entering into a binding agreement with respect to such transaction and SLAB shall have the right to determine, in its sole discretion, whether there has been a material adverse change with respect to any of the other Remaining Properties. SLAB's failure to provide written notice of such determination within fifteen (15) business days after its receipt of such notice from MC shall be deemed to be SLAB's determination that there has been no such material adverse change. Except as otherwise provided in this Section 11(d)(i), until the Outside Closing Date, MC shall have the right to perform any act, or execute and deliver any document or instrument, as may be reasonably necessary or appropriate in connection with such transactions without any other Member's approval being required. Notwithstanding the last sentence of Section 11(b)(ix), the purchaser of a Property or interests therein shall be entitled to receive an assignment of any casualty or condemnation proceeds allocable to such Property to the extent not theretofore used to repair, rebuild or replace the Property (and for which the purchaser is not otherwise receiving an appropriate reduction in the purchase price).

(ii) At any time (A) after the Outside Closing Date, if SLAB has not then received the SLAB Return Amount, or (B) MC is in breach of Section 11(f)(xix) hereof (which shall be determined without regard to whether MC used reasonable commercial efforts and without regard to materiality) AND the seller under the Purchase Agreement has failed to make the deliveries as required by Sections 8.4(c), 8.4(d) and 8.4(e) of the Purchase Agreement, a majority in Residual Percentages of the Members (which term, as used herein, shall mean the Members owning greater than 50% of all Residual Percentages in the Company) shall have the right, in its sole and absolute discretion without the approval of any other Member being required, to negotiate, enter into and perform under, on behalf of the Company and/or the Investment Entities one or more agreements with one or more parties (including affiliates of the electing Members) for the sale, financing, refinancing or securitization of one or more Properties and/or Investment Entities (or the ownership interests therein) on any terms and conditions; PROVIDED, HOWEVER, that MC shall have the right to purchase the assets being sold or provide such financing or refinancing (as applicable) on the same terms and conditions, which right MC must exercise by providing written notice thereof to SLAB within 20 days after receiving

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written notice from SLAB setting forth such terms and conditions. MC's failure to provide such notice timely shall be deemed MC's election not to exercise such right. If MC timely exercise such right, the closing shall occur within 30 days thereafter. If MC has not been removed as the Managing Member, MC shall cooperate in connection with the transactions contemplated under this clause (ii). In connection with the sale, financing, refinancing or securitization transactions under this Section 11(d)(ii), a majority in Residual Percentages of the Members shall (1) have the right to perform any act, or execute and deliver any document or instrument, as may be reasonably necessary or appropriate in connection with such transactions without any other Member's approval being required and (2) cause all costs of the foregoing, including without limitation the following due diligence items, if required to be provided by the Company or the Investment Entities in connection with any such transaction, to be paid at the Company expense: engineering reports, Phase I environmental reports, appraisal, title reports, searches and endorsements, surveys, and certificates of occupancy.

(iii) The proceeds (net of transaction costs and expenses) from any sale, condemnation, casualty, financing, refinancing or securitization described in paragraphs (i) and (ii) of this Section 11(d) shall be distributed or paid by the Company as provided in this Agreement.

(iv) In connection with the sale, financing, refinancing or securitization transactions described in paragraphs (i) and (ii) of this Section 11(d), the Member with the right to cause such transactions to occur shall have the right, in such Member's sole and absolute discretion without the other Member's approval being required, to form one or more additional single-member Investment Entities owned by the Company and to cause the existing Investment Entities to transfer one or more Properties which are the subject of such sale, financing, refinancing or securitization to such additional Investment Entities and to transfer the Company's interest in such additional Investment Entities or the Property(ies) owned thereby. Except as otherwise provided in Section 11(d)(i), such Member shall give written notice of any transaction described in this Section 11(d) to the other Member at least ten (10) days prior to causing the Company to enter into such transaction.

(e) No Member (including any Managing Member) shall be liable, responsible or accountable in damages or otherwise to the other Member or the Company or any Investment Entity for any act or omission of such Member on behalf of the Company, except for fraud, gross negligence or material breach of this Agreement. Except as provided in this Section 11(e), the Company shall indemnify and hold harmless each Member (including any Managing Member) and its affiliates from and against any obligations, damages, claims, liabilities, losses, costs or expenses, including reasonable attorneys' fees and costs (collectively, "Claims"), incurred in connection with or arising out of such Member acting as a Member or on behalf of the Company in accordance with this Agreement.

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Each Member shall be liable to the other Member for such other Member's actual damages to the extent caused by any fraud, gross negligence or material breach of this Agreement by the liable Member and not caused by any fraud, gross negligence or material breach of this Agreement by the other Member. As used in the immediately preceding sentence of this paragraph, the term "actual damages" shall: (1) include, without limitation, the costs (including reasonable attorneys' fees and costs) of enforcing the rights of a Member under this Agreement and collecting such damages; and (2) include, without limitation, any and all kinds of damages actually paid by such other Member to unaffiliated third parties (including any consequential, speculative, punitive or special damages actually paid by such other Member to unaffiliated third parties); but

(3) exclude any other consequential, speculative, punitive or special damages. MC hereby agrees to indemnify and hold harmless SLAB and its affiliates from and against any third-party Claims to the extent caused by MC's fraud, gross negligence or material breach of this Agreement and not by SLAB's fraud, gross negligence or material breach of this Agreement. Any amounts payable under this paragraph shall be made immediately upon written demand therefor and shall accrue interest from the date of such demand until paid at the lesser of fifteen percent (15%) per annum or the highest rate permitted by applicable law.

