

MACK-CALI REALTY CORPORATION
SECOND AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

PURPOSE

There shall be an Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Mack-Cali Realty Corporation, a Maryland corporation (the “Company”). The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through: 1) overseeing management’s conduct of the Company’s financial reporting process and systems of internal accounting and financial controls, including the Company’s internal audit function; 2) monitoring the integrity of the financial statements of the Company; 3) monitoring the independence and performance of the Company’s independent auditor; 4) providing an avenue of communication among the independent auditor, management and the Board; and 5) monitoring compliance by the Company with legal and regulatory requirements.

COMPOSITION AND MEETINGS

The Committee shall have at least three (3) members at all times, each of whom must be independent of management and the Company. The members of the Committee shall be considered independent if they meet the independence and experience requirements of the New York Stock Exchange (the “NYSE”), Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (the “Commission”). Committee members shall not serve on the audit committees of more than two other public companies.

Members of the Committee shall be appointed by the Board and shall serve until the earlier to occur of the date on which he or she shall: 1) be replaced by the Board; 2) resign from the Committee; or 3) resign from the Board. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements or be able to do so within a reasonable period of time after appointment to the Committee. At least one member of the Committee shall be a financial expert as defined by the Commission and at least one member (who also may serve as the financial expert) shall have accounting or related financial management expertise in accordance with NYSE listing standards.

The Committee shall meet as frequently as circumstances dictate and as it deems necessary to fulfill its responsibilities, but no less than four times annually. The Committee shall meet regularly in executive session without management present. The Committee shall meet periodically with management, the internal auditor (if established) and the independent auditor in separate executive sessions to oversee and review their respective performance. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Board shall name a chairperson of the Committee, who shall prepare and/or approve an agenda in advance of each meeting. A majority of the members of the Committee shall constitute a quorum.

RESPONSIBILITIES AND DUTIES

The Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to stockholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall be engaged by and report directly to the Committee.

The Committee shall pre-approve all auditing services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit.

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.

The Committee shall make regular reports to the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review the Committee's own performance.

Specifically, the Committee, to the extent it deems necessary or appropriate, shall:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditor the Company's annual and quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and any material changes in accounting principles or practices used in preparing the statements prior to the filing of a report on Form 10-K or 10-Q with the Commission. Such review must include the items required by SAS 61 as in effect at that time in the case of the annual statements and SAS 71 as in effect at that time in the case of the quarterly statements. During such review, or otherwise, the Committee shall work to resolve any disagreements between management and the independent auditor regarding financial reporting.

2. Based upon a review and discussion with management and the independent auditor, recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.
3. Prepare the report required by the rules of the Commission to be included in the Company's annual proxy statement.
4. Review and discuss with management and the independent auditor management's report on internal control over financial reporting and the independent auditor's attestation of the report prior to the filing of the Annual Report on Form 10-K.
5. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
6. Review and discuss quarterly reports with the independent auditor, focusing on:
 - (a) All critical accounting policies and practices to be used.
 - (b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
 - (c) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
7. Review and discuss with management the Company's policies regarding earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP financial information, as well as financial information and earnings guidance provided to analysts and rating agencies.
8. Discuss with management and the independent auditor the effect of off-balance sheet structures on the Company's financial statements.

9. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
10. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
11. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Oversight of the Company's Relationship with the Independent Auditor

12. Appoint, determine the compensation of, and make decisions regarding the retention or termination of, the Company's independent auditor engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company.
13. Oversee the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting).
14. Pre-approve all auditing services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit, or, to the extent permitted by applicable laws, rules, regulations and standards, delegate the authority to pre-approve such services to one or more members of the Committee, who shall report any decision to pre-approve any services to the full Audit Committee at its regularly scheduled meetings.
15. Report the pre-approval of any permitted non-audit services to management for disclosure in the Company's periodic reports.
16. Review with the independent auditor the scope of the prospective audit, the planning and staffing of the audit, the estimated fees therefor and such other matters pertaining to such audit as the Committee may deem appropriate.

17. Receive and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the independent auditor's independence, and taking into account the opinions of management and the internal auditor. The Committee shall present its conclusions with respect to the independent auditor to the Board.
18. Receive from the independent auditor the report required by Independence Standards Board Standard No. 1 as in effect at that time and discuss it with the independent auditor.
19. Review and evaluate the lead partner of the independent auditor team. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
20. Establish clear policies that comply with all applicable laws, rules, regulations and standards for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.
21. Discuss with the national office of the independent auditor issues on which they were consulted by the Company's audit team and matters of audit quality and consistency.
22. Review and consider whether the provision by the independent auditor of any permitted non-audit services is compatible with maintaining their independence; review and approve the non-audit fees of the independent auditor; and review with them any questions, comments or suggestions they may have relating to the internal controls, accounting practices or procedures of the Company or its subsidiaries, and any audit problems or difficulties and management's response.

Oversight of the Company's Internal Audit Function (Applicable Following the Establishment, If Any, of an Internal Audit Function)

23. Review the appointment and replacement of the internal auditing personnel.
24. Review the significant reports to management prepared by the internal auditing personnel and management's responses.
25. Discuss with the independent auditor and management the internal audit personnel's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
26. Review, at least annually, the then current and future programs of the Company's internal audit personnel, including the procedure for assuring implementation of accepted recommendations made by the independent auditor; and review any issues that arise regarding the performance of the Company's internal audit function and the significant matters contained in these internal audit personnel reports.
27. Make or cause to be made, from time to time, such other examinations or reviews as the Committee may deem advisable with respect to the adequacy of the systems of internal controls and accounting practices of the Company and its subsidiaries and with respect to current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.

Compliance Oversight Responsibilities

28. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.
29. Review the status of compliance with laws, regulations, and internal procedures, contingent liabilities and risks that may be material to the Company, the scope and status of systems designed to assure Company compliance with laws, regulations and internal procedures, through receiving reports from management, legal counsel and other third parties as determined by the Committee on such matters, as well as major legislative and regulatory developments which could materially impact the Company's contingent liabilities and risks.
30. Establish and maintain procedures for the confidential and anonymous receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

31. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
32. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.
33. Engage independent outside advisors, including experts in particular areas of accounting and independent counsel, as appropriate or necessary to fulfill the responsibilities of the Committee. The Committee has the sole authority, in its capacity as a committee of the Board, to determine and provide for the appropriate funding for any advisors employed by the Committee.
34. Report regularly to the Board as to the Committee's accomplishments of its purposes and responsibilities.
35. Conduct an annual performance evaluation of the Committee.

LIMITATION OF COMMITTEE'S ROLE

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

REPORT

The Committee shall prepare a report each year concerning its compliance with this Charter for inclusion in the Company's proxy statement relating to the election of directors.

Adopted: September 14, 2004