Without limiting the foregoing, upon the occurrence of any of the following, (A) SLAB shall have the right to remove MC as the Managing Member of the Company, (B) any distributions to MC under Section 13(b)(2) (other than its Guaranteed Payments) shall be subordinated to any and all distributions and payments to SLAB hereunder, and (C) SLAB shall have the right to institute reasonable cash management procedures pursuant to which tenants will make payments under their leases directly to a lock box account and SLAB will control all disbursements therefrom:

(i) fraud by MC with respect to the Company, any Investment Entity or any Property or with respect to any transactions contemplated hereunder;

(ii) any gross negligence on the part of MC with respect to any of its duties and obligations hereunder which is not cured to SLAB's reasonable satisfaction within 45 days after receiving written notice of such gross negligence from SLAB;

(iii) failure by MC to use any available cash to make the Guaranteed Payments under Section 13(c)(1) for three (3) consecutive months;

(iv) any monetary default by MC under this Agreement at any time;

(v) any representation or warranty made by seller in the Purchase Agreement (or in any other documents delivered to the Company thereunder) or made by MC in this Agreement shall have been false or misleading in any material respect when made and MC fails to cure (to SLAB's reasonable satisfaction) such breach of representation or warranty within forty five (45) days after MC's receipt of written notice of such breach from SLAB;

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(vi) except as provided in clause (ix) below of this Section, material breach of any non-monetary covenants set forth Section 11(f) (determined without regard to whether MC used its reasonable commercial efforts in connection therewith) or a material breach of any other non-monetary provisions hereof by MC and MC's failure to cure (to SLAB's reasonable satisfaction) such breach within forty five (45) days after MC's receipt of written notice of such breach from SLAB;

(vii) any monetary breach or material non-monetary breach of the Management Agreement by the property manager or the Asset Management Agreement by the asset manager;

(viii) any Bankruptcy Action with respect to MC; and

(ix) breach of Section 11(f)(xix) (determined without regard to whether MC used its reasonable commercial efforts in connection therewith).

Any notice alleging a breach or gross negligence referenced above shall specify the breach or gross negligence with sufficient particularity to permit the cure, and any such cure shall be at the breaching Member's expense. The non-breaching Member may effect such cure at the breaching Member's expense if the breaching Member shall fail to effect such cure timely. If MC is removed (or if a majority in Residual Percentages of the Members is entitled to remove MC) as the Managing Member hereunder, SLAB shall have the right to terminate all agreements and contracts between the Company and any affiliates of MC (including without limitation, the Asset Management Agreement and the Management Agreement).

(f) So long as MC is the Managing Member hereunder, MC shall use reasonable commercial efforts to:

(i) not take any actions that require SLAB's approval under Section 11(b) without first obtaining such approval or otherwise in accordance with Section 11(b);

(ii) not cause or permit any Bankruptcy Action;

(iii) not cause or permit the Company or the Investment Entities to own any encumbered asset other than pursuant to Section 11(d) (financing right);

(iv) not cause or permit the Company or the Investment Entities to engage in any business other than the ownership, management and operation of the Properties and the Investment Entities;

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(v) do all things necessary to preserve the Company's and the Investment Entities' existence and limited liability company formalities;

(vi) conduct and operate the business of the Company and the Investment Entities as presently conducted and operated in material respects;

(vii) not cause or permit the Company or the Investment Entities to be responsible for the debts or obligations of any person or entity other than the Company or the Investment Entities;

(viii) provide prompt written notice to SLAB of any litigation, bankruptcy, administrative or other court or governmental proceedings pending or threatened (in writing) against the Company, any Investment Entity or any Property which might have a material adverse effect;

(ix) not cause or permit the Company to engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under the Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended ("ERISA"). MC further covenants and agrees to deliver to SLAB such certifications or other evidence from time to time throughout the term of this Agreement, as requested by SLAB in its sole discretion, that: (i) the Company is not an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a "governmental plan" within the meaning of Section 3(3) of ERISA; (ii) the Company is not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true:

(1) Equity interests in the Company are publicly offered securities, within the meaning of 29

C.F.R. SECTIONS 2510.3-101(b)(2);

(2) Less than twenty-five percent (25%) of each outstanding class of equity interests in the Company are held by "benefit plan investors" within the meaning of 29 C.F.R. SECTIONS 2510.3-101(f)(2); or

(3) The Company qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. SECTIONS 2510.3- 101(c) or (e) or an investment company registered under The Investment Company Act of 1940.

(x) cause the Company, the Investment Entities and the Properties to comply at all times with all laws, statutes, ordinances, regulations and other governmental or quasi-

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governmental requirements to which the Company or any Investment Entity is subject and with private covenants now or hereafter relating to the ownership, construction, use or operation of the Properties, including, but not limited to, those concerning environmental or ecological requirements;

(xi) keep the Properties free and clear of monetary liens (except pursuant to Section 11(d) or with required approval under Section 11(b));

(xii) cause the Company, the Investment Entities and the property manager under the Management Agreement to take such commercially reasonable actions as may be necessary or appropriate to own and operate the Properties in a professional, diligent and first-class manner;

(xiii) not commit or suffer any waste of the Properties or make or permit to be made any change in the use of the Properties which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Properties, or take or cause to be taken any action that might invalidate or give cause for cancellation of any insurance policy, or do or permit to be done thereon anything that could in any material way impair the value of the Properties;

(xiv) cause the Company, the Investment Entities and the property manager under the Management Agreement to keep and maintain proper and accurate books, records and accounts (separate from those of MC's affiliates or any other person or entity) reflecting all of the financial affairs of the Company and the Investment Entities and all items of income and expense in connection with the operation of the Properties;

(xv) cause the property manager under the Management Agreement and the asset manager under Asset Management Agreement to comply with the terms and conditions of such agreements and not permit a breach thereof by such managers;

(xvi) cause the Company and the Investment Entities to pay promptly all taxes, assessments and other governmental impositions with respect to the Company, the Investment Entities and the Properties;

(xvii) if the Company or the Investment Entities have employees, cause the payment of the salaries and other compensation of such employees (or the proportionate share of such salaries and compensation allocable to the Company and the Investment Entities, as applicable);

(xviii) provide prompt notice to SLAB of any material breach hereunder by MC;

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(xix) maintain (with respect to MC) an "investment grade" rating by Standard Poor's or Moody's or a book value determined in accordance with generally accepted accounting principles (excluding good will and adding back all accumulated depreciation and amortization) of at least $1,500,000,000;

(xx) not cause or permit the Company and the Investment Entities to commingle their funds and other assets with those of any affiliate of MC or any other person or entity; and

(xxi) cause the Company and the Investment Entities to maintain their assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify their individual assets from those of any affiliate of MC or any other person or entity.

12. DETERMINATION OF PROFITS AND LOSSES. The net profits and net losses of the Company shall be as determined for federal income tax purposes for each calendar year. The Members intend that the Company be treated as a partnership for tax purposes and each Investment Entity be treated as a disregarded entity for income tax purposes. The Members hereby agree that they will not cause or permit the Company or any Investment Entity to become a taxable entity. No Member shall under any circumstances be required to pay or restore any portion of the negative balance in its capital account or to repay any portion thereof to the Company, any Company creditor or another Member. No Member may demand the return of its capital contributions, it being intended that all distributions be made pursuant to Section 13 below.

13. ALLOCATION OF INCOME AND LOSSES; DISTRIBUTIONS; GUARANTEED PAYMENTS.

(a) TAX ALLOCATIONS.

(i) Tax losses of the Company for any fiscal period shall be allocated (A) first to MC, until its capital account has been reduced to zero, (B) then to SLAB, until its capital account has been reduced to zero, and (C) then to the Members in accordance with their Residual Percentages.

(ii) Taxable income of the Company for any fiscal period shall be allocated (A) first to SLAB, until SLAB has been allocated an aggregate amount of income under this clause (ii) equal to the amount distributable to SLAB pursuant to Section 13(b)(2)(i) and (B) thereafter to the Members in accordance with their Residual Percentages.

(iii) For purposes of this Section 13(a)(iii), Guaranteed Payments shall not be treated as distributions. On or before April 15 of each year, the Company shall, upon the written request of any Member ("Requesting Member"), pay (to the extent the Company has available funds, determined prior to making distributions for the preceding calendar year), as an advance against future distributions to the Requesting Member under Section 13(b)(1) and

13(b)(2)(iv), (a "Tax Payment Advance") to the Requesting Member an amount equal to the excess of (A) 40% multiplied by the Requesting Member's cumulative allocations of income pursuant to Section 13(a)(ii)(B), over (B) the sum of (x) the Requesting Member's cumulative distributions from the Company under Sections 13(b)(1) and 13(b)(2)(iv) from the date hereof through the end of the preceding calendar year (net of repayments thereof) and (y) the outstanding balance(s) of all the unpaid Tax Payment Advances to such Requesting Member. A copy of any request for a Tax Payment Advance shall be given by the requesting Member to the other Member. Such advance shall not bear interest, and shall be repayable both (A) out of future distributions to the Requesting Member under Sections 13(b)(1) and 13(b)(2)(iv) (such payment to be made by withholding such distributions, with such distributions being deemed to have been distributed to the Requesting Member and then paid by the Requesting Member to the Company), and (B) if earlier, upon the liquidation of the Company or upon demand following the Requesting Member's ceasing for any reason to be a Member hereunder, which payments shall be made from the distributions otherwise payable to such Member in connection with the liquidation. In no event shall the Company be required to borrow money or to sell any asset in order to fund any Tax Payment Advance.

(b) DISTRIBUTIONS.

(1) CASH FLOW FROM OPERATIONS. Distributions of net available cash from any source (other than distributions of sale, casualty, condemnation, loan or securitization proceeds described in Section 11(d)) and proceeds of any other capital transactions remaining after Guaranteed Payments (as defined in and in accordance with Section 13(c) below), expenses, debt service, reserves and capital improvements for any period shall be made as follows, after first repaying any loans made by the Members to the Company and Investment Entities pursuant to Section 9 (loans which have been outstanding the longest shall be repaid first, with any loans that have been outstanding for an equal period being repaid pro rata, in proportion to such loans' respective balances, and with the accrued and unpaid interest being repaid first and then the principal being repaid next) (such excess net available cash, the "Excess Cash Flow"): to the Members, PARI PASSU, 55% to SLAB and 45% to MC; PROVIDED, HOWEVER, that the Managing Member shall have the right to not make the distribution of such Excess Cash Flow distributable to SLAB and hold it in Company reserve earmarked to make the distribution under Section 13(b)(2)(i) (in which case, the amount distributable to SLAB under Section 13(b)(2)(i) shall be reduced by the amount so earmarked when distribution thereof is made to SLAB under Section 13(b)(2)(i)) and distribute such Excess Cash Flow to SLAB as a distribution under Section 13(b)(2)(i) at such time as SLAB would otherwise be entitled to a distribution under Section 13(b)(2)(i).

(2) SALE/REFINANCING PROCEEDS. Distributions of sale, disposition, loan or securitization proceeds described in Section 11(d) (or any insurance or condemnation proceeds not used to repair, rebuild or replace the Properties) and proceeds of any other capital transactions remaining after Guaranteed Payments (as defined in and in accordance with the subsection entitled

"Guaranteed Payments" below in this Section 13), and reasonable, ordinary and necessary expenses being paid in connection therewith shall be made in the following order of priority after first repaying any loans made by the Members to the Company and Investment Entities (loans which have been outstanding the longest shall be repaid first, with any loans that have been outstanding for an equal period being repaid pro rata, in proportion to such loans' respective balances, and with the accrued and unpaid interest being repaid first and then the principal being repaid next):

(i) First, such amounts (including reserved amounts under Section 13(b)(1)) shall be distributed to SLAB until SLAB has received an amount equal to (A) the product of two percent (2%) of SLAB's Capital Contributions times (B) the number of years (commencing with January 1, 2000) during which such Capital Contributions were outstanding (with each partial year treated as a full year) reduced by cash flow paid to SLAB in the 55/45 ratio under Section 13(b)(1) and not held in reserves described in Section 13(b)(1);

(ii) Second, the balance shall be distributed to SLAB to the extent of its Capital Contributions attributable to the Properties as set forth on Exhibit C for which a sale, loan or securitization has occurred and which have not previously been repaid pursuant to this section 13(b)(2)(ii);

(iii) Third, the balance shall be distributed to MC to the extent of its Capital Contributions attributable to the Properties as set forth on Exhibit F for which a sale, loan or securitization has occurred which have not been repaid by distributions to it under this Section 13(b)(2)(iii); and

(iv) Next, the balance shall be distributed to the Members, PARI PASSU, 55% to SLAB and 45% to MC.

(3) LIQUIDATING DISTRIBUTIONS. Upon liquidation of the Company, after all of the Company's debts have been paid, distributions shall be made in accordance with the Members' capital accounts.

(c) GUARANTEED PAYMENTS. The Company shall make guaranteed payments under Code Section 707(c) ("Guaranteed Payments"), on the fifth (5th) day of each calendar month (commencing with February 5, 2000) from available cash from any source, to the Members for the use of their respective capital contributions as follows (with amounts not paid currently being added to the unpaid principal amount of the Guaranteed Payments then owing):

(1) First, to SLAB in an amount equal to SLAB's accrued and unpaid Guaranteed Payments, which shall mean an amount equal to SLAB's capital contributions which have not been repaid by distributions to it under Section 13(b)(2)(ii) multiplied by LIBOR plus 200 basis

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points per annum, compounded monthly (using the rate under Section 9 applicable that month applied to total outstanding balance), until the date the payment is made; and

(2) After making the Guaranteed Payments described in Section 13(c)(1), to MC in an amount equal to MC's accrued and unpaid Guaranteed Payments, which shall mean an amount equal to MC's capital contributions which have not been repaid by distributions to it under Section 13(b)(2)(iii) multiplied by the rate in effect from time to time that is 122% of the rate used in Section 13(c)(1).

14. RESTRICTIONS ON TRANSFER. Neither of the Members shall transfer, assign, pledge or hypothecate any of their respective right, title or interest in the Company, or permit transfers of direct or indirect ownership in such Member without the prior written approval of the other Member, which approval may be granted or withheld in the other Member's sole and absolute discretion, except as may be required by law or by reason of an individual's death, incapacity or divorce, and except as necessary to effect the transactions described in Section 11(d). Nothing in this Section 14 shall be construed to

prohibit or restrict any sale, transfer, assignment, pledge or hypothecation of any stock (or any interests therein) of any publicly-traded entity which directly, indirectly or ultimately owns any interest in any Member, or the transfer of units or partnership interests in Mack-Cali Realty, L.P, or the transfer of any direct or indirect interest in the Company by any Member to its affiliates, or the transfer of any interest in DLJ Mortgage Capital, Inc. No transfer herein shall affect the obligations and liabilities of the transferring party hereunder.

15. WAIVER OF NON-COMPETITION. Each Member hereby acknowledges and agrees that each Member and its affiliates may continue to pursue their existing businesses, including without limitation, acquisition, financing, development, operation, management, leasing of, and investments in, any properties or projects, and the disposition thereof, regardless of whether the same is competitive with the Properties. Each Member further acknowledges and agrees that no Member or any of its affiliates shall be obligated to present any particular investment or business opportunity to the Company or the other Member or its affiliates, even if such opportunity is of a character which, if presented to the Company or the other Member, could be undertaken by the Company or the other Member, and each Member and each of its affiliates shall have the right to acquire for its own account, or to recommend to others, any such opportunity. Notwithstanding any provision to the contrary in this Agreement, MC hereby agrees not to induce any existing tenant at the Properties (while owned by the Company or the Investment Entities owned by the Company) to breach, modify or terminate such tenant's lease at the Properties in favor of a lease at another property owned by MC or its affiliates

16. ACCOUNTANTS AND ATTORNEYS; ENGINEERING REPORTS AND APPRAISALS. PricewaterhouseCoopers shall be the Company's accountants, and the Company may engage any of Battle Fowler LLP, Weil Gotshal & Manges LLP and Farer Siegel & Fersko (with respect to environmental matters) as Company's attorneys. Other accountants may be engaged so long as their engagement is not to perform an audit of the Company's or any Investment Entity's books or to sign tax

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returns for the Company or any Investment Entity (all of which must be done by PricewaterhouseCoopers). Any change of Company accountants, or additional attorneys, shall be subject to the reasonable approval of both Members. The Managing Member shall cause engineering reports and appraisals of the Properties to be prepared at the Company expense within 30 days after the Outside Closing Date.

17. REPRESENTATIONS AND WARRANTIES. Each Member hereby represents and warrants to the other Member as follows:

i. Such Member is duly formed and validly existing under the laws of the jurisdiction of its organization with full power and authority to enter into this Agreement and to conduct its business to the extent contemplated in this Agreement;

ii. This Agreement has been duly authorized, executed and delivered by such Member and constitutes the valid and legally binding agreement of such Member, enforceable in accordance with its terms against such Member, except as such enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws relating to creditors' rights generally, by general equitable principles and by any implied covenant of good faith and fair dealing;

iii. The execution and delivery of this Agreement by such

Member and the performance of its duties and obligations hereunder do not result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement, or any license, permit, franchise or certificate to which such Member is a party or by which it is bound or to which its properties are subject or require any authorization or approval under or pursuant to any of the foregoing, or violate any statute, regulation, law, order, writ, injunction, judgment or decree to which such Member is subject, or require any governmental consent; and

iv. Such Member is relying on such Member's own tax, legal and accounting professionals and consultants in connection with such Member entering into this Agreement.

18. WAIVER OF RIGHT OF PARTITION. Each Member hereby waives all rights to commence an action for the partition of the Company, the Investment Entities or the Company's or the Investment Entities' property.

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19. MEETINGS. Meetings of the Members shall not be required unless requested by any Member by written notice to the Company and the other Member. All Members shall be given written notice of any meeting of the Company at least twenty (20) days prior to any such meeting by the Member requesting such meeting. Any meetings shall be held at the record-keeping office of the Company or at any other reasonably convenient location within New York City or New Jersey as the requesting Member may reasonably approve and specify in such notice.

20. COUNTERPARTS. This Agreement may be executed in counterparts and execution and delivery by facsimile transmission is authorized for all purposes.

21. NOTICES. Any notices or solicitations of approval required or permitted to be given under the terms of this Agreement shall be in writing and shall be deemed to have been given when (i) personally delivered with signed receipt obtained, (ii) when transmitted by facsimile machine, with printed confirmation of successful transmission to the facsimile machine number set forth in the appropriate address listed below being obtained by the sender from the sender's facsimile machine or telephonically from the addressee, or (iii) when deposited in the United States first class mail if sent postage prepaid by registered or certified mail, return receipt requested, in each case addressed as follows:

IF TO MC:

c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016
with separate notices to the attention of:
Mr. Mitchell E. Hersh
Tel: (908) 272-8000
Fax: (908) 272-6755
and
Roger W. Thomas, Esq.
Tel: (908) 272-2612
Fax: (908) 497-0485

with a copy to:

Battle Fowler LLP
75 East 55th Street
New York, New York 10022
Attn: Richard L. O'Toole, Esq.
Leslie H. Loffman, Esq.
Tel: (212) 856-7000

Fax: (212) 856-7810

and to:

Battle Fowler LLP
2049 Century Park East, Suite 2350
Los Angeles, California 90067
Attn: Sanford C. Presant, Esq.
Sung H. Shin, Esq.
Tel: (310) 788-3000
Fax: (310) 277-0336

IF TO SLAB:

SLAB Investments Holding, Inc.
c/o Donaldson, Lufkin & Jenrette
277 Park Avenue
New York, New York 10172
with separate notices to the attention of:
Mr. John Bricker
Tel: (212) 892-2657
Fax: (212) 892-6101
and
Mr. Dante LaRocca
Tel: (212) 892-4964
Fax: (212) 892-6101

and
280 Park Avenue, 5th Floor
New York, New York 10172
Attn: Mr. Mark Competiello
Tel: (212) 892-4939
Fax: (212) 892-4955

with a copy to:

Weil Gotshal & Manges
767 Fifth Avenue
New York, New York 10153
Attn: J. Philip Rosen, Esq.
Larry Gelbfish, Esq.
Tel: (212) 310-8000
Fax: (212) 310-8007

The time to respond to any notice shall commence to run on the date of delivery at the appropriate addresses (or attempted delivery if delivery is refused during normal business hours).

22. ATTORNEYS' FEES. In the event a party hereto files any action, lawsuit or other legal proceeding against another party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, the prevailing party in such proceeding will be entitled to have and recover certain fees from the other party including all reasonable attorneys' fees and costs resulting therefrom.

23. SET-OFF. In addition to any rights and remedies of the Members provided by law, each Member shall have the right, without prior notice to the Company (with such notice being expressly waived by the Company to the extent permitted by law) upon any Bankruptcy Action with respect to the Company or any Investment Entity, to set-off and apply against any amounts owed to such Member, any amounts owing from such Member to the Company, at or at any time after the occurrence of such Bankruptcy Action, and the aforesaid right of set-off may be exercised by such Member against the Company or against any trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver or execution, judgment or attachment creditor, or anyone else claiming through or against the Company, notwithstanding that such right of set-off shall not have been exercised by such Member prior to the making, filing, issuance or service upon such Member of, or of notice of, any such Bankruptcy Action.

24. CONSTRUCTION. Headings at the beginning of each section or subsection are solely for the convenience of the parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. All exhibits, schedules and other attachments hereto are incorporated as a part of this Agreement by this reference. This Agreement shall be interpreted using New Jersey law (without regard to conflict of law provisions). As used herein, the words "lease," "tenant" and any derivatives thereof shall also include subleases and subtenants, as the context permits or requires.

25. SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other conditions and

provisions of this Agreement will nevertheless remain in full force and effect, so as to cause the economic substance of the transactions contemplated hereby not to be affected in any adverse manner to either party.

26. SOLE DISCRETION. In any instance in this Agreement in which a Member (including the Managing Member) may act in its sole discretion, such sole discretion means the sole, absolute and unfettered discretion of such Member, without any express or implied obligation or duty of good faith.

27. PRESS RELEASES. Before either Member discloses in writing to any third party any of the terms and conditions of this Agreement (or the transaction contemplated hereby), such Member shall provide a copy of such writing to the other Member for its review and comment (but not its approval). Either Member may request a meeting to discuss any such writing.

[signatures follow]

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

SLAB INVESTMENTS HOLDING, INC.,
a Delaware corporation

By:

John Bricker, its Vice President

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

By: Mack-Cali Realty Corporation,
a Maryland corporation,
its general partner

By:

Roger W. Thomas,
its Executive Vice President

[END OF SIGNATURES]

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EXHIBIT A

CAPITAL CONTRIBUTIONS; FUNDING PROPORTIONS;
AND RESIDUAL PERCENTAGES

MEMBER	CAPITAL CONTRIBUTIONS	FUNDING PROPORTIONS	RESIDUAL PERCENTAGES
MC	$ 68,400,000	45%	45%
SLAB	$ 83,600,000	55%	55%
Total:	$ 152,000,000	100%	100%

A-1

EXHIBIT B

LEGAL DESCRIPTION

[see attached]

B-1

EXHIBIT C

SLAB ALLOCATION OF CAPITAL CONTRIBUTIONS

[see attached]

C-1

EXHIBIT D

REPORTING REQUIREMENTS

1. GOVERNMENTAL REPORTS; MEETINGS. MC shall, at Company expense, use reasonable efforts to cause to be prepared and timely filed with appropriate federal, state and foreign regulatory and administrative bodies, all reports required to be filed with such entities under then current applicable laws, rules and regulations, subject to the reasonable approval of the Members. Such reports shall be prepared on the accounting or reporting basis required by such regulatory bodies. Each Member shall be provided with a copy of any such report.

2. ACCESS; AUDIT. Each Member shall permit any other Member to review and copy, during normal business hours at the office of the Company, all Company financial records and information. Each Member shall have the right to have such records and information audited at Company expense; PROVIDED, HOWEVER, if such audit reveals material errors or omissions in such records and information due to actual fraud or misappropriation of funds by any Member, such Member shall reimburse the Company for the expense of audit. MC shall maintain (at the office of the Company) reports required or otherwise prepared and delivered hereunder, copies of which shall be furnished to each Member when available, at the Company's expense, together with (upon request from any Member) such supplementary records and reports as are necessary to reflect the allocation among the Members of the tax items and distributions of the Company shown on any reports furnished (or required to be furnished) to the Members under this Agreement. MC shall promptly provide any and all records, reports and information regarding the Company, any Investment Entity or any Property requested by SLAB from time to time to the extent such records, reports and information are in MC's possession or control.

3. FINANCIAL AND STATUS REPORTS. (a) MC shall cause the following reports to be issued at Company expense:

(i) MC shall use reasonable efforts to cause to be issued to the Members, at Company expense, audited annual financial reports (except for year 1999, which may be unaudited but certified by MC) within 90 days following the close of each year (including a balance sheet and income and expense statements, showing sources and uses of funds, cash on hand, distributions, changes in financial position, tax information, unpaid Guaranteed Payments, fees under the Asset Management Agreement and the Management Agreement, Capital Contributions, and unrepaid Member loans on a Member-by-Member basis). Such financial reports shall be prepared using GAAP; and

(ii) MC shall use reasonable efforts to cause to be issued to the Members quarterly unaudited financial reports, in reasonable detail and certified by the Managing Member, within 40 days after the close of each calendar quarter other than the fourth quarter of each year

(commencing with the calendar quarter ending on March 31, 2000), internally prepared by MC and reviewed by the Company's accountants, including a balance sheet and income and expense statements (showing receipts on a tenant-by-tenant basis, and material defaults, to the extent requested by either MC or SLAB upon reasonable notice), sources and uses of funds, cash on hand, distributions, changes in financial position, unpaid Guaranteed Payments, Asset Management Fees, Capital Contributions, and unrepaid Member loans.

(b) In preparing reports required under this Agreement, MC may rely on information furnished by third parties (including property managers and accountants) to the extent that it is reasonable to do so.

EXHIBIT E

CURRENT BUDGETS

[MACK-CALI TO PROVIDE TO DLJ FOR APPROVAL]

EXHIBIT F

MC ALLOCATION OF CAPITAL CONTRIBUTIONS

[see attached]

F-1

EX-21
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EXHIBIT 21

Exhibit 21

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
11 COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
12 SKYLINE ASSOCIATES L.L.C.	NY
120 PASSAIC STREET LLC	NJ
1717 REALTY ASSOCIATES L.P.	NJ
20 COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
300 TICE REALTY ASSOCIATES L.L.C.	NJ
300 TICE REALTY ASSOCIATES L.P.	NJ
400 PRINCETON ASSOCIATES L.L.C.	NJ
400 PRINCETON ASSOCIATES, L.P.	NJ
400 RELLA REALTY ASSOCIATES L.L.C.	NY
500 COLUMBIA TURNPIKE ASSOCIATES L.L.C.	NJ
600 PARSIPPANY ASSOCIATES L.L.C.	NJ
600 PARSIPPANY ASSOCIATES L.P.	NJ
78 PINSON PARTNERS L.L.C.	NJ
795 FOLSOM REALTY ASSOCIATES L.P.	CA
9060 EAST VIA LINDA CO., LTD.	AZ
AIRPORT PROPERTIES ASSOCIATES LLC	NJ
BMP SOUTH REALTY L.L.C.	NJ
BRANDEIS BUILDING INVESTORS L.L.C.	NE
BRANDEIS BUILDING INVESTORS, L.P.	DE

BRIDGE PLAZA ASSOCIATES L.L.C.	NJ

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
BRIDGE PLAZA REALTY ASSOCIATES L.P.	NJ
C.W. ASSOCIATES L.L.C.	NJ
CAL-HARBOR II & III URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR IV URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR NO. PIER URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR SO. PIER URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR V URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR VI URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-HARBOR VII URBAN RENEWAL ASSOCIATES L.P.	NJ
CAL-TREE REALTY ASSOCIATES L.P.	PA
CALI AIRPORT REALTY ASSOCIATES L.P.	PA
CALI HARBORSIDE (FEE) ASSOCIATES L.P.	NJ
CALI HARBORSIDE PLAZA I (FEE) ASSOCIATES L.P.	NJ
CALI PENNSYLVANIA REALTY ASSOCIATES L.P.	PA
CALI PROPERTY HOLDINGS I, L.P.	DE
CALI PROPERTY HOLDINGS II, L.P.	DE
CALI PROPERTY HOLDINGS III, L.P.	DE
CALI PROPERTY HOLDINGS IV, L.P.	DE
CALI PROPERTY HOLDINGS IX, L.P.	MD
CALI PROPERTY HOLDINGS V, L.P.	DE
CALI PROPERTY HOLDINGS VI, L.P.	DE
CALI PROPERTY HOLDINGS VII, L.P.	DE
CALI PROPERTY HOLDINGS VIII, L.P.	DE
CALI PROPERTY HOLDINGS X, L.P.	DE

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
CALI-GROVE STREET URBAN RENEWAL ASSOCIATES L.P.	NJ
CENTURY PLAZA ASSOCIATES L.L.C.	NJ
COLLEGE ROAD REALTY L.L.C.	NJ
COMMERCENTER REALTY ASSOCIATES L.L.C.	NJ
COMMERCENTER REALTY ASSOCIATES L.P.	NJ
CROSS WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
D.B.C. REALTY L.L.C.	NJ
ELMSFORD REALTY ASSOCIATES L.L.C.	NY
FIVE SENTRY REALTY ASSOCIATES L.P.	PA
GROVE STREET ASSOCIATES OF JERSEY CITY LIMITED PARTNERSHIP	NJ
HORIZON CENTER REALTY ASSOCIATES L.L.C.	NJ
HORIZON CENTER REALTY ASSOCIATES L.P.	NJ
HORIZON CENTER REALTY L.L.C.	NJ
JUMPING BROOK REALTY ASSOCIATES L.L.C.	NJ
JUMPING BROOK REALTY ASSOCIATES L.P.	NJ
KEMBLE-MORRIS, LLC	NJ
LINWOOD REALTY L.L.C.	NJ
M-C CALIFORNIA SERVICES, INC.	DE
M-C CAPITOL ASSOCIATES L.L.C.	DE
M-C HARSIMUS PARTNERS L.L.C.	NJ
M-C HARSIMUS PARTNERS L.P.	NJ

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION

M-C PENN MANAGEMENT CORP.	DE
M-C PROPERTIES CO. REALTY L.L.C.	NJ
M-C ROCKLAND PARTNERS L.P.	NY
M-C TEXAS MANAGEMENT L.P.	TX
MACK-CALI ARIZONA CORPORATION	DE
MACK-CALI B PROPERTIES, L.L.C.	NJ
MACK-CALI BEARDSLEY LIMITED PARTNERSHIP	AZ
MACK-CALI BRIDGEWATER CO., L.P.	NJ
MACK-CALI BUILDING V ASSOCIATES L.L.C.	NJ
MACK-CALI CALIFORNIA DEVELOPMENT ASSOCIATES L.P.	CA
MACK-CALI CALIFORNIA PARTNERS L.P.	CA
MACK-CALI CAMPUS REALTY L.L.C.	NJ
MACK-CALI CENTURY III INVESTORS L.L.C.	IA
MACK-CALI CENTURY III INVESTORS, L.P.	DE
MACK-CALI CHESTNUT RIDGE, L.L.C.	NJ
MACK-CALI CW REALTY ASSOCIATES L.L.C.	NY
MACK-CALI D.C. MANAGEMENT CORP	DE
MACK-CALI EAST LAKEMONT L.L.C.	NJ
MACK-CALI F PROPERTIES L.P.	NJ
MACK-CALI GLENDALE LIMITED PARTNERSHIP	AZ
MACK-CALI METROPOLITAN, LTD.	FL
MACK-CALI MID-WEST REALTY ASSOCIATES L.L.C.	NY
MACK-CALI MORRIS REALTY L.L.C.	NJ
MACK-CALI NORTH HILLS L.L.C.	NY

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
MACK-CALI PROPERTIES CO. #3 L.P.	NJ
MACK-CALI PROPERTIES CO. NO. 11, L.P.	NY
MACK-CALI PROPERTY TRUST	MD
MACK-CALI REALTY ACQUISITION CORP.	DE

MACK-CALI REALTY CONSTRUCTION CORPORATION	NJ
MACK-CALI REALTY L.P.	DE
MACK-CALI SERVICES, INC.	NJ
MACK-CALI SO. WEST REALTY ASSOCIATES L.L.C.	NY
MACK-CALI STAMFORD REALTY ASSOCIATES, L.P.	CT
MACK-CALI SUB I, INC.	DE
MACK-CALI SUB II, INC.	DE
MACK-CALI SUB III, INC.	DE
MACK-CALI SUB IV, INC.	DE
MACK-CALI SUB IX, INC.	DE
MACK-CALI SUB V, INC.	DE
MACK-CALI SUB VI, INC.	DE
MACK-CALI SUB VII, INC.	DE
MACK-CALI SUB VIII, INC.	DE
MACK-CALI SUB X, INC.	DE
MACK-CALI SUB XI, INC.	DE
MACK-CALI SUB XII, INC.	DE
MACK-CALI SUB XIII, INC.	DE

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
MACK-CALI SUB XIV, INC.	DE
MACK-CALI SUB XIX, INC.	DE
MACK-CALI SUB XV, INC.	DE
MACK-CALI SUB XVI, INC.	DE
MACK-CALI SUB XVII, INC.	DE
MACK-CALI SUB XVIII, INC.	DE
MACK-CALI SUB XX, INC.	DE
MACK-CALI SUB XXI, INC.	DE
MACK-CALI SUB XXII, INC.	DE

MACK-CALI SUB XXIII, INC.	DE
MACK-CALI TEXAS PROPERTY L.P.	TX
MACK-CALI WILLOWBROOK COMPANY L.P.	NJ
MACK-CALI WOODBRIDGE II L.P.	NJ
MACK-CALI WP REALTY ASSOCIATES L.L.C.	NY
MACK-CALI-B PROPERTIES L.P.	NJ
MACK-CALI-R COMPANY NO. 1 L.P.	NJ
MAIN-MARTINE MAINTENANCE CORP.	NY
MANHASSET ASSOCIATES L.L.C.	NY
MARTIN AVENUE REALTY ASSOCIATES L.L.C.	NY
MC-CAP L.L.C.	DE
MID-WEST MAINTENANCE CORP.	NY
MID-WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
MONMOUTH/ATLANTIC REALTY ASSOCIATES L.L.C.	NJ
MONMOUTH/ATLANTIC REALTY ASSOCIATES L.P.	NJ
MOORESTOWN REALTY ASSOCIATES L.L.C.	NJ

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
MOORESTOWN REALTY ASSOCIATES L.P.	NJ
MORRISTOWN TEN	NJ
MOUNT AIRY REALTY ASSOCIATES L.L.C.	NJ
MOUNT AIRY REALTY ASSOCIATES L.P.	NJ
MOUNTAINVIEW REALTY L.L.C.	NJ
OFFICE ASSOCIATES L.L.C.	NJ
OFFICE ASSOCIATES, LTD.	NJ
ONE SYLVAN REALTY, L.L.C.	NJ
PARSIPPANY CAMPUS REALTY ASSOCIATES L.L.C.	NJ
PARSIPPANY CAMPUS REALTY ASSOCIATES L.P.	NJ
PHELAN REALTY ASSOCIATES L.P.	CA

PRINCETON CORPORATE CENTER REALTY ASSOCIATES L.L.C.	NJ
PRINCETON CORPORATE REALTY ASSOCIATES L.P.	NJ
PRINCETON OVERLOOK REALTY L.L.C.	NJ
ROSELAND II L.L.C.	NJ
ROSELAND II LIMITED PARTNERSHIP	NJ
ROSELAND OWNERS ASSOCIATES L.L.C.	NJ
SHELTON REALTY ASSOCIATES L.P.	CT
SIX COMMERCE DRIVE ASSOCIATES L.L.C.	NJ
SKYLINE REALTY L.L.C.	NY

SUBSIDIARY	STATE OF INCORPORATION OR ORGANIZATION
SO. WESTCHESTER REALTY ASSOCIATES L.L.C.	NY
SOUTH-WEST MAINTENANCE CORP.	NY
STEVENS AIRPORT REALTY ASSOCIATES L.P.	PA
TALLEY MAINTENANCE CORP.	NY
TALLEYRAND REALTY ASSOCIATES L.L.C.	NY
TENBY CHASE APARTMENTS L.L.C.	NJ
THE GROVE STREET URBAN RENEWAL CORP.	NJ
THE HORIZON CENTER PROPERTY OWNERS ASSOCIATION, INC.	NJ
U.S. UTILIPRO SOLUTIONS L.L.C.	DE
UTILIPRO SOLUTIONS, INC.	NJ
VAUGHN PARTNERS L.L.C.	NJ
VAUGHN PRINCETON ASSOCIATES L.L.C.	NJ
VAUGHN PRINCETON ASSOCIATES L.P.	NJ
WEST-AVE. MAINTENANCE CORP.	CT
WESTAGE REALTY L.L.C.	NY
WHITE PLAINS REALTY ASSOCIATES L.L.C.	NY

EX-23
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EXHIBIT 23

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-3 (Nos. 333-19101, 33-96542, 333-09081, 333-09875, 333-25475, 333-44433, 333-44441, 333-57103, 333-69029, 333-71133 and 333-80077) and the Registration Statements on Form S-8 (Nos. 333-80081, 333-18275, 33-91822, 33-19831, 333-32661 and 333-44443) of Mack-Cali Realty Corporation of our report dated February 22, 1999, appearing in this Form 10-K.

PricewaterhouseCoopers LLP
New York, New York
February 23, 2000

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